

Front and back cover  
Mt Bevan Magnetite Project, WA

Above  
Magnetite Diamond core

Right  
Mt Bevan Magnetite Project, WA

Below left  
Ironstone quartz outcrop

Below right  
Site Geotech

Inside back cover  
Mt Bevan Magnetite Project, WA





# HAWTHORN RESOURCES LIMITED

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#### **SNAPSHOT OF HAWTHORN**

*The Company (ASX:HAW) is a multifaceted explorer and minerals producer in Western Australia. Its primary focus has been gold exploration and production at Pinjin but more recently magnetite and critical minerals - copper, lithium and nickel exploration have become the focus. Significant new joint ventures with Hancock Prospecting and Legacy Iron Ore (ASX:LCY) were announced in 2022 and 2023 on our Mt. Bevan tenement, firstly for magnetite (iron ore) and more recently for critical minerals, primarily lithium pegmatites along the Mt. Ida fault.*

*As a result of these new joint ventures, HAW is well placed to capitalise on the emerging electrification revolution for minerals and meet its decarbonisation aspirations on behalf of shareholders with 2 significant global partners.*

*Hawthorn retains its interest in the gold sector with its 70% ownership and management of the high-grade Anglo-Saxon mine at Pinjin.*

# **HAWTHORN RESOURCES LIMITED**

**ABN 44 009 157 439**

## **Corporate Directory**

### **DIRECTORS**

Li, Yijie	Non-executive Director/Chairman
Brian Thornton	Managing Director/CEO
Liao, Yongzhong	Non-executive Director
Liu, Zhensheng	Non-executive Director
Joseph Corrigan	Non-executive Director

### **COMPANY SECRETARY**

Glenn Fowles

### **CHIEF FINANCIAL OFFICER**

Tony Amato

### **REGISTERED OFFICE**

Level 23, Rialto Tower South, 525 Collins Street, Melbourne, Victoria 3000 Australia

Phone: +61 3 9605 5901

Email: [info@hawthornresources.com](mailto:info@hawthornresources.com)

Web: <http://www.hawthornresources.com>

### **SHARE REGISTRY**

Link Market Services Ltd  
Tower 4, 727 Collins Street  
Melbourne VIC 3008  
+ 61 1300 554 474

### **AUDITORS**

Connect National Pty Ltd  
Level 14, 333 Collins Street  
Melbourne VIC 3000

### **SOLICITORS**

Thomson Geer  
Rialto Towers, 525 Collins Street  
Melbourne VIC 3000

### **BANKERS**

National Australia Bank  
Level 1, 99 Bell Street  
Preston VIC 3072



## **MANAGING DIRECTOR'S REPORT**

On behalf of the Chairman and the Directors of Hawthorn Resources Limited (Hawthorn), I present the Annual Report of the Company for the financial year ending 30 June 2023.

This year has been among the most eventful since the company was founded, with the emergence of 2 next generation critical minerals projects, namely magnetite and lithium at Mt Bevan in the Central Yilgarn of Western Australia. Concurrently, the business underwent a substantial restructure at Board and corporate level as the company embraced the new challenges and cost pressures facing the resources sector.

With respect to Mt Bevan, whilst we have been aware of the potential of our magnetite joint venture with Legacy Iron Ore Limited (Legacy) (ASX: LCY) for some time, it has been the global focus on decarbonisation of steel and the production of 'cleaner steel' that has attracted our new joint venture partner, Hancock Prospecting to the project.

Fortuitously, lithium pegmatites have also been discovered on our adjoining tenement at Mt Bevan, along strike from the Delta Lithium Limited's (Delta) (ASX: DLI) discovery on the fertile Mt Ida fault. This area, adjacent to our current magnetite resource, is now subject to an additional farm in agreement with Hancock and our existing partner Legacy.

### **Mt Bevan Magnetite Project**

Hancock Prospecting and their iron ore mining group Atlas Mining have farmed into the Mt Bevan magnetite project with Hawthorn Resources and Legacy. The project is located 250 kms north of Kalgoorlie and 100 kms west of Leonora in the Central Yilgarn of Western Australia.

Hancock acquired an initial 30% equity interest in the Mt Bevan JV by a cash payment of \$8million; \$3.2 million was paid to Hawthorn, \$4.8 million to Legacy and payment of a further \$1 million into the JV's bank account for working capital.

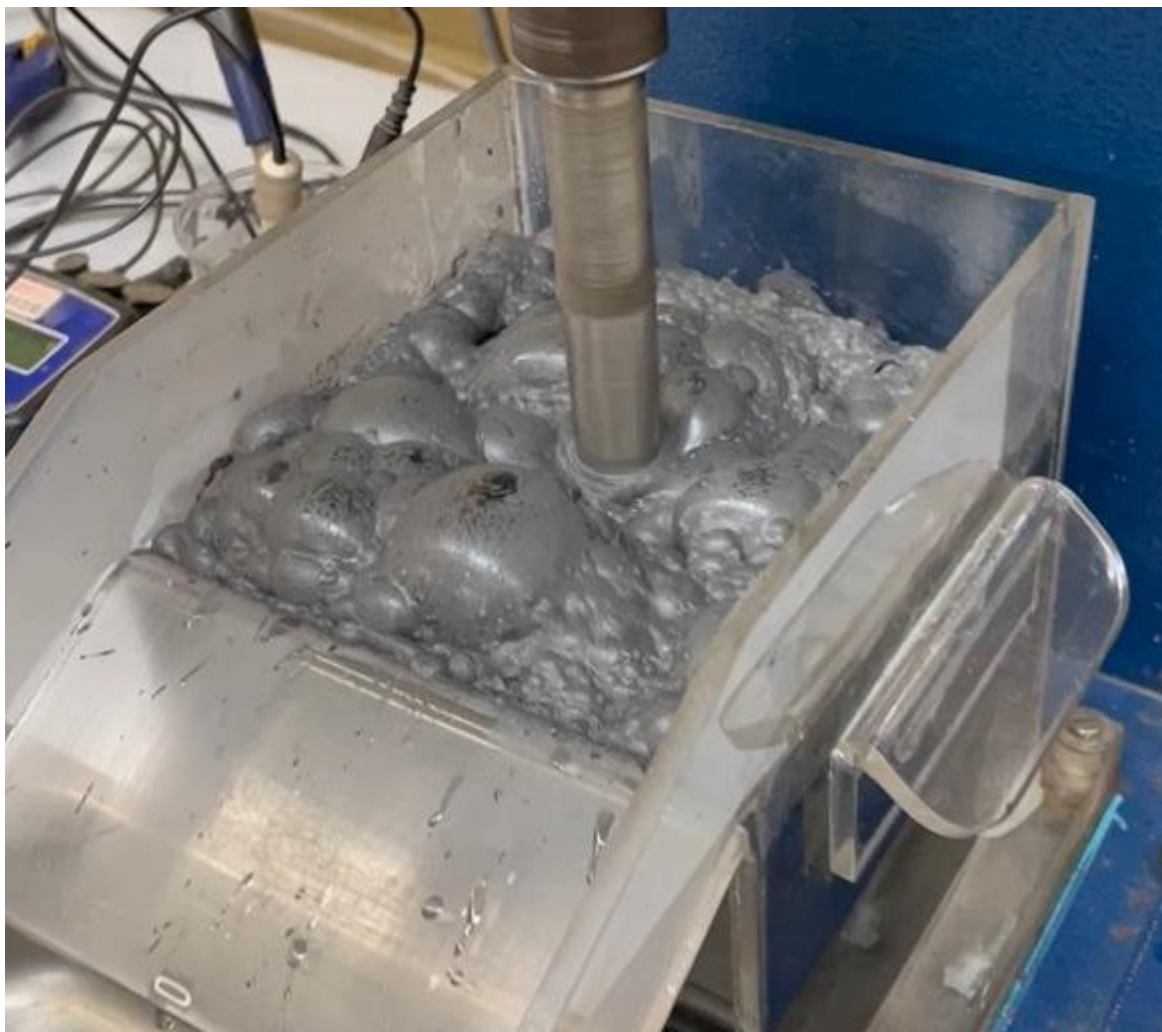
Hancock is sole funding the first two years of a Pre-Feasibility Study (PFS) which commenced on 14 April 2022 with the key objectives of the Mt Bevan PFS agreed upon by the JV partners. On completion of the PFS, the JV interests of the partners will be Hancock 51%, Legacy 29.4% and Hawthorn 19.6%. Full details of this major strategic development for Hawthorn are contained in our ASX announcements of November 15, 2021, and May 3, 2022.

The Mt Bevan tenement covers the northern portions of the Mt Ida Greenstone belt and is situated near a number of historic and current gold mines in the Copperfield–Timoni and Bottle Creek area.

Earlier drilling by Hawthorn showed the Western BIF deposit to have the best and thickest magnetite development potential coupled with a favourable flat lying [40 degrees] eastern dip. Subsequent drilling, both Reverse Circulation and Diamond, as part of a farm-in by Legacy led to the confirmation of a significant magnetite deposit with open pit potential.

Aeromagnetic surveys by Hawthorn and Legacy confirmed the presence of 3 substantial BIF horizons within the tenement, that extend in a north-northwest orientation on the tenement over a strike distance of more than 25 kilometres. The westernmost of these horizons hosts the substantial Mt Bevan Indicated Magnetite Resource of 322Mt @ 34.7% Fe within a larger Inferred Magnetite Resource of 1,117 Mt @ 34.9% Fe. The mass recovery of the Indicated Resource is at 44% for a grade of 68% Fe (Refer to Hawthorn's ASX announcement of 17 December 2013).





**Master composite test work of Mt Bevan magnetite sample**

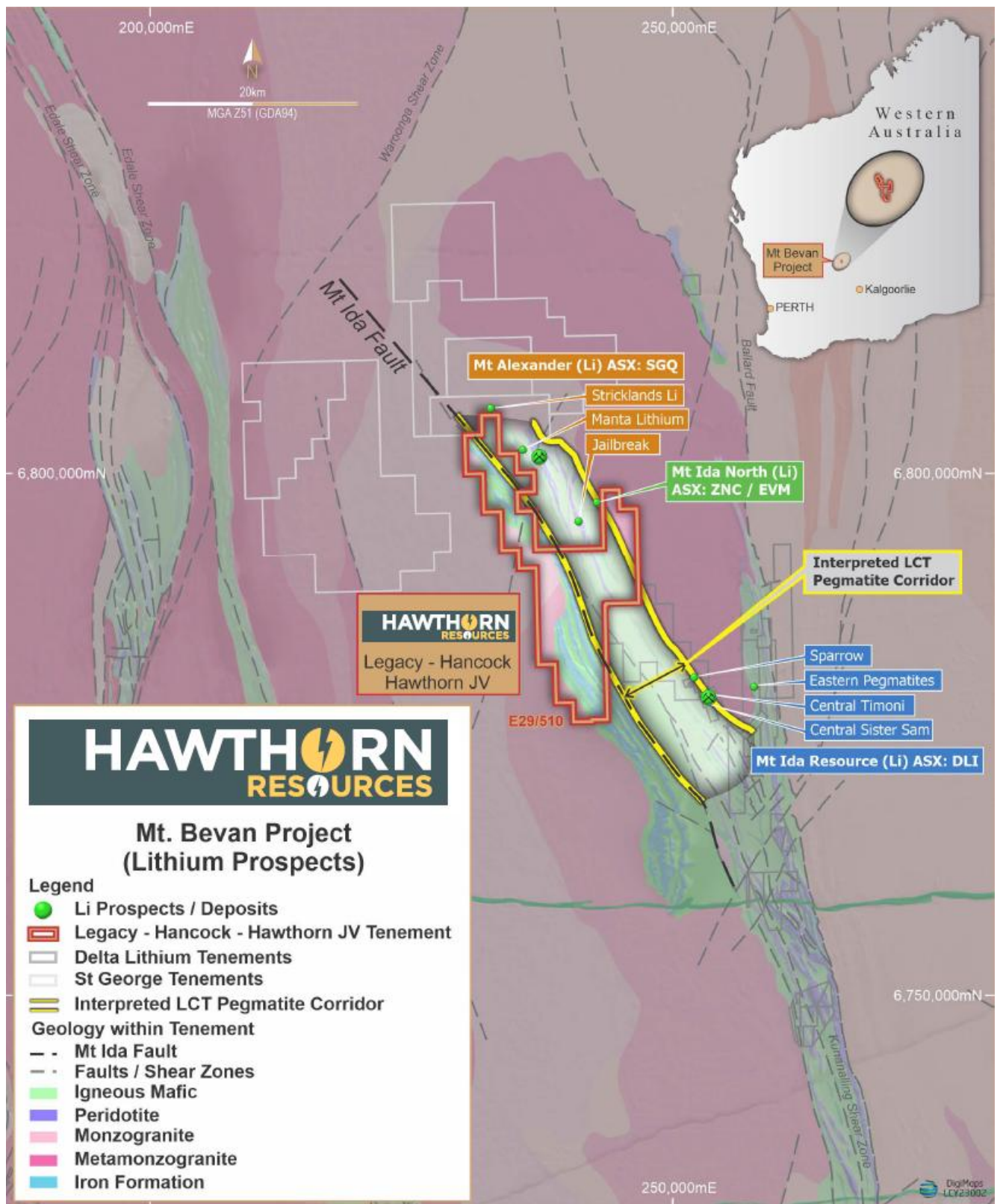
Significant progress has been made by Hancock over the past 18 months on the JV with the commencement and completion of a number of studies and reviews as part of the PFS. Work completed to date includes resource definition drilling to validate the current JORC Indicated and Inferred resource, hydrogeology to confirm available water resources for processing, metallurgical studies including comminution test work, ore processing and plant options, ore transport and port studies, heritage and base line environmental studies including flora, fauna and soils. A large part of the PFS body of work has been completed with positive outcomes reported across the board. It is expected that the bulk of the PFS will be completed by December year end, 2023.

#### **Mt Bevan Lithium Joint Venture with Hancock**

Following the discovery of lithium-tantalum pegmatites along the Mt Ida fault by Delta and others, the JV partners, Hawthorn and Legacy have announced a new farm-in JV with Hancock Magnetite Holdings Pty Ltd (Hancock) for lithium and other critical minerals including nickel and copper. The new lithium JV is in addition to and separate from the current magnetite JV with Hancock.



## Mt Bevan JV tenement and interpreted lithium pegmatite corridor on the Mt Ida fault





Key elements of the new lithium JV include:

- Hancock has made an initial investment of \$4m for a 7.5% interest with payments to Hawthorn of \$1.6m and \$2.4m to Legacy.
- Hancock may fund additional exploration and development activities of \$22m in 3 stages to earn a further 43.5% of the project over 42 months.
- If Hancock meets all the staged payments and completes the earn in requirements, it will hold a 51% interest in the JV with Hawthorn holding a 19.6% and Legacy a 29.4% interest respectively.
- Furthermore, both Hawthorn and Legacy could receive additional bonus payments up to \$10m based on the confirmation of a JORC resource of Li<sub>2</sub>O, greater than 5m tons @ at an average grade of 1.2%

The recent lithium JV Agreement parallels a similar JV in April 2022 between Hancock Magnetite Holdings and Hawthorn and Legacy on the same tenement for iron ore minerals, details of which were released to the market on 17 December 2022.

### **The Anglo-Saxon Gold Project**

The Anglo-Saxon gold mine is located on the South Laverton Tectonic zone (SLTZ), 140 kilometres north-east of Kalgoorlie and 35 kilometres east of the Carosue Dam mill, formerly owned by Saracen Mines and now owned and operated by Northern Star (ASX: NST). Anglo Saxon is connected to Carosue Dam via a dedicated haul road.

The project is part of the Trouser Legs Joint Venture (TLJV) with Gel Resources Pty Ltd with Hawthorn controlling 70% of the JV and Gel 30% with Hawthorn as manager. The TLJV controls an extensive tenement package of mining leases and surrounding exploration leases along and around the Pinjin fault which hosts the main Anglo-Saxon orebody.

Despite extensive exploration work by the JV and earlier explorers, the tenements remain highly prospective for both open pit and underground gold resources, including extensions of the current high grade underground gold resource. The major constraint to the development of the current underground resource is the lack of available, nearby processing options, the nearest of which are at Kalgoorlie some 180 kms from Anglo Saxon. During our earlier open pit operation, ore was hauled to the Carosue Dam mill some 35kms away, via the JV's own dedicated haul road which ensured a profitable and efficient operation.

Recent studies by the JV have confirmed that the Anglo-Saxon underground is potentially a profitable undertaking at today's gold price of close to A\$3000/ ounce with the major constraint being haulage and processing costs and a favourable ore purchasing agreement with a local mill. The current Mineral Resource Estimate (MRE) is 785,000t at a grade of 6.1g/t (cut) for 154,000 ounces using a cut-off grade of 4.5g/t (confirmed in Hawthorn's quarterly report to the ASX of March 2020). This is in addition to the 49,694 ounces successfully mined from the open pit, completed in 2021. Additional profits have been made from the successful treatment of the low-grade stockpiles at Anglo Saxon post completion of the open pit with approximately 50,000t of low-grade oxide and fresh ore remaining for treatment.

During the year the JV undertook further reconnaissance and soil sampling work on its Pinjin East tenements to test for potential lithium pegmatites adjacent to the granite contact that intrudes our eastern tenements over a distance of some 25kms; only low-grade lithium anomalism was found from the initial soils program. The TLJV will embark on an extensive drilling campaign during the December quarter to follow up on a number of anomalies that



have been revealed following a review of old soils and drill data and re interpretation thereof. A program of work is now in place to commence this work.



**North looking view from above of Anglo-Saxon pit**

While progress in advancing the TLJV has been slow, the JV partners remain committed to development of the project either with a new JV partner or monetising it via a sale that reflects the positive outlook for gold; to this end a number of discussions have taken place with potential partners and purchasers following access to our data room.

### **Edjudina Gold Project**

Hawthorn owns 100% of this small single Mining Licence on the Triumph-Edjudina Greenstone belt, host to numerous old underground gold operations in the Triumph-Neta line of prospects. It is located about 145 kilometres north-east of Kalgoorlie, and about 35 kilometres north-west of the Anglo-Saxon gold mine.

Historic production records indicate 33,215 ounces gold at a grade of 46.9g/t was produced between 1898-1939. This was won from four shafts exploiting narrow but high-grade quartz vein lodes. In 1983, Paget Mining completed drilling both from surface and underground and estimated a resource of 195,500 tonnes at 12.4 g/t gold, or about 75,000 ounces. This was the aggregate tonnage based on a number of shafts and three parallel quartz reefs.

More recent exploration by Hawthorn has focused on testing narrow lode quartz veins mined from the Senate shaft. Best intersections were 0.47 metres @ 157 g/t gold at 35 metres



vertical depth, 3.0 metres @ 11.3 g/t gold at 66 vertical metres depth and 0.25 metres at 189.2 g/t from 132 metres vertical depth. These encouraging results were followed up by further Reverse Circulation drill holes with lode widths of about 2 metres and grades of between 4-6 g/t with a few exceptional holes grading 15-20 g/t over 2 metre widths in the quartz carbonate lodes below the Senate shaft. This shaft exploited Reef 2.

In 2020 Gibb River Diamonds Ltd (ASX: GIB) reported discovering a number of shallow lodes north along strike of the Senate shaft that they termed the Neta lode. Follow up drilling further west of Neta demonstrated a narrow lode system referred to as Calvert. Hawthorn conducted a small program of reverse circulation drilling along strike of the area but only recorded narrow lode widths of low grade. The highest grade recorded was 4 g/t over a narrow section of the Calvert lode, which did not extend into the adjoining drill holes. Given the small size and limited potential of the Edjudina mining lease, Hawthorn is looking to monetise this project and seeking either a JV partner or an outright sale.

In conclusion, I would like to express my thanks and gratitude on behalf of the Board, to our long serving and former Chairman and Managing Director, Mark Kerr and our Technical Director Dr. David Tyrwhitt for their service and counsel over many years to Hawthorn and its shareholders.

It is fair to say that the company has never been in better shape both financially and in terms of the opportunities presented, to enhance shareholder value via our exposure to critical minerals with our global partners at Mt Bevan.

A handwritten signature in black ink, appearing to read 'B. Thornton', with a stylized flourish at the end.

Brian Thornton



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# Hawthorn Resources Limited

ABN 44 009 157 439

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## FINANCIAL REPORT YEAR ENDED 30 JUNE 2023

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# Hawthorn Resources Limited

ABN 44 009 157 439

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## **Directors' Report 2023**

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## Hawthorn Resources Limited Directors' Report

The Directors of Hawthorn Resources Limited, a Company listed on the Australian Securities Exchange, present their report for the year ended 30 June 2023.

### 1. Directors

The Directors of the Company in office since 1 July 2022 and up to the date of this Report are:

**Mr Li, Yijie**

**Non-Executive Chairman**

**Appointed 30 October 2012; last re-elected 2021 AGM**

In November 2019 Mr Li was elected as Chairman of the Board of Directors.

Mr. Li is the Chairman of the Board of Lite Smooth Investment Limited. Mr. Li has been the President of Guangdong Carriton Real Estate Co., Ltd. since 2001, which is focused on real estate development and has total assets of RMB 5 billion.

Indirect interest in securities (ordinary fully paid shares) are held through a greater than twenty per cent shareholding interest in Feng Hua Mining Investment Holding (Hong Kong) Limited.

**Mr Liu, Zhensheng**

**Non-Executive Director**

**Appointed 9 December 2015; last re-elected 2022 AGM**

Mr. Liu is a senior engineer in geology and mineral processing engineering. He has been engaged in mineral resources exploration, mine construction and operation management, as well as mining investment management for 35 years and has held the following executive positions:

- Deputy Investment Director of Guangdong Hongda Blasting Co., Ltd (2018 to present);
- Director and General Manager of Guangdong Rising Mineral Resources Investment and Development Co., Ltd. (2013 – 2018);
- Director of Guangdong Rising Holding (HK) Limited and Feng Hua Mining Investment Holding (HK) Limited (2014 – 2016);
- Chairman of Laos (Rising) Investment and Development Co., Ltd. (2015 – 2018);
- Former Director and General Manager, Deputy Mine Director, and Chief Engineer of Guangdong Jinding Gold Co., Ltd (1989 – 2013);
- Former Mining Technology Director, technician in team 719 of Guangdong Geology and Mineral Resources organization in Hetai Gold Mine area (1983 – 1989);

In addition, Mr Liu was a member of the National Technical Committee for Standardisation of the Gold Industry, member of Shanghai Gold Exchange Committee, Director of Guangdong Precious Metals Standardisation Committee and member of Guangdong metallurgical engineering Senior engineer (Professor) Review Committee, expert of Guangdong Mining Resource Evaluation Center.

Interest in securities (ordinary fully paid shares): Nil.

**Mr Liao, Yongzhong – MBA**

**Non-Executive Director**

**Appointed 30 October 2012; last re-elected 2020 AGM**

Mr. Liao, Yongzhong has served Guangdong Feng Hua Advanced Technology (Holding) Co., Ltd. for more than 20 years. Since joining it in 1993, he has held the following significant posts: Vice General Manager and Secretary of the Board of Directors from October 2003 to July 2007, Director and Vice General Manager from January 2007 to August 2008, Vice General Manager from August 2008 to May 2018.

He holds concurrent posts of investment adviser of Guangdong Ligguang New Material Co., Ltd. and Feng Hua Mining Investment Holding (HK) Limited.

Interest in securities (ordinary fully paid shares): Nil.

# Hawthorn Resources Limited

## Directors' Report

### **Mr B F Thornton**

#### **Managing Director and Chief Executive Officer**

**Appointed as Non-executive Director on 17 June 2021, elected 2021 AGM, appointed Managing Director and CEO on 24 November 2022**

Mr Thornton is the Director and 100% shareholder of Gel Resources Pty Ltd, which holds a 30% interest in the Anglo-Saxon gold project. Mr Thornton has had a long association with the minerals and exploration industry in Australia and internationally, both at executive and advisory levels. He is the former Executive Chairman of Xanadu Mines Ltd (ASX: XAM), which he founded in 2004 and in which he remains a significant investor.

Mr Thornton is a graduate in Economics from the Australian National University and a Fellow of the Financial Services Institute (FINSIA) and, currently, is the Honorary Consul of Mongolia in New South Wales.

Interest in securities (ordinary fully paid shares): 5,761,879.

### **Mr J D Corrigan - BA, MA**

#### **Non-Executive Director**

**Appointed 24 November 2022**

An experienced businessman and director, Mr Corrigan holds directorships and key investments in the agricultural and aerospace industries.

He is a director of Kooba Pty Ltd, an Agribusiness focusing on cotton and almond production as well as water rights.

Mr Corrigan is also the Executive Chairman of Australian Rainforest Honey Pty Ltd, an apiary business focused on crop pollination, honey production and international honey sales and distribution.

Mr Corrigan has not held any other ASX listed company directorships in the last 3 years.

### **FORMER DIRECTORS**

During the financial year ended 30 June 2023 and up to the date of this Report the following directors resigned from the Board of Directors:

#### **Mr M G Kerr - LL.B**

Appointed 14 November 2007, Resigned 31 December 2022

#### **Dr D S Tyrwhitt - PhD(Geology) BSc(Hons) FSEG(USA) FAusIMM CPGeo**

Appointed 14 November 1996; resigned 24 November 2022

The Board thanks Mr Kerr and Mr Tyrwhitt for their many years of service to Hawthorn.

### **DIRECTORSHIPS**

Other than the directorships noted above there have been no other directorships of listed entities held in the past three years.

## **2. Principal Activities and Review and Results of Operations**

Hawthorn Resources Limited ("Hawthorn" or "the Company") and its controlled entities ("the Group") is an Australian diversified base metals and gold mining and exploration company, with strategic and significant tenement holdings throughout the Central Yilgarn and the South Laverton Tectonic Zone of Western Australia.

The principal activities of the Group during the financial year centered around the Company's interests in:

- (i) the Mount Bevan magnetite and lithium projects ("Mt Bevan") and
- (ii) the 70% interest in the Trouser Legs Mining Joint Venture Project ("TLMJV"). GEL Resources Pty Ltd ("GEL") owns the remaining 30% interest in TLMJV.

#### *Mt Bevan Magnetite*

At 30 June 2023, the Company held a 28% stake with Legacy Iron Ore Limited (ASX: LCY) holding a 42% stake and Hancock Magnetite Holdings Pty Ltd ("Hancock") holding the remaining 30% in a joint venture to explore and develop magnetite on this site. Hancock will earn an additional 21% in the joint venture by funding the completion of a pre-feasibility study (PFS), at which time interests in the project will be Hancock 51%, LCY 29.4% and HAW 19.6% - refer to ASX announcement of 7 April 2022 for further details.

Atlas Iron Ore Pty Ltd has been appointed as the manager of the new joint venture.



# Hawthorn Resources Limited

## Directors' Report

### *Mt Bevan Lithium*

At 30 June 2023, the Company held a 37% stake with Legacy Iron Ore Limited (ASX: LCY) a holding 55.5% stake and Hancock Magnetite Holdings Pty Ltd ("Hancock") holding the remaining 7.5% in a joint venture to explore and extract other critical minerals, including lithium. Hancock will earn an additional 43.5% in the joint venture by funding a series of exploration activities by December 2025. At completion of these activities, if successful, interests in the project will be Hancock 51%, LCY 29.4% and HAW 19.6% - refer to ASX announcement of 15 June 2023 for further details.

### *TLMJV Gold*

This project's initial development and open pit mining operations were completed in FY2021. The Company also holds interests in surrounding exploration tenements and continues exploration and evaluation activities on these assets.

As Hawthorn is deemed to control the operation of the TLMJV it has accordingly consolidated in full the project assets and liabilities, plus income and expenditure, with the interests GEL holds being represented in the financial accounts as a cost to the project, and any amounts arising from the operation due to GEL presented as a liability to the Group, and any amounts due from GEL represented as an asset.

### *Objective*

The Company's objective is to increase shareholder wealth through successful exploration activities whilst providing a safe workplace and ensuring best practice in relation to its environmental obligations.

### *Consolidated Statement of Profit or Loss and Other Comprehensive Income*

During the year the Group generated no revenue from ore sales (2022: \$5,647,473). Consequently there were no mining costs and related development expenses (2022: \$3,829,636).

The Company generated a gain from entering into an arrangement to farm-out the non-iron ore mineral rights on the Mt Bevan exploration permit during the year, for which it received cash of \$1,600,000. The gain recorded in profit and loss occurred due to the excess of the cash received over previously capitalised expenditure on the permit of \$268,750. The gain recorded was \$1,331,250.

Exploration write-offs and impairment for the year amounted to \$289,071 compared to \$375,397 in 2022.

Administration expenses for 2023 were \$1,075,760 (2022: \$1,233,992), and consolidated profit for the year was \$84,951 (2022: \$927,058).

### *Consolidated Statement of Financial Position*

The Group had cash funds on hand at 30 June 2023 of \$14,071,071 (2022: \$13,775,136), receivables of \$2,986 (2022: \$261,564), financial assets of nil (2022: \$197,908) and current liabilities totaled \$1,796,731 (2022: \$2,041,933).

At 30 June 2023, the Group had working capital of \$12,277,326 (2022: \$11,994,767), being current assets less current liabilities, and net assets of \$14,430,943 (2022: \$14,210,992).

### *Cash Flow*

During the year, the Company received \$1,600,000 from the Hancock Farm-in Agreement for the Mt Bevan permit.

In operations, the Group expended cash flows of \$426,764 (2022: inflows of \$123,089) from operating activities and paid \$867,280 (2022: \$1,216,140) for exploration activities. It raised no capital from the issue of new equity (2022: \$nil). There was a return of funds and profit distributions in the current year of \$10,021 (2022: \$459,544) to the TLMJV partner, and this was offset against the GEL contribution for the year.

## **3. Significant Change in State of Affairs**

Other than the matters noted in item 2 above and items 4 to 9 below, the Directors are of the opinion that there has not been any significant change in the state of affairs of the Company during the year under audit.

## **4. Dividends**

No dividend was declared or paid during the year ended 30 June 2023. (2022: Nil)

## Hawthorn Resources Limited Directors' Report

### 5. Status of Operations at Reporting Date

#### **Exploration and Development**

In the interval between the end of the financial year and the date of this Report and, as reported to the ASX, the Company has continued its exploration and development on its Western Australia Gold Projects in South Laverton at Anglo Saxon and Edjudina and its iron ore/base metals joint venture interests at Mt Bevan in the Central Yilgarn region, 100kms west of Leonora.

### 6. Events After the Balance Date

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods. Refer to item 7 below.

### 7. Future Developments and Results

The current focus is exploring and evaluating underground gold reserves at the Trouser Legs Mining Joint Venture ("TLMJV") tenement areas.

The Group will also continue to develop its other exploration assets and will fund such operations from existing reserves, cash flows from the TLMJV mining operation and, where necessary, capital raising. Other than this there are no likely developments of which the Directors are aware of which could be expected to significantly affect the results of the Group's operations in subsequent financial years.

### 8. Issued Securities

#### **(a) Ordinary Shares**

At the date of this Report this Company has on issue a total of 335,015,613 shares (2022: 333,515,613 shares).

#### **(b) Options**

At the date of this Report the Company has no options on issue (2022: nil).

#### **(c) ESOP – Performance Rights**

At the date of this Report the Company has no performance rights on issue (2022: nil)

### 9. Directors Interest in Issued Securities

The declared relevant interest of each Director of fully paid ordinary shares of the Company as at the date of this Report is:

	2023	2022
Li, Yijie *	-	-
Liu, Zhengsheng	-	-
Liao, Yongzhong	-	-
B F Thornton	5,761,879	5,761,879
J D Corrigan	-	-
M G Kerr **	-	11,854,088
D S Tyrwhitt **	-	400,000

\* Mr Li, as the owner and controller of Lite Smooth Investment Limited, an entity which has a voting power in Feng Hua Mining Investment Holding (HK) Limited ("Feng Hua") of greater than 20%, has a relevant shareholding interest in Hawthorn Resources Limited ("HAW"). As declared, Feng Hua holds 120,788,101 ordinary fully paid voting shares (2022: 120,788,101 shares) in HAW currently being the equivalent of a 36.22 percentage voting interest in HAW (2022: 36.22 per cent).

\*\* Mr Kerr and Mr Tyrwhitt are no longer directors



## Hawthorn Resources Limited Directors' Report

### 10. Meetings of Directors

The number of meetings of Directors held including meetings of Committees of the Board during the financial year including their attendance was as follows:

	BOARD		AUDIT COMMITTEE	
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
Li, Yijie	4	4	-	-
Liu, Zhensheng	4	4	-	-
Liao, Yongzhong	4	4	1	1
B F Thornton	4	4	-	-
J D Corrigan	2	1	-	-
M G Kerr	2	2	1	1
D S Tyrwhitt	2	2	1	1

**Notes:**

With the changes to the Board that occurred on 24 November 2022, the Company ceased its Audit Committee with these responsibilities becoming the responsibility of the full Board.

In between Board Meetings, Directors passed a total of two circulating resolutions which are then noted and ratified at the next occurring Board meeting.

### 11. Company Secretary

Mr G Fowles has been the Company Secretary since 14 February 2022.

Over the past 20 years, Mr Fowles has held director and company secretary positions with various ASX listed companies including Contango MicroCap Limited, Global Health Limited and Incannex Healthcare Limited.

### 12. Directors' and Officers' Indemnity and Auditor Indemnity

**Directors:**

The Company has entered into an Indemnity Deed with each of the Directors and with certain former Directors which will indemnify them against liability incurred to a third party (not being the Company or any related company) where the liability does not arise out of misconduct including a breach of good faith. The Indemnity Deed will continue to apply for a period of 10 years after a Director ceases to hold office and a Director's Access and Insurance Deed with each of the Directors pursuant to which a Director can request access to copies of documents provided to the Director whilst serving the Company for a period of 10 years after the Director ceases to hold office. There will be certain restrictions on the Directors' entitlement to access under the deed.

Pursuant to the requirements of the Indemnity Deed, the Company has taken out Directors and Officers Liability Insurance the terms of which are subject to confidentiality prohibiting disclosure of the terms and conditions of the policy cover.

**Auditors:**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against a liability incurred as an auditor.

### 13. Environment

The mining and exploration activities of the Hawthorn group are conducted in accordance with, and controlled principally by, Australian state and territory government legislation. The group has extensive land holdings in Australia for exploration and exploitation of resources. The Company employs a system for reporting environmental incidents, establishing and communicating accountability, and rating environmental performance. During the year, data on environmental performance was reported as part of the periodic exploration reporting regime. In addition, as required under state legislation, procedures are in place to ensure that the relevant authorities are notified prior to the commencement of ground disturbing exploration activities. Mining activities are governed by licencing arrangements and the Company is committed to complying in full to all conditions and regulations associated with the TLMJV mining licence requirements.

The Company is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end the environment is a key consideration in our mining and exploration activities and during the rehabilitation of disturbed areas. Generally, rehabilitation occurs immediately following the completion of a particular phase of exploration or, in the case of TLMJV, after the completion of mining activities. In addition,

## Hawthorn Resources Limited Directors' Report

the Company continues to develop and maintain mutually beneficial relationships with the local communities affected by its activities.

### 14. Non-Audit Services

During the year Connect Audit Pty Ltd were appointed as the Company's auditor. Connect has not performed other services in addition to their statutory duties.

Details of the amounts paid to the auditor of the Company, Connect Audit Pty Ltd, and its related practices, for audit and non-audit services provided during the year are set out below.

	2023 \$	2022 \$
<b>Statutory audit</b>		
Auditors of the Company – Connect (2022: BDO)		
- Audit and review of financial reports – Connect	30,000	-
- Audit and review of financial reports – BDO	40,562	65,583
Other Services – Connect (2022: BDO)		
- Other non-audit services – Connect	-	-
- Other non-audit services BDO	-	-
<b>Total fees</b>	<b>70,562</b>	<b>65,583</b>

### 15. Remuneration Report - Audited

The Remuneration Report sets out remuneration information for non-executive directors, executive directors and other key management personnel.

The Report contains the following sections:

- (i) Management Services – Berkeley Consultants Pty Ltd;
- (ii) Overview of Company Performance on Remuneration Structures;
- (iii) Non-Executive Directors;
- (iv) Executive Directors Remuneration;
- (v) Details of Directors, Executives and Remuneration; and
- (vi) Bonuses included in Remuneration
- (vii) Details of Directors and Executives Interest in Securities.
- (viii) Other Transactions with Key Management Personnel

#### (i) Management Services – Berkeley Consultants Pty Ltd

The Company entered into a service arrangement with Berkeley Consultants Pty Ltd ("Berkeley Consultants") effective from 1 April 2008.

Total fees paid or due during the 30 June 2023 financial year amounted to \$85,000 plus GST (2022: \$170,000) for the provision for serviced office facilities at 90 William Street, Melbourne.

This arrangement with Berkeley Consultants represented a related party transaction with Mr M Kerr having a material personal interest in the transactions through his interests in Berkeley Consultants Pty Ltd.

The agreement was terminated on 31 December 2022, coinciding with Mr Kerr's resignation as CEO and executive director of the company.

#### (ii) Overview of Company Performance on Remuneration Structures

The Group's performance, during the current year and over the past five years, has been as follows:

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
	<u>Consolidated</u>	<u>Consolidated</u>	<u>Consolidated</u>	<u>Consolidated</u>	<u>Consolidated</u>
Revenue	326,460	5,661,091	92,138	37,758,946	39,318,439
Net profit / (loss)	84,951	927,058	(1,660,433)	13,921,133	8,315,992
Basic earnings / (loss) per share – cents	0.025	0.278	(0.498)	2.715	2.280
Diluted earnings per share-cents	0.025	0.278	(0.498)	2.715	2.280
Net assets	14,430,943	14,210,992	13,283,934	28,727,314	20,947,003

The Directors do not believe the financial or share price performance of the Company is an accurate measure when considering remuneration structures as the Company is in the mineral exploration industry.



## Hawthorn Resources Limited Directors' Report

Companies in this industry do not have an ongoing source of revenue, as revenue is normally from ad-hoc transactions.

The more appropriate measure is the identification of exploration targets, identification and/or increase of mineral resources and reserves and the ultimate conversion of the Company from explorer status to mining status.

### **(iii) Non-Executive Directors**

Total remuneration for all Non-Executive Directors, last voted upon by shareholders in January 2008 at a General Meeting of shareholders and approved with a 99.65% acceptance in favour of the resolution, is not to exceed \$300,000 per annum. The current aggregate of Non-Executive Directors' base fees for the current year was \$170,000 per annum (2022: \$170,000). Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main Board activities and membership of Board committees. Non-Executive Directors do not receive any benefits on retirement.

However, and as permitted under the Company's Constitution, Non-Executive Directors are entitled to receive payment for services provided which are over and above their normal directorial duties and which have been specifically requested by the Board of Directors. For such additional services, consultancy fees are in addition to directors' fees and are outside of the shareholder approved aggregate for directors' fees.

There has been no change to the remuneration structure during the year, and as such no independent remuneration expert was engaged during the year.

### **(iv) Executive Directors Remuneration**

The Company seeks to reward executives with a level of remuneration based upon their position and responsibilities.

The Company's MD/CEO was appointed on 24 November 2022. The key terms of his employment contract are as follows:

- Base salary \$185,000 plus statutory superannuation guarantee.
- Fixed term to 30 June 2024, unless all parties agree to extend. Option to continue after 30 June 2024 on a month to month basis.
- Cash bonus of up to 50% of base salary, at the discretion of the Board.
- Termination – payment of 4 weeks salary for each year completed, pro-rated for part years completed.

### **(v) Details of Directors, Executives and Remuneration**

The names of the Directors and Executives in office during the year are as follows: -

Li, Yijie – Non-Executive Chairman

Liu, Zhensheng – Non-Executive Director

Liao, Yongzhong – Non-Executive Director

B F Thornton – Non-Executive Director, appointed Managing Director and Chief Executive Officer 24 November 2022

J D Corrigan – Non-Executive Director, appointed 24 November 2022

M G Kerr – Managing Director and Chief Executive Officer, resigned 31 December 2022

D S Tyrwhitt – Non-Executive Director, resigned 24 November 2022

## Hawthorn Resources Limited Directors' Report

Details of the nature and amount of each major element of remuneration of each Director of the Company and of each Executive of the Company are:

*Year Ended 30 June 2023*

	SHORT TERM EMPLOYMENT Cash Salary and Fees \$	BENEFITS Leave provision \$	Cash Bonus	POST EMPLOYMENT Superannuation Contributions \$	EQUITY BASED PAYMENTS Performance Rights \$	TOTAL \$
<b>Non-Executive Directors</b>						
Li, Yijie	30,000	-	-	-	-	30,000
Liu, Zhensheng	30,000	-	-	-	-	30,000
Liao, Yongzhong	30,000	-	-	-	-	30,000
J D Corrigan (1)	17,962	-	-	1,886	-	19,848
D S Tyrwhitt (3)	25,000	-	-	2,625	-	27,625
<b>Sub-Total</b>	<b>132,962</b>	-	-	<b>4,511</b>	-	<b>137,473</b>
<b>Executive Directors</b>						
B F Thornton (2)	137,106	-	-	12,191	-	149,297
M G Kerr (3)	86,217	-	-	9,053	-	95,270
<b>Sub-Total</b>	<b>202,323</b>	-	-	<b>21,244</b>	-	<b>244,567</b>
<b>Total</b>	<b>356,285</b>	-	-	<b>25,755</b>	-	<b>382,040</b>

1. Mr Corrigan was appointed during the year
2. Mr Thornton was previously a non-executive director and was appointed managing director and CEO during the year. Salary and fees include consulting fees for consulting services provided.
3. Mr Tyrwhitt and Mr Kerr resigned during the year.

*Year Ended 30 June 2022*

	SHORT TERM EMPLOYMENT Cash Salary and Fees \$	BENEFITS Leave provision \$	Cash Bonus	POST EMPLOYMENT Superannuation Contributions \$	EQUITY BASED PAYMENTS Performance Rights \$	TOTAL \$
<b>Non-Executive Directors</b>						
D S Tyrwhitt (1)	83,750	-	10,000	5,000	-	98,750
Liao, Yongzhong	30,000	-	-	-	-	30,000
Li, Yijie	30,000	-	-	-	-	30,000
Liu, Zhensheng	30,000	-	-	-	-	30,000
B F Thornton	30,000	-	-	3,000	-	33,000
<b>Sub-Total</b>	<b>203,750</b>	-	<b>10,000</b>	<b>8,000</b>	-	<b>221,750</b>
<b>Executive Directors</b>						
M G Kerr	195,272	6,116	89,351	19,527	-	310,266
<b>Sub-Total</b>	<b>195,272</b>	-	<b>89,351</b>	<b>19,527</b>	-	<b>310,266</b>
<b>Total</b>	<b>399,022</b>	<b>6,116</b>	<b>99,351</b>	<b>27,527</b>	-	<b>532,016</b>

- (1) In addition to directors' duties, Dr Tyrwhitt undertook additional exploration 'field' duties at the request of the Board of Directors and received \$33,750 in consulting fees.

### Bonuses included in Remuneration

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	2023			2022		
	Fixed remuneration	At risk - STI	At risk – LTI	Fixed remuneration	At risk - STI	At risk – LTI
<b>Non-Executive Directors</b>						
Li, Yijie	100%	-	-	100%	-	-
Liu, Zhensheng	100%	-	-	100%	-	-
Liao, Yongzhong	100%	-	-	100%	-	-
B F Thornton*	-	-	-	100%	-	-
J D Corrigan	100%	-	-	100%	-	-
D S Tyrwhitt	100%	-	-	90%	10%	-
<b>Executive Directors</b>						
B F Thornton*	100%	-	-	-	-	-
M G Kerr	100%	-	-	71%	29%	-
	-	-	-	-	-	-

## Hawthorn Resources Limited Directors' Report

\* B F Thornton was a non-executive director in 2022 and was appointed as MD and CEO during the current year

### Details of Directors and Executives Interest in Securities

Fully paid ordinary shares:

Directors:	01.07.2022	Exercise of performance rights	Other movements	30.06.2023
Li, Yijie	-	-	-	-
Liu, Zhensheng	-	-	-	-
Liao, Yongzhong	-	-	-	-
B F Thornton	5,761,879	-	-	5,761,879
J D Corrigan	-	-	-	-
M G Kerr (1)	11,854,088	-	(11,854,088)	-
D S Tyrwhitt (1)	400,000	-	(400,000)	-
<b>Total Directors</b>	<b>18,015,967</b>	<b>-</b>		

(1) Mr Kerr and Mr Tyrwhitt resigned during the year. No other movements in interests held prior to resignation.

### Other transactions with Key Management Personnel

During the year the Company paid \$85,000 (2022: \$170,000) to Berkeley Consultants Pty Ltd for serviced office facilities. Berkeley Consultants Pty Ltd is an entity in which Mr. M Kerr has a material personal interest in the transactions through his interests in Berkeley Consultants Pty Ltd. At 30 June 2023 a payable of nil (2022: nil) was outstanding.

***This concludes the Remuneration Report, which has been audited.***

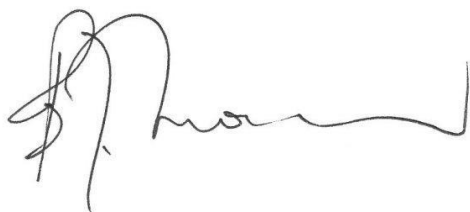
### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Auditor's Independence Declaration:

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 13.

Signed in accordance with a resolution of the Board of Directors at Melbourne this 22nd day of September 2023.



B F Thornton  
Managing Director and CEO



**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the audit of Hawthorn Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hawthorn Resource Limited and its controlled entities.



**George Georgiou FCA**  
Managing Director  
Connect National Audit Pty Ltd  
ASIC Authorised Audit Company No.: 521888  
Melbourne, Victoria  
Date: 22 September 2023

Hawthorn Resources Limited  
Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 30 June 2023

		<b>Consolidated</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>			
Revenue	11	326,460	5,661,091
Other income	12	1,331,250	1,251,672
<b>Expenses</b>			
Mining costs	13	-	(3,829,636)
Exploration expenditure impaired	4	(282,861)	(254,776)
Exploration expenditure expensed	4	(6,209)	(120,621)
Administration expenses		(1,075,760)	(1,233,992)
Impairment of investments		(197,908)	-
Profit attributable to Joint Venture partner	14	(10,021)	(546,680)
<b>Profit / (Loss) before income tax expense from continuing operations</b>		<b>84,951</b>	<b>927,058</b>
Income tax expense	15	-	-
<b>Profit / (Loss) for the year after tax from continuing operations</b>		<b>84,951</b>	<b>927,058</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>84,951</b>	<b>927,058</b>
<b>Earnings per share</b>			
Basic earnings / (loss) per share for the year attributable to ordinary equity holders (cents)	16	0.0254	0.278
Diluted earnings / (loss) per share for the year attributable to ordinary equity holders (cents)	16	0.0254	0.278

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes

Hawthorn Resources Limited  
Consolidated Statement of Financial Position as at 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2(a)	14,071,071	13,775,136
Trade and other receivables	3	2,986	261,564
<b>Total Current Assets</b>		<b>14,074,057</b>	<b>14,036,700</b>
<b>Non-Current Assets</b>			
Other financial assets		-	197,908
Exploration expenditure	4	2,153,617	2,018,317
<b>Total Non-Current Assets</b>		<b>2,153,617</b>	<b>2,216,225</b>
<b>TOTAL ASSETS</b>		<b>16,227,674</b>	<b>16,252,925</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	669,283	792,779
Provisions	8	1,127,448	1,249,154
<b>Total Current Liabilities</b>		<b>1,796,731</b>	<b>2,041,933</b>
<b>TOTAL LIABILITIES</b>		<b>1,796,731</b>	<b>2,041,933</b>
<b>NET ASSETS</b>		<b>14,430,943</b>	<b>14,210,992</b>
<b>EQUITY</b>			
Contributed equity	9	54,219,505	54,084,505
Accumulated losses		(39,788,562)	(39,873,513)
<b>TOTAL EQUITY</b>		<b>14,430,943</b>	<b>14,210,992</b>

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes



Hawthorn Resources Limited  
Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		-	5,647,473
Payments in the course of operations (inclusive of GST)		(753,224)	(5,538,002)
Interest received		326,460	13,618
<b>Net cash (used in) / provided by operating activities</b>	2 (b)	<b>(426,764)</b>	<b>123,089</b>
<b>Cash flows from investing activities</b>			
Payments for exploration expenditure		(867,280)	(1,216,140)
Receipts from disposal of property, plant and equipment		-	12,500
Receipts from farm-out of permit	4(a)	1,600,000	3,200,000
<b>Net cash provided by investing activities</b>		<b>732,720</b>	<b>1,996,360</b>
<b>Cash flows from financing activities</b>			
Return of cash calls to JV partner		(10,021)	(459,544)
<b>Net cash used in financing activities</b>		<b>(10,021)</b>	<b>(459,544)</b>
Net increase / (decrease) in cash and cash equivalents		295,935	1,659,905
Cash and cash equivalents at beginning of year		13,775,136	12,115,231
<b>Cash and cash equivalents at end of year</b>	2 (a)	<b>14,071,071</b>	<b>13,775,136</b>

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes

Hawthorn Resources Limited  
Consolidated Statement of Changes in Equity for the year ended 30 June 2023

	Contributed Equity	Accumulated Losses	Total Equity
	\$	\$	\$
<b>CONSOLIDATED</b>			
<b>At 1 July 2021</b>	54,084,505	(40,800,571)	13,283,934
Profit for the year after income tax expense	-	927,058	927,058
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive loss for the year</b>	-	<b>927,058</b>	<b>927,058</b>
<b>At 30 June 2022</b>	<b>54,084,505</b>	<b>(39,873,513)</b>	<b>14,210,992</b>
<b>At 1 July 2022</b>	54,084,505	(39,873,513)	14,210,992
Profit for the year after income tax expense	-	84,951	84,951
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>84,951</b>	<b>84,951</b>
<i>Transactions with shareholders during the year:</i>			
Shares issued during the year	135,000		135,000
<b>At 30 June 2023</b>	<b>54,219,505</b>	<b>(39,788,562)</b>	<b>14,430,943</b>

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting Entity**

Hawthorn Resources Limited (the “Company”) is a public company incorporated and domiciled in Australia. The principal activity of the Company during the financial year was development and mining of gold ore, as well as exploration and evaluation of various base metals and gold.

The consolidated financial report of the Company as at, and for the year ended, 30 June 2023, comprises the Company and its subsidiaries. The financial report was authorised for issue by the Directors on the date of this report.

The registered office of the entity is Level 23, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000, and the principal place of business is 6/11 Chester Street, Oakleigh VIC 3166.

**(b) Basis of Preparation**

The financial report is presented in Australian dollars. The financial report has been prepared on a historical cost basis, except for the valuation of financial assets at fair value through profit or loss that have been measured at fair value in accordance with Australian Accounting Standards.

Separate financial statements for Hawthorn Resources Limited as an individual entity are no longer presented as a consequence of a change in the *Corporations Act 2001*, however limited information for Hawthorn Resources Limited as an individual entity is presented at Note 18.

The accounting policies set out in the notes to the financial statements have been applied consistently to all periods presented in the financial report.

The financial statements have been prepared on a going concern basis.

**(c) Statement of Compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (‘AASBs’) (including Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (‘AASB’) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

The financial report complies with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board.

**(d) Critical Accounting Estimates and Judgments**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make significant judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards have a significant effect on the financial report and estimates made in accordance with these Standards have a significant risk of material adjustment in the next year. The areas most impacted include:

- Exploration expenditure in note 4.
- Provision for land rehabilitation in note 8.
- COVID-19 Pandemic. The Company has considered the impacts of COVID -19 upon its operations and future plans. There has been no impact upon the carrying value of any of the Group’s assets, and the Directors will continue to monitor the impacts of the pandemic, including Government policy, travel and logistics restrictions and the economic impacts.



Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**(e) Principles of Consolidation**

*Subsidiaries*

The consolidated financial statements comprise the assets, liabilities and results of the Company, and the entities it controlled at the end of, or during, the financial year. The Company and its controlled entities together are referred to in this financial report as the Company or Group.

Subsidiaries are all those entities over which the consolidated Group has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The balances and effects of transactions between entities in the Group have been eliminated. Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased. The accounting policies adopted in preparing the financial statements have been consistently applied by all entities in the Company.

The acquisition of Ellendale Resources NL ("Ellendale") on 10 June 2008 was treated as a reverse acquisition in accordance with AASB 3 "Business Combinations" whereby Ellendale is considered the accounting acquirer on the basis that Ellendale is the controlling entity in the transaction. As a result, Ellendale is the continuing entity for consolidated accounting purposes and the legal parent, Hawthorn Resources Limited, is the accounting subsidiary.

Investments in subsidiaries are accounted for at cost or recoverable amounts in the individual financial statements of Hawthorn Resources Limited.

**2. CASH AND CASH EQUIVALENTS**

*(a) Cash and cash equivalents*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	2,010,624	4,391,927
Term deposits	12,060,447	9,383,209
Total cash and cash equivalents	14,071,071	13,775,136

*(b) Reconciliation of profit after tax to net cash generated in operating activities*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Profit / (Loss) for the year after tax	84,951	927,058
<i>Adjustment for:</i>		
Write off of exploration expenditure	6,209	120,621
Impairment of exploration expenditure	282,861	254,776
Profit on disposal of property, plant and equipment	-	(12,500)
Gain on farm-out of permit	(1,331,250)	(1,239,172)
Impairment of investment	197,908	-
Allocation of profit to JV partner	10,021	546,680
Net cash from operating activities before change in assets and liabilities	(749,300)	597,463
Change in assets and liabilities:		
(Increase) / Decrease in receivables and other assets	394,844	(199,608)
Increase / (Decrease) in trade and other payables	49,398	119,001
Decrease in provisions	(121,706)	(393,767)
Net cash (used in) / from operating activities	(426,764)	123,089

*(c) Reconciliation of cash*

For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

(d) *Non-cash financing and investing activities*

During the year, there was no non-cash financing activities (2022: Nil). The company issued shares to the value of \$135,000 to settle consulting fees capitalised into exploration assets during the year.

**Accounting policy**

Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash at bank and short-term deposits whose maturity is within three months or less from the reporting date, net of bank overdrafts.

**3. TRADE AND OTHER RECEIVABLES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
GST recoverable	-	261,564
Sundry debtors	2,986	-
Total trade and other receivables	2,986	261,564

**Accounting policy**

Receivables are recognised initially at the amount of consideration that is unconditional. The Group holds trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Any impairment or expected loss allowance is recorded in a separate account and any write off is offset against this account in the future.

**4. EXPLORATION EXPENDITURE**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Areas in the exploration phase		
At cost	2,153,617	2,018,317

Movement in the carrying value of exploration expenditure during the year was:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance at 1 July	2,018,317	3,461,575
Costs incurred during the year	683,099	1,276,675
Non-controlling interest contribution	10,021	(383,708)
Exploration expenditure written off during the year	(6,209)	(120,621)
Exploration expenditure impaired during the year	(282,861)	(254,776)
Farm-out of permit (a)	(268,750)	(1,960,828)
Balance at 30 June	2,153,617	2,018,317

(a) **Hancock Joint Venture Agreement**

During the year Hawthorn entered into an arrangement with Hancock Magnetite Holdings Pty Ltd ("Hancock") and Legacy Iron Ore Ltd ("Legacy") in relation to the rights for all minerals in the Mt Bevan exploration permit other than iron ore. The agreement provides that Hancock paid \$4 million for a 7.5% interest in these rights. Hawthorn received \$1.6 million to transfer 3% to Hancock. In accordance with its accounting policy, Hawthorn recorded the receipts against the permit. At the date of the agreement \$268,750 of expenditure had been recorded against the permit. As the receipt exceeded the expenditure the excess was taken to profit and loss, resulting a gain of \$1,331,250 recorded in other income.

In the prior year the parties had entered into a similar agreement whereby Hancock agreed to pay \$8 million to the permit holders for a 30% interest in the permit in respect of the iron ore rights. Hawthorn received \$3.2 million and recorded all receipts against the permit. A gain of \$1,239,172 was recorded in other income after deducting expenditure incurred of \$1,960,828.

# Hawthorn Resources Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2023

### **Accounting policy**

Exploration expenditure is capitalised for each separate area of interest where rights to tenure are current and:

- (a) such costs are expected to be recovered through successful development and exploitation or by sale; or
- (b) where activities in the area of interest have not yet reached a stage, which permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas.

The carrying values of expenditures carried forward are reviewed for impairment at each reporting date when the facts, events or changes in circumstances indicate that the carrying value may be impaired. Accumulated expenditures are written off to the Profit or Loss to the extent to which they are considered to be impaired.

The key points that are considered in this review include:

- planned drilling programs and data evaluation;
- environmental issues that may impact the underlying tenements; and
- the estimated market value of assets at the review date.

Information used in the review process is rigorously tested to externally available information as appropriate.

The Group conducted a review of its exploration areas of interest at Mt Bevan and its Trouser Leg Joint Venture, considering planned exploration activity over the next twelve months, which is over and above the expenditure requirements to maintain the tenements in good standing. In addition, the Group has other areas of interests, classified as a lower priority over the next twelve months. These lower priority areas of interests have been fully impaired in the current year.

### **Key estimates and judgements**

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off to profit or loss in the period when the new information becomes available.

## **5. INTEREST IN JOINT OPERATIONS**

The Company has an interest in the following joint operations:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Edjudina – Pinjin (Avoca Resources Pty Ltd) (i)	80%	80%
Mt Bevan Iron Ore (Legacy Iron Ore Limited) (ii)	28%	28%
Mt Bevan Other Minerals (Legacy Iron Ore Limited) (ii)	37%	40%

- (i) Edjudina – Pinjin: Avoca Resources Pty Ltd has a non-contributory 20% interest that is free carried to decision to mine. Avoca Resources Pty Ltd was acquired by RNC Minerals from Westgold Resources Limited;
- (ii) Mt Bevan: As noted in note 4 (a) the Mt Bevan permit was subject to an arrangement to farm-out the iron ore rights of the permit during the previous year, resulting in Hawthorn's interest being reduced to 28%. The Farm-in Agreement makes provision for all expenditure that leads to a Preliminary Feasibility Study ("PFS"), and up to \$7million, to be met by Hancock. Accordingly no expenditure commitments fall to Hawthorn at this time. The JV agreement makes provision for Hancock increasing its holding, and management of the permit will be determined by the activities undertaken by Hancock and the results of the PFS initially.

The principal activity of these joint operations is mineral exploration all of which are located within Australia. The Company's interest in these projects is included in exploration expenditure (Note 4). Included in the assets and liabilities of the Group are the following assets and liabilities employed in the joint operations:



Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Assets		
Exploration expenditure	-	-
Total Assets	-	-
Liabilities		
Trade and other payables	59,000	59,000
Total Liabilities	59,000	59,000

Included in the Group commitments (Note 6) are the following commitments in relation to the joint operations:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Exploration		
Not later than 1 year	-	20,000
Later than one year but not later than five years	-	-
More than five years	-	-
Total	-	20,000

**Accounting policy**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

**6. COMMITMENTS**

*(a) Exploration*

The Group must perform minimum exploration work and expend minimum amounts of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Group's tenement portfolio management through expenditure exemption approvals and expenditure reductions through relinquishment of parts or the whole of tenements deemed non prospective.

Should the Group wish to preserve interests in its current tenements the amount which may be required to be expended is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Not later than one year	392,810	412,810
Later than one year but not later than five years	881,240	931,240
More than five years	605,070	772,880
Total commitments	1,879,120	2,116,930

The terms and conditions under which the Group has title to its various mining tenements oblige it to meet tenement rentals and minimum levels of exploration expenditure as gazetted by the Department of Industry and Resources of Western Australia, as well as Local Government rates and taxes.

The "More than five years" component represents commitments of up to sixteen years in respect of mining licences which are granted for a period of twenty-one years, but in common with prospecting licences and exploration licences they may be relinquished or sold by the Group before the expiry of the full term of the licence.

*(b) Operating Leases*

The Group moved premises during the year, entering into a short term lease agreement for offices in Oakleigh, Victoria. The lease agreement is for a minimum period of 6 months and costs \$2,041 per month. As the amount is not material and the length of the lease considered short term the Group has applied the relief available in AASB 16 to short-term leases and low-value assets.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**7. TRADE AND OTHER PAYABLES**

Trade and other payables

2023 \$	2022 \$
669,283	792,779

**Accounting policy**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**8. PROVISIONS**

Employee entitlements  
Land rehabilitation  
Provisions

2023 \$	2022 \$
40,044	127,532
1,087,404	1,121,622
1,127,448	1,249,154

*Reconciliation of Land Rehabilitation provision*

Opening balance  
Provision made in the year  
Costs incurred during the year  
Closing balance

2023 \$	2022 \$
1,121,622	1,175,084
-	-
(34,218)	(53,462)
1,087,404	1,121,622

**Accounting policy**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the risks specific to the liability. Where provisions result from legislative measures amounts are recorded as current.

**Key estimates and judgements**

*Land rehabilitation*

The Group makes provision for the rehabilitation of the land used in its mining operations. The provision is required to estimate the costs that the Group will incur to rehabilitate the land in the future. The quantum of the rehabilitation work is uncertain, and therefore the estimates are subject to a number of factors that can vary. These factors include of the costs of performing the work, the area of land to be rehabilitated, regulatory changes, technological changes and discounting factors. Expenses incurred on land rehabilitation are offset against the provision and the outstanding costs estimated to complete the land rehabilitation are re-assessed.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**9. CONTRIBUTED EQUITY**

	2023		2022	
	No. of shares	\$	No. of shares	\$
Ordinary shares	335,015,613	54,219,505	333,515,613	54,084,505

The reconciliation of opening and closing equity is as follows:

	No. of shares	\$
At 30 June 2021	333,515,613	54,084,505
At 30 June 2022	333,515,613	54,084,505
Issued in lieu of services provided at \$0.09 per share <sup>1</sup>	1,500,000	135,000
At 30 June 2023	335,015,613	54,219,505

<sup>1</sup> On 6 January 2023 1.5 million shares were issued to settle an invoice in relation to consulting services on the farm out of the mineral rights of the Mt Bevan permit to Hancock. The work was completed with the signing of the agreement in June 2023. Shares were issued at market price and the value of the service was considered to be equal to the value of the shares issued to the service provider.

**Terms and Conditions of Issued Capital**

*Ordinary Shares (quoted): HAW*

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up of the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

**Accounting policy**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and options are shown in equity as a deduction, net of tax, from the proceeds.

*Capital Management*

The Company's policy in relation to capital management is for management to regularly and consistently monitor future cash flows against expected expenditures. The Board determines the Company's need for additional funding by way of either share placements or loan funds depending on market conditions at the time. Management defines working capital in such circumstances as its excess liquid funds over liabilities and defines capital as being the ordinary share capital of the Company.

There were no changes in the Company's approach to capital management during the year.

**10. DIVIDENDS**

No dividend was declared or paid during the year ended 30 June 2023.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**11. REVENUE**

	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
Revenue from ore sales	-	5,647,473
Interest	326,460	13,618
Total revenue	326,460	5,661,091

**Accounting Policy**

*Sale of goods*

Revenue from the sale of gold ore is recognised when the performance obligation is satisfied. The performance obligation is generally considered to be satisfied when the gold ore is physically transferred to the buyer.

Gold sales are recognised based on the quantity and grade of the ore mined and processed at the Lakewood Mill operated by Golden Mile Milling Pty Ltd (Golden Mile). The amount paid by Golden Mile is the amount billed, net of processing costs borne by Golden Mile and any discounts allowed. If required, adjustments are made for variations in commodity price, assay or weight between the time of dispatch and the time of final settlement.

*Interest*

Interest revenue is recognised as the interest accrues.

**12. OTHER INCOME**

	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
Gain from farm-out of permit (i)	1,331,250	1,239,172
Gain from disposal of property, plant and equipment	-	12,500
Total other income	1,331,250	1,251,672

(i) Refer note 4(a)

**13. MINING COSTS**

	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
Processing costs	-	3,712,295
Camp costs	-	50,214
Other expenses	-	67,127
Total mining costs	-	3,829,636

During the previous year ore from the TLMJV was processed at the Lakewood Mill, operated by Golden Mile Milling Pty Ltd. Costs included haulage, fuel and processing costs charged by the mill.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**14. EXPENSES**

Profit before income tax expense includes the following expenses whose disclosure is relevant in explaining the performance of the Group:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
(i) Payroll and contractor expenses		
Salaries and other employee costs	352,912	420,559
Superannuation	32,200	33,627
Insurance	69,608	66,259
Consulting and contractor fees	56,500	57,000
Total payroll and contractor expenses	511,220	577,445
(ii) Fully serviced office rental expense	162,252	170,000
(iii) Profit attributable to Joint Venture Partner <sup>1</sup>	10,021	546,680

1. Profit attributable to Joint Venture Partner relates to 30% of the of the profits derived from the Anglo-Saxon mining operation. The Anglo-Saxon mining permit is subject to a Joint Venture agreement with Hawthorn holding a 70% interest in the operation and controlling the resources and activities of the operation as JV manager. Accordingly Hawthorn has recorded 100% of the revenues and expenses, and assets and liabilities of the mining operation (see notes 11 and 13). A total profit of \$33,402 (2022: \$1,822,058) was recorded in the mining operation for the current year. \$10,021 (2022: \$546,680) is attributable to the Joint Venture partner and has been recorded as an expense and was offset against the GEL contribution for the year.

**Accounting policy**

*Other taxes*

Revenues, expenses and assets are recognised net of the amount of associated GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.



Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**15. TAXATION**

**(a) Income tax recognised in profit or loss Tax expense comprises:**

	<b>2023</b> \$	<b>2022</b> \$
Current tax benefit	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Tax losses not recognised	-	-
Income tax expense	-	-

**(b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:**

	<b>2023</b> \$	<b>2022</b> \$
Profit / (Loss) from operations	84,951	927,058
Income tax expense at 25% (2022: 26%)	21,238	241,035
Non-deductible expenditure	436,476	726,932
Capital expenditure deduction	(139,530)	(232,171)
Allowable deductions	(333,692)	(614,499)
Tax base of assets disposed of	67,188	509,815
Tax and capital losses (utilised) /generated	(51,680)	(631,112)
Income tax expense	-	-

**(c) Deferred tax assets and liabilities**

	<b>2023</b> \$	<b>2022</b> \$
<b>Deferred tax liability comprises:</b>		
Exploration costs	243,424	217,982
Amounts not recognised due to offset of deferred tax assets (detailed below)	(243,424)	(217,982)
	-	-

**Deferred tax asset comprises:**

Accruals and payables	111,919	162,411
Employee entitlements	10,011	33,158
Provisions	271,851	291,622
	393,781	487,191
Deferred tax liabilities not recognised	(150,357)	(269,209)
Deferred tax assets offset against deferred tax liabilities	243,424	217,982
Tax Loss amounts where benefit not recognised (potential benefit at 25% (2022: 26%)) *	6,923,390	7,130,106

\*At 10 June 2008, the Company formed a tax consolidated group. These losses are subject to further review by the Company to determine if they satisfy the necessary legislative requirements under the income tax legislation for the carry forward and recoupment of tax losses. Additionally, a deferred tax asset has not been recognised in respect of these items because at this stage of the Company's development, it is not currently considered probable that future taxable profits will exceed the value of the gross value of the deferred tax assets available to the Company. This is due to the uncertainties and risks associated with estimating economic benefits arising from the Trouser Legs Mining Joint Venture, due to the risk factors discussed related to the Company's assets and operations.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**Accounting policy**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current tax is the expected tax payable on the taxable income for the period. The Company has not derived taxable income in either the current or previous period.

Deferred income tax is determined using the balance sheet method which calculates temporary differences on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Hawthorn Resources Limited (the 'head entity') and its wholly owned Australian entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

**16. EARNINGS PER SHARE**

**Basic and diluted earnings per share**

Basic and diluted earnings per share is calculated as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Profit / (Loss) for the year attributable to members	84,951	927,058
	<b>Number of</b>	<b>Number of</b>
	<b>shares</b>	<b>shares</b>
Weighted average number of ordinary shares at the end of the financial year	334,234,791	333,515,613
Basic and Diluted (Loss) / Earnings Per Share (cents)	0.0254	0.278

There were no outstanding options at the reporting date (30 June 2022: \$nil). Outstanding performance rights are considered non-dilutive as the rights have not vested due to the vesting conditions not being satisfied as at 30 June 2023.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**17. RELATED PARTIES**

**(a) Key Management Personnel Disclosures**

The key management personnel for the Company for all or part of the year are set out as follows: -

Directors

Li, Yijie	Non-Executive Chairman (re-elected at 2021 AGM)
Liu, Zhensheng	Non-Executive Director (re-elected at 2022 AGM)
Liao, Yongzhong	Non-Executive Director (re-elected at 2020 AGM)
B F Thornton	Non-Executive Director until 24 November 2022; joint Managing Director from 25 November 2022 until 31 December 2022 and sole Managing Director thereafter
J D Corrigan	Non-Executive Director appointed at 2022 AGM on 24 November 2022
M G Kerr	Resigned as Managing Director on 31 December 2022
D S Tyrwhitt	Retired as Non-Executive Director on 24 November 2022 at end of current term

The key management personnel compensation is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	356,285	504,489
Post-employment benefits	25,755	27,527
	<b>382,040</b>	<b>532,016</b>

In addition to the above disclosed remuneration, \$85,000 (2022: \$170,000) was paid to Berkeley Consultants Pty Ltd during the year for serviced office facilities. As noted, Berkeley Consultants Pty Ltd is an entity in which Mr. M Kerr has a material personal interest in the transactions through his interests in Berkeley Consultants Pty Ltd. At 30 June 2023 \$nil was payable to Berkeley Consultants Pty Ltd in relation to invoiced services (2022: \$69,250).

At year end, no amounts were due to or from key management personnel (2022: \$nil).

**(b) Wholly Owned Group Transactions**

During the year there were no transactions with controlled entities, other than movements in the respective inter-company loan accounts.

As at 30 June 2023, Hawthorn Resources Limited loan balances with its subsidiary companies were:

Payable to Ellendale Resources Pty Ltd	\$514,068 (2022: \$514,648)
Receivable from Northern Resources Australia Pty Ltd	\$262,659 (2022: \$262,369)
Receivable from Trouser Leg Mining Joint Venture	\$8,274 (2022: \$1,676,807)

As at 30 June 2023, Ellendale Resources Pty Ltd loan balances with its subsidiary companies were:

Payable to Sunderland Pty Ltd	\$476,874 (2022: \$476,584)
Receivable from Northern Resources Australia Pty Ltd	\$140,738 (2022: \$140,738)

All loan balances have been provided on an interest free basis and have no fixed repayment date.

Movements in loan account during the year relate to payment of expenses. Expenses paid and charged through the loan accounts during the year relate to exploration, tenement costs and Company administration expenses.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**18. PARENT ENTITY INFORMATION**

As at, and throughout the financial year ended 30 June 2023, the legal parent entity of the Group was Hawthorn Resources Limited.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current assets	12,693,206	12,820,665
Non-current assets	2,405,026	2,270,596
Total assets	15,098,232	15,091,261
Current liabilities	415,879	627,990
Non-current liabilities	10,291,280	10,268,768
Total liabilities	10,707,159	10,896,758
Net assets	4,391,073	4,194,503
Issued capital	105,953,795	105,818,795
Accumulated losses	(101,562,722)	(101,624,292)
Total equity	4,391,073	4,194,503
Profit / (Loss) of the parent entity	61,570	(348,319)
Comprehensive Profit / (Loss) of the parent entity	61,570	(348,319)

The parent Company has not provided any guarantees for its subsidiaries, nor does it have any contingent liabilities or contractual commitments to purchase plant and equipment. This is consistent with prior years.

**19. CONSOLIDATED ENTITIES**

Name	Country of Incorporation	Ordinary Share Consolidated Equity Interest	
		2023	2022
		%	%
<b>Parent entity</b>			
Hawthorn Resources Limited	Australia		
<b>Controlled entities</b>			
Ellendale Resources Pty Ltd	Australia	100%	100%
Sunderland Pty Ltd *	Australia	100%	100%
Northern Resources Australia Pty Ltd *	Australia	100%	100%
Trouser Leg Mining Joint Venture**	Australia	70%	70%

\* Sunderland Pty Ltd and Northern Resources Australia Pty Ltd are non-operating 100% owned subsidiaries of Ellendale Resources Pty Ltd.

\*\* Trouser Legs Mining Joint Venture is a contractual arrangement set up upon a decision to mine within exploration tenements previously subject to farm-out arrangements.

**20. FINANCIAL RISK MANAGEMENT**

The Group's operations expose it to various financial risks including market, credit, liquidity and price risks. Financial risk management is carried out by the Board on an informal basis using a variety of methods as deemed appropriate, including performance analysis, cash flow and operating/capital expenditure forecasts, to manage market, credit, liquidity and price risk.

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**(a) Market Risk**

**Foreign Exchange Risk**

Foreign currency risk is the risk of exposure to transactions that are denominated in a currency other than the Australian dollar.

The Group's operations are currently solely within Australia, and therefore are not exposed to any material foreign exchange risk.

**Interest Rate Risk**

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. Fluctuations in interest rates will not have any material risk exposure to the cash held in bank deposits at variable rates.

The Group's exposure to market interest rates relates primarily to the Group's short-term cash deposits held.

**Sensitivity Analysis on Cash and Cash Equivalents**

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the average monthly closing balances. A 100-basis point increase or decrease is used when reporting interest rate risk internally and represents Management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 100 basis points higher or lower and all other variables held constant, the Group's net result and net assets would increase by \$128,768 (2022: \$117,758) and decrease by \$128,768 (2022: \$117,758). This is mainly attributable to the Group's exposure to interest rates on its cash and cash equivalents.

**(b) Credit Risk**

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions. For banks and financial institutions, only major Australian banking institutions are used. For customers, individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets (refer Notes 2 and 3). The Group's cash assets are held with large Australian banks. The Group's receivables are mainly from the Australian Tax Office. Accordingly the directors are satisfied there is no significant credit risk in relation to current financial assets.

**(c) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group does not have any committed credit lines. As at the reporting date, the Group has no significant liquidity risk, as available cash assets significantly exceed amounts payable.

**(d) Price Risk**

The Group currently does not have any exposure to price risk.

**(e) Maturities of Financial Liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**Group – 30 June 2023**

	<i>Less than 3 months</i>	<i>3 months to 1 year</i>	<i>1 - 5 years</i>	<i>5 + Years</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Non-Interest Bearing	(792,779)	-	-	-	(792,779)



Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2023

**Group - 30 June 2022**

	<i>Less than 3 months</i>	<i>3 months to 1 year</i>	<i>1 - 5 years</i>	<i>5 + Years</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Non-Interest Bearing	(909,815)	-	-	-	(909,815)

**(f) Net Fair Values**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value at the reporting date of financial assets and financial liabilities, such as receivables and payables, are assumed to approximate fair values due to their short-term nature. For other financial assets, such as financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset.

The financial instruments recognised at fair value in the Consolidated Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets and liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3)

The Group's financial assets held at fair value comprise the investment in ordinary shares of a private entity (\$197,908). These have been valued using Level 2 inputs. The risk related to these assets are considered minimal based on the low level of resources invested.

**Accounting policy**

The Group's principal financial instruments comprise receivables, payables, cash and term deposits. These instruments expose the Group to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Management manages the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate risk and by being aware of market forecasts for interest rate and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through general business budgets and forecasts.

**21. EVENTS AFTER THE BALANCE DATE**

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**22. REMUNERATION OF AUDITORS**

The auditor of Hawthorn Resources Limited is Connect Audit Pty Ltd (In 2022 the auditor was BDO Audit Pty Ltd).

	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Statutory audit</b>		
Auditors of the Company – Connect (2022: BDO)		
- Audit and review of financial reports – Connect	30,000	-
- Audit and review of financial reports – BDO	40,562	65,583
Other Services – Connect (2022: BDO)		
- Other non-audit services – Connect	-	-
- Other non-audit services BDO	-	-
<b>Total fees</b>	<b>70,562</b>	<b>65,583</b>

**23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities and contingent assets in existence at 30 June 2023 and 30 June 2022.

**24. OPERATING SEGMENTS**

The Group has adopted AASB 8 Operating Segments whereby segment information is presented using a "management approach". Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Makers, in the Group's case being the Board of Directors, that are used to make strategic decisions. The Group operates predominately in one geographical location. The Group does not have any operating segments with discrete financial information. The Group does not have any customers outside Australia, and all the Group's assets and liabilities are located within Australia.

The Board of Directors review internal management reports at regular intervals that are consistent with the information provided in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. As a result, no reconciliation is required because the information as presented is what is used by the Board of Directors to make strategic decision including assessing performance and in determining the allocation of resources.

**25. IMPACT OF ADOPTING NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE**

**(a) New, Revised or Amending Accounting Standards and Interpretations Adopted**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the year.

**(b) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

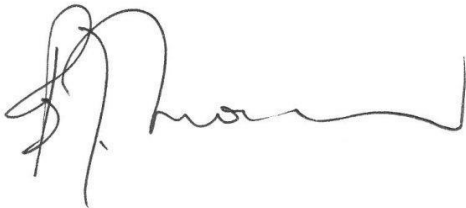
## Hawthorn Resources Limited Directors Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 32 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1 (c); and
- (d) the audited Remuneration Report set out on pages 9 to 12 of the Directors' Report is in accordance with the *Corporations Act 2001*.

The directors have been given declarations, as required by section 295A of the *Corporations Act 2001*, by the chief executive officer and the chief financial officer for the financial year ended 30 June 2023.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 22nd day of September 2023.

A handwritten signature in black ink, appearing to read 'B. Thornton', with a stylized flourish at the end.

Brian F Thornton  
Managing Director and CEO

**Independent Auditor's Report  
To the Members of Hawthorn Resources Ltd  
Report on the Audit of the Financial Report**

**Opinion**

We have audited the accompanying financial report of Hawthorn Resources Ltd and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company as set out on page 33.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<b>Capitalisation of Exploration and Evaluation Assets</b>	
We focus on the capitalisation of exploration and evaluation asset as this represents a significant asset of the Group and that the capitalisation of this amount is significantly affected by management's judgement	We carried out the following work in accordance with the guidance set out in AASB 6 Exploration for and Evaluation of Mineral Resources:
The Group has incurred significant exploration and evaluation expenditures. The accounting treatment of these expenditures	We reviewed the Group's accounting policy specifying which expenditures are recognised as exploration and evaluation assets and its consistent application of the policy. We tested

<p>(whether as capital or expense) can have a significant impact on the financial report. This is particularly relevant as this Group is in an exploration stage with no production activities. As such it is necessary to assess whether the facts and circumstances existed to suggest that these expenditures were properly capitalised in accordance with accounting standard</p>	<p>a sample of capitalised expenditures to ensure that these expenditures are associated with finding specific mineral resources</p> <p>We obtained evidence that the rights to tenure of the area of interest are current and that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditures by reviewing supporting documents of a sample of the Group's tenement holdings</p> <p>We evaluated whether the exploration and evaluation expenditures are expected to be recouped, either through successful development and exploitation or through sale</p> <p>We enquired with management and evaluated whether exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.</p> <p>We enquired with those charged with governance whether they monitor that these expenses are capitalised as per AASB6</p> <p>We have obtained sufficient appropriate audit evidence with regards to the capitalised amount as disclosed in the note to financial statements.</p> <p>We also considered the appropriateness of the related disclosure in Notes 4 and 6 to the financial statements.</p>
<p><b>Assessment of Carrying Value of Exploration and Evaluation Assets</b></p>	
<p>We focus on the assessment of the carrying value of the exploration and evaluation asset as this represents a significant asset of the Group. We need to assess whether the facts and circumstances existed to suggest that the carrying value of this asset may exceed its recoverable amount. Significant judgement is involved in considering if there was impairment indicator and estimating the value of the asset and the potential material impact on the financial report.</p>	<p>We ensured the Group has tested at the level of area of interest where the following indicators are present: (a) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned (c) exploration for and evaluation of mineral resources in the specific area have not led to</p>



<p>As part of their annual impairment review management prepared a list of all its exploration and evaluation assets and reviewed these against their list of impairment indicators. Where impairment indicators existed, management performed an impairment review in accordance with AASB 136 Impairment of Assets. No impairment issue was identified by the management and subsequently no amount was written off during this year in respect of areas of exploration in the exploration and evaluation assets.</p>	<p>the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.</p> <p>We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's areas of interest were planned.</p> <p>We enquired with management, reviewed announcements made and reviewed minutes of the directors' meetings to ensure that the Group had not decided to discontinue activities in any of its areas of interest.</p> <p>We evaluated management's assessment of impairment indicators including the conclusion reached.</p> <p>We also considered the appropriateness of the related disclosure in Notes 4 and 6 to the financial statements.</p>
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## Other Matter

The financial report of the Group for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on the financial report.

## Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee

that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the financial year ended 30 June 2023.

In our opinion the Remuneration Report of Hawthorn Resources Ltd for the financial year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Connect National Audit*

**CONNECT NATIONAL AUDIT PTY LTD**

Authorised Audit Company No. 521888



**GEORGE GEORGIOU FCA RCA**  
**MANAGING DIRECTOR**

22 September 2023

# HAWTHORN RESOURCES LIMITED

## Additional Information for Shareholders

### ASX Listing Rule 4.10 at 27 September 2023

#### 1. 20 Largest Shareholders – HAW ordinary shares

Registered holder	Holding	%	Rank
FENG HUA MINING INVESTMENT HOLDING (HK) LIMITED	120,788,101	36.05	1
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	54,694,572	16.33	2
LEGACY IRON ORE LIMITED	12,575,000	3.75	3
MR M KERR & MRS L KERR <LINDMARK STAFF SUPER A/C>	11,854,088	3.54	4
MR BRIAN THORNTON	5,761,879	1.72	5
BAGBO PTY LTD	5,391,941	1.61	6
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,215,686	1.26	7
MR VICTOR LORUSSO	4,127,529	1.23	8
DR MARK THEO BLOCH	4,020,500	1.20	9
YELRIF INVESTMENTS P/L <YELRIF INV P/L P/FUND A/C>	3,650,000	1.09	10
NATIONAL NOMINEES LIMITED	3,030,003	0.90	11
MR MICHAEL ROBERT WELLARD	2,500,000	0.75	12
CITICORP NOMINEES PTY LIMITED	2,391,710	0.71	13
AUSTIC ENTERPRISES PTY LTD	2,250,000	0.67	14
MR MA & MRS LJ MITCHELL <M & L MITCHELL S/F A/C>	1,800,000	0.54	15
BERKELEY CONSULTANTS PTY LTD <THE BERKELEY A/C>	1,500,000	0.45	16
JAWESS PTY LTD <KENT FAMILY SUPER FUND A/C>	1,400,000	0.42	17
MS JANET ELIZABETH WELLARD	1,328,319	0.40	18
KRISHNAJIPITALE PTY LTD <KRISHNAJI PITALE S/F A/C>	1,326,112	0.40	19
MR TONY DOMENIC AMATO	1,317,232	0.39	20
<b>Total – 20 largest holders</b>	<b>245,922,672</b>	<b>73.41</b>	<b>20</b>
<b>Total – all others</b>	<b>89,092,941</b>	<b>26.59</b>	<b>1,711</b>
<b>TOTAL</b>	<b>335,015,613</b>	<b>100.00</b>	<b>1,731</b>

#### 2. Range of Shareholdings – HAW ordinary shares

Range	Holding	%	No. of holders	%
100,001 and over	304,033,907	90.75	195	11.27
10,001 to 100,000	27,025,692	8.07	741	42.81
5,001 to 10,000	2,694,960	0.80	343	19.82
1,001 to 5,000	1,235,897	0.37	306	17.68
1 to 1,000	25,157	0.01	146	8.43
<b>Total</b>	<b>335,015,613</b>	<b>100.00</b>	<b>1,731</b>	<b>100.00</b>

### 3. Marketable Parcels

There were 324 holders with less than a marketable parcel (market value less than \$500) of the Company's ordinary shares (being 5,000 shares at the closing market price of \$0.10 per share on 27 September 2023). These holdings totalled 621,054 shares or 0.19% of all shares on issue.

### 4. Buy-Back

The Company has not undertaken any buy-back during or since the end of the period under review.

### 5. Substantial Shareholdings

At 27 September 2023, the following substantial shareholdings have been declared to the Company:

Declared entity	No. of shares	%
Feng Hua Mining Investment Holding (HK) Ltd	120,788,101	36.05
Li, Yijie (indirect)	120,788,101	36.05
Christopher D Corrigan	54,694,572	16.33

### 6. Other Securities

At 27 September 2023, HAW has no options, performance rights, or other securities on issue.

### 7. Corporate Governance

The Board of Directors of Hawthorn Resources Limited are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period.

The Corporate Governance Statement and the Appendix 4G statement have been released to the ASX and can be found on the Company's website at [www.hawthornresources.com](http://www.hawthornresources.com)

# HAWTHORN RESOURCES LIMITED

## Table of Interests in Mining Tenements

Project/Tenement	Interest at 30-Jun-23	Interest at 30-Jun-22	Joint Venture Partner / Farm- In/Out Partner
<b>Pinjin East</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>			
M 31/481	100%	100%	
<b>Mt Bevan JV</b>			
E 29/510 (magnetite)	28%	28%	Legacy Iron Ore Limited & Hancock Magnetite Holdings Pty Ltd
E 29/510 (lithium)	37%	40%	Legacy Iron Ore Limited & Hancock Magnetite Holdings Pty Ltd
<b>Trouser Legs JV</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>Edjudina – Pinjin JV</b>			
E 31/789	80%	80%	Karora Resources Pty Ltd
<b>Teutonic Bore Royalty *</b>			
E 37/902	0%	0%	Round Oak Jaguar Pty Ltd
* Royalty up to \$1m subject to conditions			









Hawthorn Resources Limited  
ABN 44 009 157 439

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

**T** +61 (0) 425 703 805  
**E** [info@hawthornresources.com](mailto:info@hawthornresources.com)  
**W** [hawthornresources.com](http://hawthornresources.com)

