

ASX Release

30 April 2024

**Hawthorn Resources  
Limited**

ABN 44 009 157 439

ASX Code: HAW

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

T: +61 (0) 425 703 805

W: [www.hawthornresources.com](http://www.hawthornresources.com)

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

**Directors:**

Mr Li, Yijie

(Non-Executive Director/Chairman)

Mr Brian Thornton

(Managing Director/CEO)

Mr Liu Zhensheng

(Non-Executive Director)

Mr Joseph D Corrigan

(Non-Executive Director)

**Senior Management:**

Mr William Lloyd

(Operations & Technical  
Consultant)

Mr Tony Amato

(CFO & Company Secretary)

**HAWTHORN**  
RESOURCES

# Quarterly Activities Report

## March 2024

### Highlights

- Draft Magnetite Pre Feasibility Study (PFS) completed by Hancock Magnetite Projects Pty Ltd.
- Mt Bevan magnetite resource can achieve a Direct Reduction grade of 70%Fe, post beneficiation.
- Financial modelling to be completed in the current quarter following peer review and confirmation of capex parameters and magnetite pricing by JV partners.
- Drilling underway on the Mt Bevan lithium and other minerals JV with a 6000-8000m program planned.
- The Anglo Saxon gold JV at Pinjin (Hawthorn 70% ,Gel Resources 30%) has begun trucking low grade stockpiled ore to the Paddington Mill in Kalgoorlie.
- Remodelling of the current Anglo Saxon orebody ( MRE of 157,000 ozs at 5.7g/t; see ASX report March 2020) underway to review a potential cut back and open pit economics versus an underground operation, given the current record A\$ gold price.

### Mount Bevan Magnetite Joint Venture: Western Australia

#### Hawthorn Resources 19.6%, Legacy Iron Ore 29.4% and Hancock Magnetite Holdings Pty Ltd 51% on delivery of completed PFS

- Draft PFS completed by the JV Partner, Hancock Magnetite Holdings Pty Ltd (Hancock) .
- Financial evaluation model commenced ahead of peer review of capital items and forecast ore prices by the JV partners.
- Draft PFS confirms exceptional grade ,quantum of resource and positive metallurgical test results of the Mt Bevan magnetite which will produce a beneficiated, premium product of 70%Fe .

For personal use only

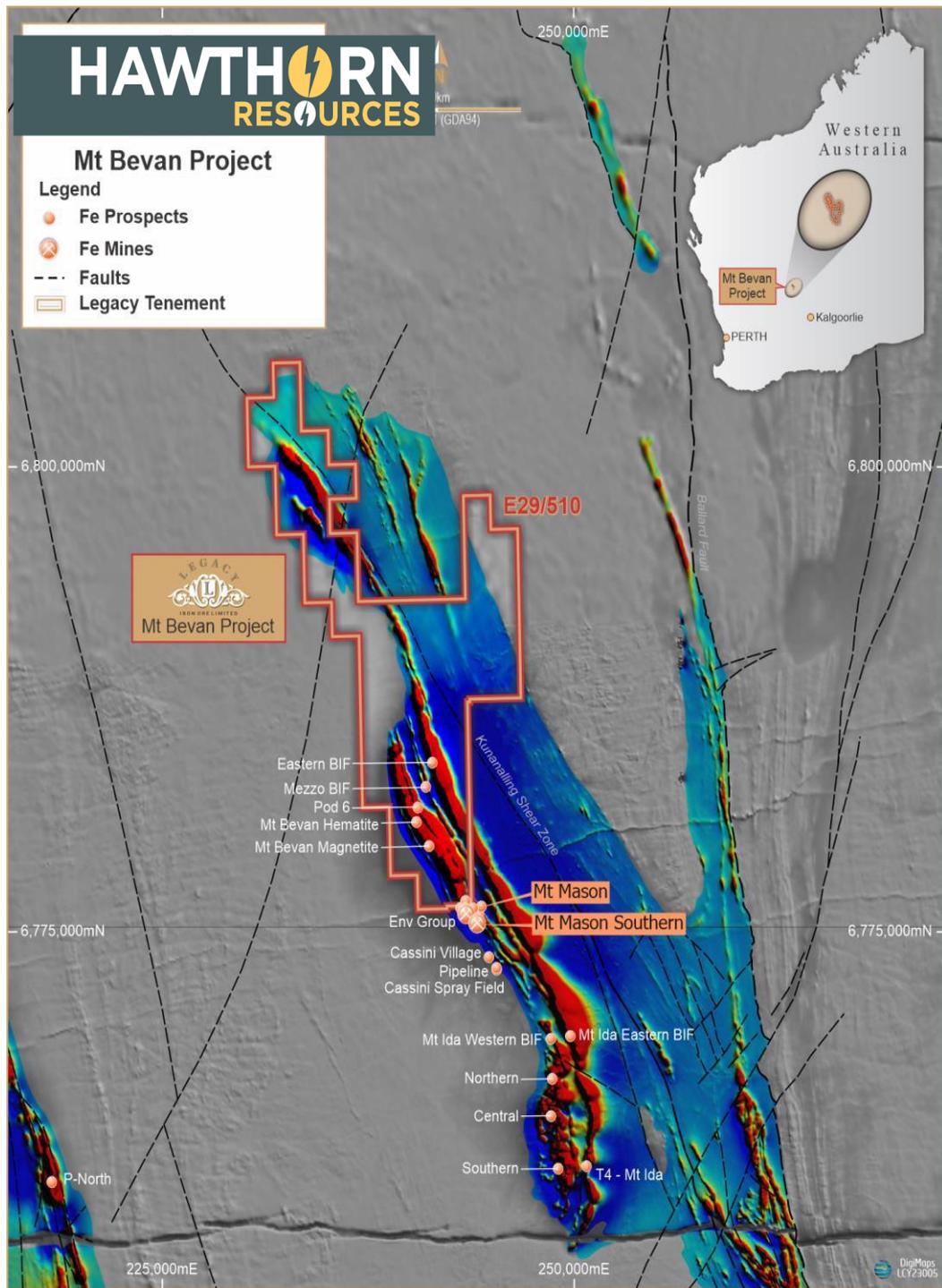


Figure : Mt Bevan Magnetite location map

- It is expected that following a peer review, costs of the key capital items, including power, water, processing and transport will be confirmed by the JV partners, enabling completion of the financial model in the current quarter.
- On delivery of the completed PFS, JV interests will be Hawthorn 19.6%, Legacy Iron Ore 29.4% and Hancock 51%.

## Mt Bevan Lithium and Other Minerals Joint Venture.

Hawthorn Resources 37%, Legacy Iron 55.5% and Hancock Magnetite Holdings Pty Ltd 7.5%

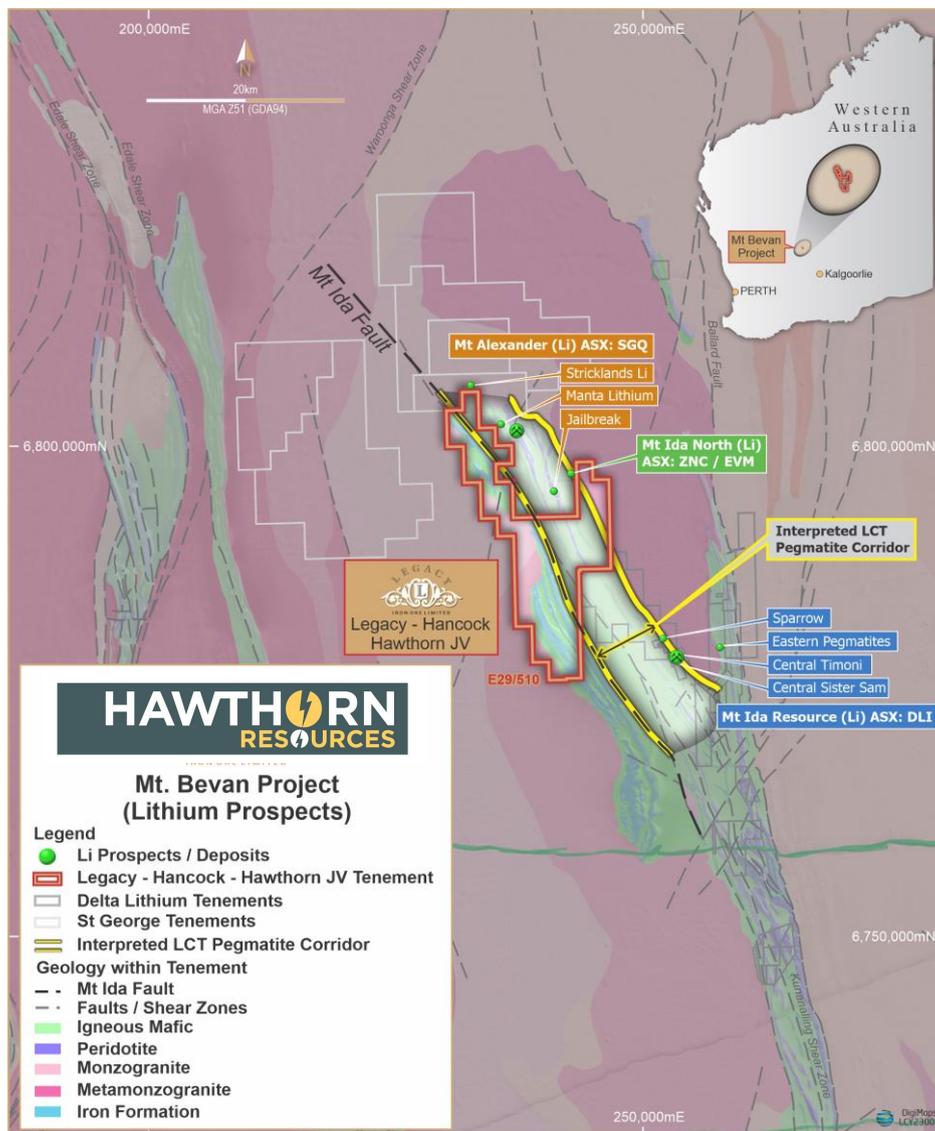


Figure : Mount Bevan Project, LCT pegmatite corridor.

- Following early-stage field reconnaissance and regional geophysics, drilling commenced on the Mt Bevan tenement for lithium and other minerals on 5 April 2024.
- Hancock is conducting a 6000-8000m drilling program on areas identified as outcropping pegmatites following reconnaissance and rock chip sampling, that may host lithium pegmatites along the Mt Ida fault.
- Hancock will earn an additional 7.5% interest in the lithium and other minerals JV upon completing specified exploration activities or expending \$5m on those activities, whichever occurs first.

- Hancock may then carry out further specified exploration and development work, or expend a minimum of \$7m on such work, and depending on drilling results complete a pre-feasibility study, to earn a total additional 43.5% interest.
- This would take Hancock's interest to 51% of the JV with Hawthorn and Legacy Iron Ore holding 19.6% and 29.4% respectively.
- The drilling program for the lithium pegmatites on E29/510 is north of the JV's magnetite JV with Hancock (see tenement map above).

## **Anglo Saxon Gold Project – Trouser Legs Joint Venture : Pinjin, Western Australia.**

(Hawthorn Resources Limited -70% : Gel Resources Pty Ltd -30% and known as the Trouser Legs JV )

- Anglo Saxon hosts a Mineral Resource Estimate (MRE) of 157,000 ozs @5.7g/t ; (refer ASX quarterly report of March 2020).
- Given the elevated A\$ gold price and high grade of the current underground resource, the JV is reassessing a number of options for the Anglo Saxon development.
- These include;
  1. remodelling of the current resource to include a potential cut back of the existing pit shell to maximise production of the high grade ounces.
  2. discussions with potential new JV funding and development partners, or
  3. the outright sale of the Anglo Saxon project and tenement package .
- A contract was signed in late December for the treatment of 35,000 tons of low grade stockpile ore with Paddintgon Gold Pty Ltd at their Paddington mill near Kalgoorlie.
- Given recent weather events and road closures in the Goldfields, this stockpile ore is now being treated in the current quarter and will generate a profit for the JV. Discussions are also underway to treat further low grade stockpiles on the JV's tenements.



Anglo Saxon open pit April 2024 looking south

- The JV has engaged consultants in Kalgoorlie to review the potential for an expansion of the current pit and enable a cost estimate for a cutback of the current pit shell. This will enable the JV to evaluate the viability of an expanded open pit option versus the current underground model given current elevated gold prices.
- The previous modelling of the underground was carried out by Hiller and Associates in 2021 at a gold price of A\$2,150 ounce versus the current A\$ gold price of approximately A\$3,500 an ounce.
- This review will aim to confirm if widening, deepening and extending the current open pit could be a more cost effective route to mine the current MRE of 157,000 ounces at 5.7g/t ; this provides the JV additional optionality for development of Anglo Saxon.

## Other Assets

The company's other assets include the small Edjudina Mining Lease (HAW 100%) and a 10.6% interest in the unlisted explorer, Black Raven Mining Limited. Given the focus on the Mt Bevan JV assets with Hancock and Legacy, both of these assets remain under review and potential disposal.

No work was carried out or reported on these assets during the quarter.

## Corporate Update

### Issued Securities – ASX Limited securities code: “HAW”

The number of ordinary fully paid shares on issue and quoted on the official lists of the ASX at 31 March 2024 was 335,015,613 fully paid ordinary shares (31 December 2023: 335,015,613 shares) as held across 1,684 shareholder accounts (31 December 2023: 1,708).

At 31 March 2024 the Top 20 Shareholdings held 247,384,825 shares (31 December 2023: 246,352,687 shares) being 73.8 per cent of the number of shares on issue (31 December 2023: 73.5 per cent).

### Funding/Cash Balance/Working Capital

At 31 March 2024 the Company held funds-on-hand of A\$13.263 million (31 December 2023: A\$13.399 million). For full details of Cashflow movements refer to the Appendix 5B Report accompanying this Quarterly Activities Report.

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

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

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

**END**

### For further information contact:

Managing Director /CEO	Brian Thornton	E: <a href="mailto:bt@hawthornresources.com">bt@hawthornresources.com</a>	P: +61 411 366 668
Company Secretary	Tony Amato	E: <a href="mailto:cosec@hawthornresources.com">cosec@hawthornresources.com</a>	P: +61 409 802 975

## Appendix 5B

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

Name of entity

HAWTHORN RESOURCES LIMITED

ABN

44 009 157 439

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers *	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(108)	(425)
	(b) development, rehab & maintenance	(4)	(60)
	(c) production *	-	-
	(d) staff costs	(103)	(205)
	(e) administration and corporate costs	(123)	(473)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	173	465
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other- GST refunds/(payments)	29	(110)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(136)</b>	<b>(808)</b>

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

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

For personal use only

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal/dilution of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	13,399	14,071
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(136)	(808)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,263</b>	<b>13,263</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	43	132
5.2	Call deposits	11,902	11,970
5.3	Bank overdrafts	-	-
5.4	Other (Mine Rehabilitation Fund)	1,318	1,297
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,263</b>	<b>13,399</b>

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

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

<b>Current quarter \$A'000</b>
103
-

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

Directors fees & salary \$103,477 (Previous Quarter \$57,653)

**7. Financing facilities**  
*Note: the term "facility" includes all forms of financing arrangements available to the entity.  
 Add notes as necessary for an understanding of the sources of finance available to the entity.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(136)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(136)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	13,263
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	13,263
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	97

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

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

Answer:

N/A

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

Answer:

N/A

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

Answer:

N/A

For personal use only

## Compliance statement

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



Signed: .....

Date: 30/04/2024.

Name: Tony Amato – Company Secretary

Authorised by the Board.

### Notes

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

### Competent Person Statement

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

## CHANGES IN INTERESTS IN MINING TENEMENTS

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

Tenement Reference	Nature of Interest [note (4)]	Interest at beginning of quarter	Interest at end of quarter
E 31/781	Surrendered	100%	0%
E 31/783	Surrendered	100%	0%
E 31/1176	Surrendered	100%	0%

### 10.2 Interests in Mining Tenements acquired or increased - NIL

#### Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3.

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

For personal use only