



ASX Release  
31 January 2012

ABN  
44 009 157 439

**Hawthorn Resources Limited**  
Level 2, 90 William Street  
Melbourne VIC 3000  
Australia  
Tel: +61 3 9605 5950  
Fax: +61 3 9605 5999  
Email:  
info@hawthornresources.com  
www.hawthornresources.com

#### Directors

Mr Mark Gregory Kerr  
(Chairman)

Mr Mark Edward Elliott  
(Managing Director)

Dr David Tyrwhitt  
(Non Exec. Director)

#### Senior Management

Mr Ian Moody  
(Exploration Manager)

Mr Mourice Garbutt  
(Company Secretary)

ASX Symbol: HAW

# Hawthorn Resources Limited

## December 2011 Quarterly Report

### CORPORATE

#### • Hawthorn and Legacy to Renegotiate Term Sheet

On 21 December 2011 Hawthorn Resources Limited (**Hawthorn**) and Legacy Iron Ore Limited (**Legacy**) announced to ASX that they had entered into a term sheet regarding a proposal under which Legacy would acquire a 60% majority shareholding in Hawthorn, and the companies would terminate their Joint Venture Agreement in relation to Hawthorn's Mt Bevan iron ore project (**Legacy Term Sheet**).

Following the recent investment in Legacy by NMDC Limited, the Indian iron ore producer, Legacy has reviewed its strategy and has determined that it will not proceed with the transaction described in the Legacy Term Sheet in the form announced on 21 December 2011, and that it will not terminate the Joint Venture Agreement in relation to Mt Bevan.

The companies are considering possible alternative transactions with a view to renegotiating the transaction described in the Legacy Term Sheet.

#### • Corporate Restructure Proposed

On 5 December 2011 Hawthorn announced to ASX its intention to undertake a corporate restructure under which the assets of Hawthorn, other than the Mt Bevan iron ore project, would be demerged into a separate company, with shares in that new company to be distributed to Hawthorn shareholders at the demerger record date.

The directors of Hawthorn intend to proceed with the Corporate Restructure.

#### • Share Purchase Plan Announced

On 5 December 2011 the Company announced a Share Purchase Plan (SPP) offering to eligible shareholders the SPP raising being capped at \$5 million with shares offered at \$0.01 each.

The SPP is scheduled to close on 7 February 2012.

## **EXPLORATION AND DEVELOPMENT**

- **Kalgoorlie, Eastern Goldfields – Gold, Western Australia**
  - Shallow Indicated Gold Resource at Anglo Saxon of **304,316 tonnes @ 2.57 g/t** for **25,121 ounces of gold**
  - Target of **60,000 ounces** of Indicated Resource from Anglo Saxon during 2012 prior to commencement of mining
  - Development planning for gold production at **Trouser Legs** and enhanced resource inventory on **Deep South, Edjudina – Triumph, Yundamindera – Coffey Bore** and **Whiteheads** projects continue
- **Mt Bevan Project - Iron Ore, Western Australia**
  - Results of Phase 2 Drilling released
    - **Continuity** of magnetite ore zone confirmed
    - **Excellent** Iron recoveries at a coarse grind size from **soft ore**
  - Exploration target of **1.5 -2.0 Billion tonnes** of magnetite remains in place
  - Updated **JORC compliant** resource imminent
  - **Mt Mason DSO haematite** – updated resource announced by Jupiter Mines Limited to tenement boundary. Feasibility study due for completion March 2012.

## **INTRODUCTION**

The Hawthorn Resources Limited group of companies (“Hawthorn”) is an Australian diversified iron ore and gold explorer with tenement holdings and joint ventures primarily focussed in the Kalgoorlie District of the Eastern Goldfields of Western Australia.

Hawthorn’s exploration effort remains focussed on the progression of its highly prospective portfolio of gold tenements towards production, with exploration concentrated on its 5 key project areas.

- **Deep South,**
- **Trouser Legs – Anglo Saxon,**
- **Yundamindera – Coffey Bore,**
- **Edjudina – Triumph, and**
- **Whiteheads.**

A re-optimization of the oxide portion of the **Anglo-Saxon Mine Resource** in the **Trouser Legs Joint Venture** project area was completed during the quarter, with an Indicated Resource of

- **304,316 tonnes @ 2.57 g/t Au for 25,121 ounces of gold** declared.

This newly calculated, optimized resource is both robust and conservative and is focused only on the shallow, oxide portion of the much larger historically calculated Inferred Resource of 135,000 ounces of gold.

The company believes that the feasibility drilling and associated testwork to be carried out in early 2012 will substantially increase the near surface resources at **Anglo Saxon, Coles, Exile** and **the Anglo Saxon** waste dumps.

A contract Mining Engineer has been retained to evaluate and develop strategies for early, and sustained, gold production within the project area on this basis. If the project appears economically viable following feasibility activities, mining activities are expected to commence late in 2012.

Hawthorn believes that the progression of the **Anglo Saxon Resource** towards exploitation is an important step. The skills gained from developing this resource will assist the development of other priority gold projects at **Deep South, Yundamindera – Coffey Bore**, and **Edjudina – Triumph** should viable resources be identified during the aggressive exploration activities planned to commence in early 2012.

At **Mt Bevan - Central Yilgarn Iron Province** - JV partner Legacy Iron Ore (“Legacy”) has announced results of the Phase 2 drilling program which has extended the strike length of the Mt Bevan Magnetite unit to over 10 kilometres in strike length.

This drilling campaign has also proved the excellent true widths of the main magnetite unit (of between **100 -120 metres**) extends to vertical depths of over **300 metres**. The unit remains open at even greater depths.

Metallurgical testwork continues to indicate good weight recoveries with the concentrate produced hosting in excess of **69% Fe**, from a coarse grind of relatively soft ores, suggestive of **lower than average power requirements and hence OPEX** in any mining scenario.

Legacy announced that an updated resource figure (in the range of **1.5 -2.0 Bt** of ore) was expected to be released by end January 2012; as of today the updated resource details have not been received but are believed to be imminent.

**Gold Exploration – Western Australia incorporating:**

**Deep South Project** Hawthorn Resources 80%, Alacer Gold Corp 20%;

**Trouser Legs Project** Hawthorn Resources 70%, Gel Resources 30%;

**Edjudina - Triumph Project** Hawthorn Resources 100% and Edjudina-Pinjin JV Tenements (Hawthorn Resources 80%, Alacer Gold Corp 20%);

**Yundamindera Project** Hawthorn Resources 100% and Edjudina-Pinjin JV Tenements (Hawthorn Resources 80%, Alacer Gold Corp 20%); and

**Whiteheads Project** Hawthorn Resources 100%

Hawthorn Resources' Western Australian gold exploration programs during the year have primarily focussed in five major project areas where Hawthorn Resources holds in its own right, has earned or is earning equity from joint venture partners in over 100 granted exploration, mining, prospecting licences and applications. The company believes that each of the major project areas, in close proximity to milling and transport infrastructure, hold both exploration upside and near term potential for development.

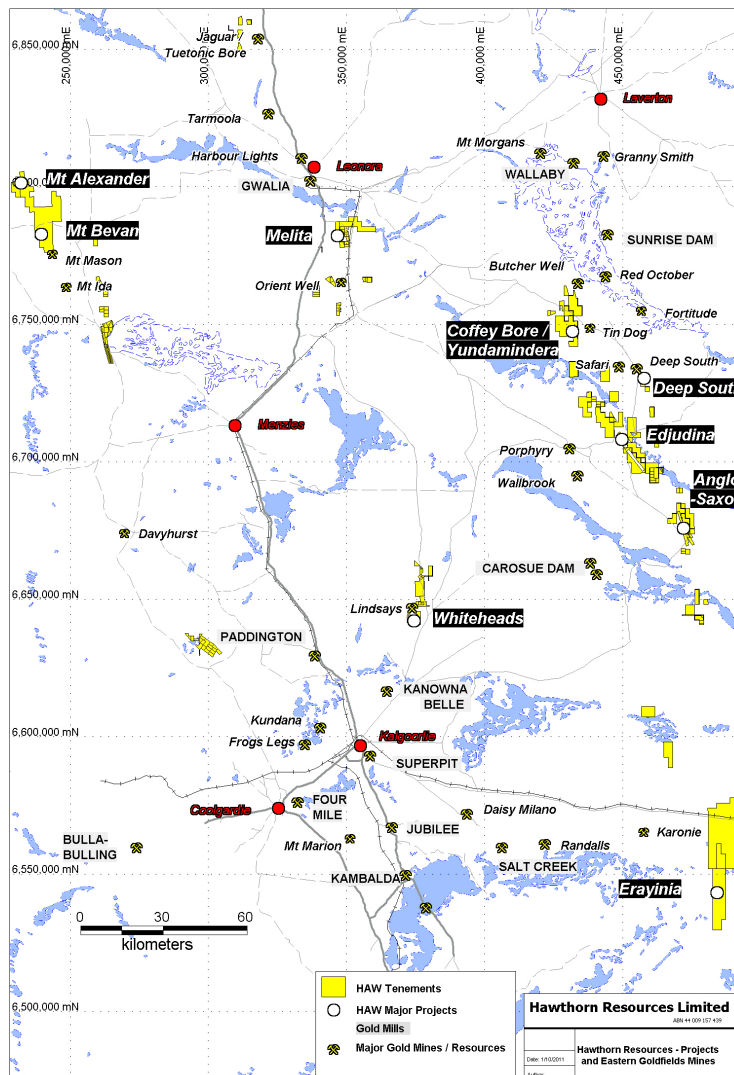


Figure 1. Eastern Goldfields, Western Australia – Project Locations

The major projects cover two distinct areas.

- A near contiguous part of the Eastern Goldfields of Western Australia extending from the south shore of Lake Carey to the historic Pinjin Mining Centre – a strike extent of approximately 125 kilometres. Hawthorn’s tenement package is surrounded by major gold mines, deposits and advanced resources including **Sunrise Dam, Wallaby, Red October, Carosue Dam, Safari Bore, Deep South, Porphyry** and **Butchers Well Mines**. The gold endowment of these mines and resources currently exceeds 22 Million ounces.
- A contiguous group of 15 tenements (“Whiteheads”) covering the historic Gindalbie Mining Centre that surrounds the **Lindsays** gold resource of Carrick Gold Limited (“Carrick”), and only 50 kilometres from the mining infrastructure hub of Kalgoorlie.

### Trouser Legs – Anglo Saxon Project

The **Trouser Legs Project** area is located 140 km north east of Kalgoorlie and is centred on the historic Anglo Saxon Mine. The Trouser Legs - Anglo Saxon project area is situated 35 kilometres to the east of the Carosue Dam Mill of Saracen Mineral Holdings.

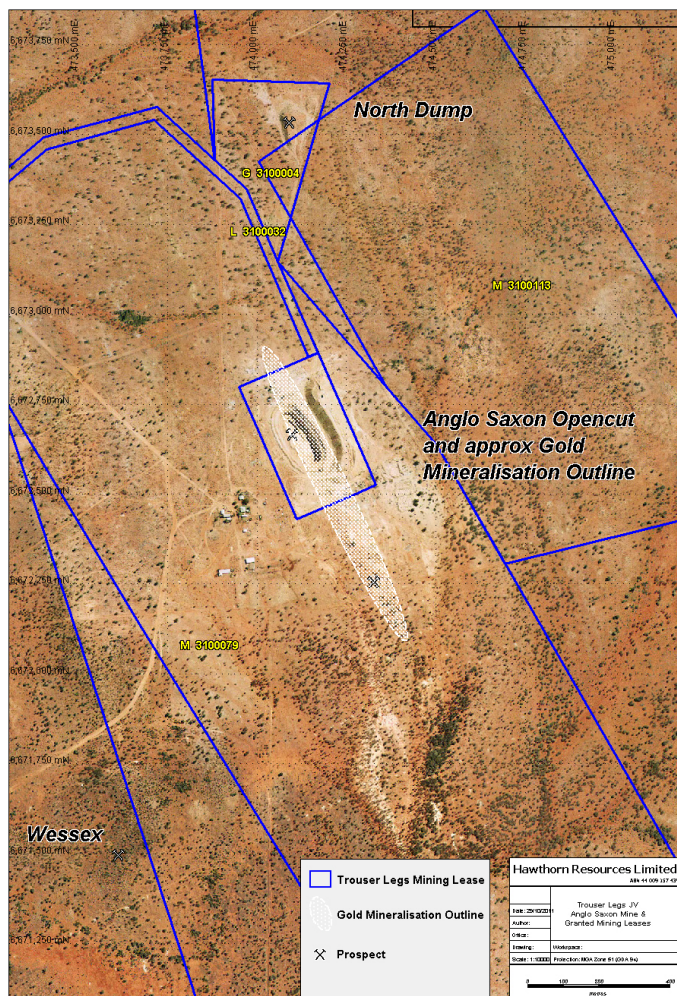


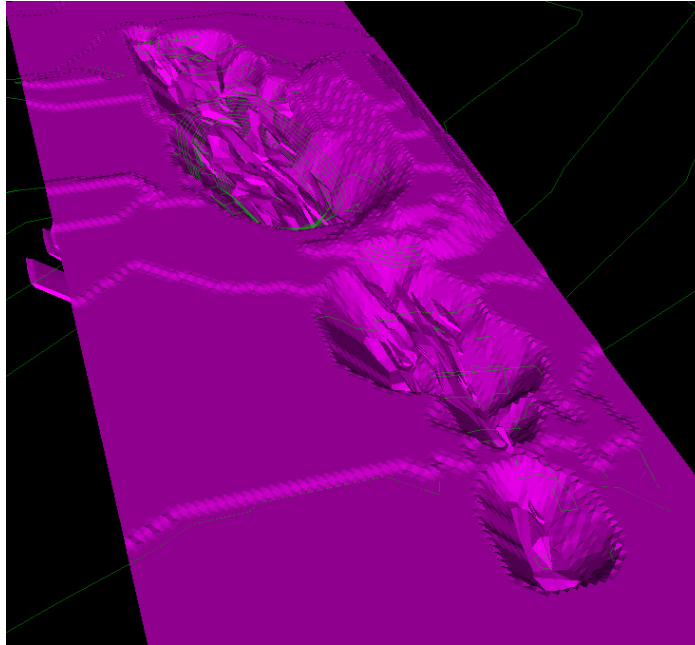
Figure 2. Trouser Legs – Anglo Saxon Mine – Airphotograph

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During the quarter Hawthorn was pleased to announce a JORC compliant Indicated Gold Resource at the **Anglo Saxon** of

- **304,316 tonnes @ 2.57 g/t Au for 25,121 ounces of gold**

This newly calculated, optimized resource is both robust and conservative and is focused only on the shallow, oxide portion of the much larger historically calculated Inferred Resource of 135,000 ounces of gold in the Anglo Saxon mine area.



*Figure 3. Anglo Saxon Ore Blocks and Proposed Oxide Only Pits. View from SW – Strike Length 660 metres*

### **Anglo Saxon Resource**

With sustained high gold prices Hawthorn commissioned a re-optimization of the existing Anglo-Saxon Mine and associated unexploited resources in the Trouser Legs Joint Venture project area. The existing mine, operational between 1986-1987, is located approximately 140 kilometres north east of Kalgoorlie.

The resource calculated is located within a series of granted Mining and Associated Infrastructure Leases, limiting several obstacles towards production.

The resource estimation was designed to examine the exploitation potential of near surface, mainly oxide zones observed within the larger deposit. The optimized resource has been used to design a series of pit shells at a range of gold prices and utilising industry standard cost and dilution parameters. The results are presented in the Table below with a nominal \$ 14 / t haulage cost.

Case	\$/oz Au	Indicated						Inferred			Total Ore Tonnes	g/t Au	Strip Ratio	Au Metal (Oz)
		Oxide			Fresh			Oxide						
		Tonnes	Grade	Oz	Tonnes	Grade	Oz	Tonnes	Grade	Oz				
5	1,400	266,669	2.50	21,447	2,865	3.41	314	6,999	5.60	1,259	276,533	2.59	5.07	23,020
6	1,600	293,911	2.49	23,511	3,344	3.19	343	7,061	5.58	1,267	304,316	2.57	5.48	25,121
7	1,800	370,122	2.43	28,908	7,506	2.64	636	8,507	4.96	1,355	386,135	2.49	6.41	30,899

- Royalty Rate 4%
- Waste mining cost (in pit load & haul) \$2.50 /t
- Ore mining cost (in pit load & haul, drill& blast) \$6.50 /t
- Incremental mining cost \$0.40 /t bench
- Processing costs \$17.15 /t
- SG
  - Oxide 2.00
  - Transitional 2.40
  - Fresh 2.70
- Admin Grade control \$1.58 /t
- Mining Dilution 5%
- Recovery 95%
- Pit Slope Angles 55°N&S, 50°E, 45°W

These Indicated and Inferred Resources are believed by Hawthorn to represent the minimum number of potentially recoverable gold ounces both within the optimized pit shells and within the deposit in general.

Substantial blocks of lower grade 0.5 – 1.0 g/t Au mineralisation exist within the resource model, often linking the higher grade oreblocks, that are not incorporated in the current Indicated or Inferred Resource. See Figure 2 below.

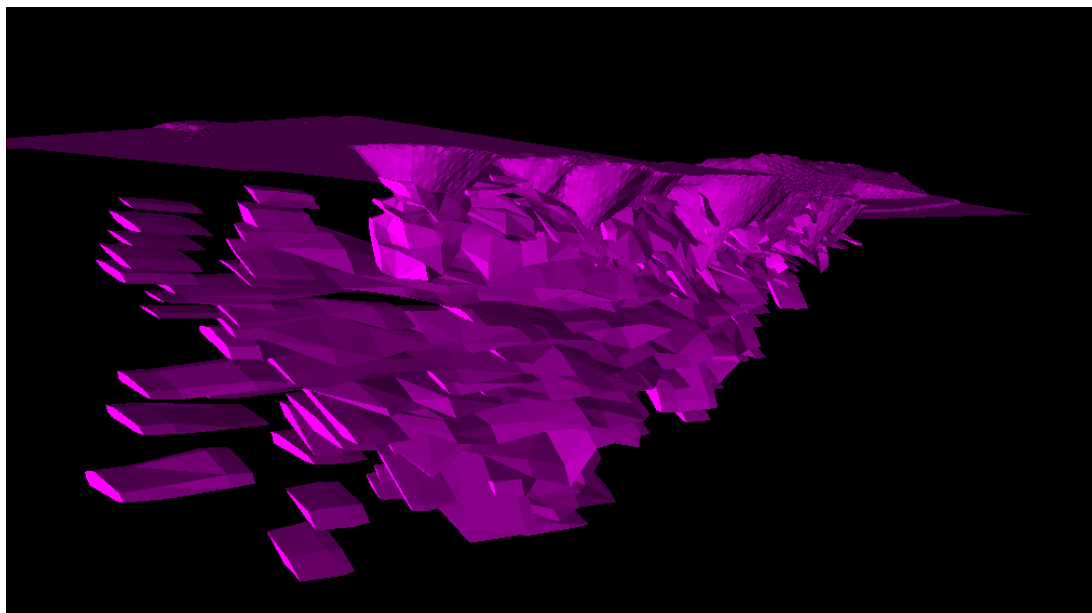


Figure 4. Anglo Saxon Ore Blocks and Proposed Oxide Only Pits. View from SE – Surface to 150 Metres Depth

During feasibility drilling programs at Anglo Saxon commencing shortly, designed to finalise pit design and metallurgy, the substantial zones of gold mineralisation adjacent to the Indicated Resources in this study will be further assessed and a new block model will be constructed with lower ore block grade.

This is expected to substantially increase the number of ounces of gold recoverable within the deposit and is also expected to convert a significant number of Inferred Resource ounces at the deposit into Indicated and Measured Resource categories.

**Coles, Exile and Anglo Saxon Waste Dumps**

Concurrent with feasibility drilling to be carried out at Anglo Saxon in early 2012, focused drilling will take place on the **Coles** and **Exile Prospects** to elevate the small, but high grade zones of gold mineralisation identified into resource categories.

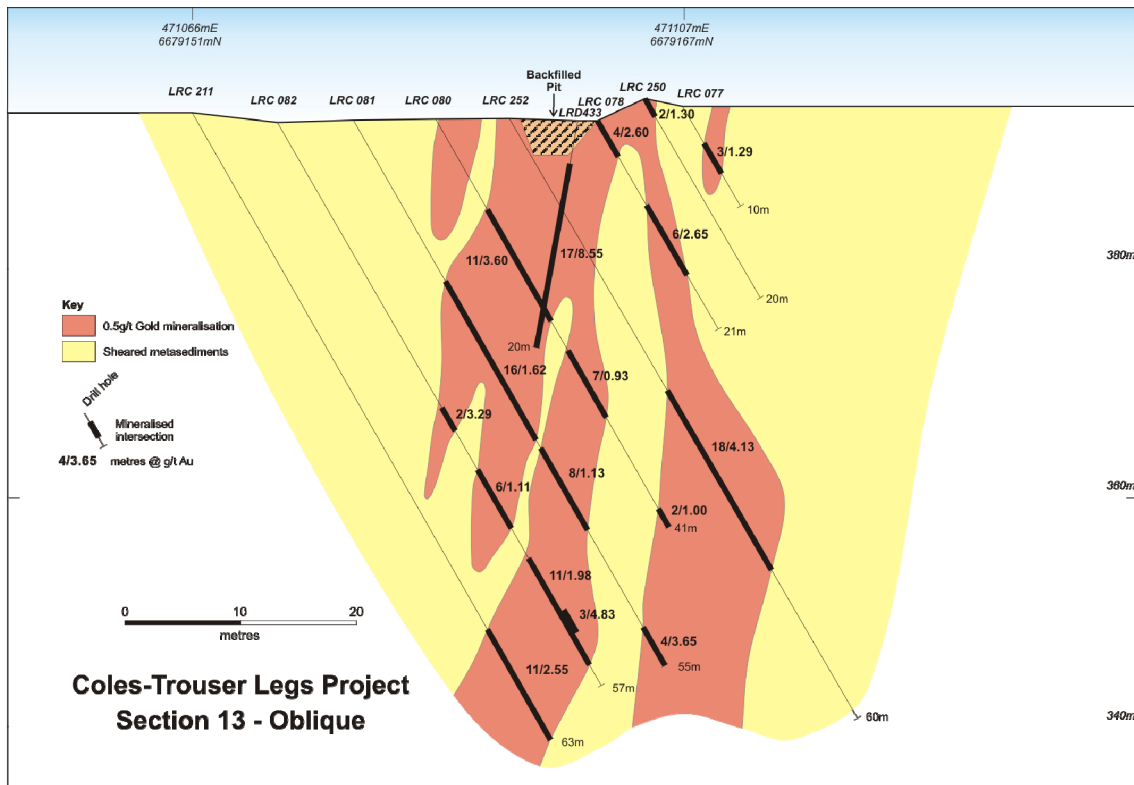


Figure 5. Trouser Legs – Coles Cross Section 13

In addition drilling during 2009 further confirmed that the **Anglo Saxon Dumps** had an estimated bulk grade in the range of 0.6 -1.0 g/t Au. Recent assessment has concluded that a large percentage of this bulk grade is derived from abundant large, gold bearing, quartz vein fragments within the dump. The feasibility of screening these dumps to produce a high grade concentrate will similarly be completed in early 2012.

Successful completion of these programs represent a low cost option to commence the transformation of Hawthorn from an explorer to gold producer.

**Deep South, Yundminda, Edjudina, and Whitheads Projects**

Aggressive drill programs are scheduled to commence at each of these key project areas in early 2012. These drilling programs will initially be designed to convert existing and demonstrated exploration potential to resources.

The primary aim of the programs will be to define valuable stand alone gold orebodies, however, as each project area is well placed with respect to mining and milling infrastructure smaller resources that can be exploited will also be targeted.

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## Iron Ore Exploration – Western Australia

### **Mount Bevan Iron Ore Project** (Hawthorn 100%, Legacy earning 60%)

The **Mount Bevan Project** comprising Exploration Licences 29/510 and 29/713 is located approximately 100 km west of Leonora in the central Yilgarn region of Western Australia.

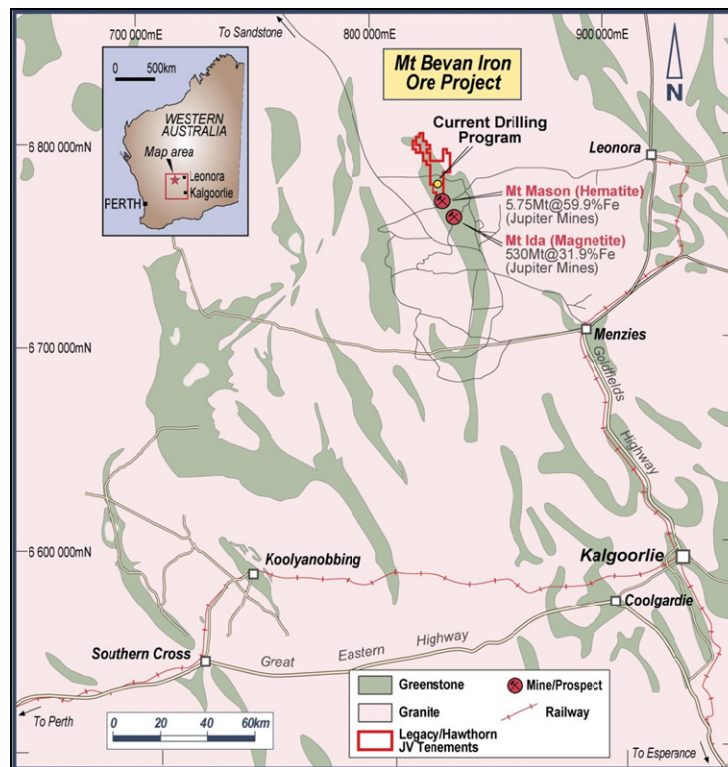


Figure 6 – Mt Bevan Project Area

The tenement covers a sequence of Banded Iron Formation (BIF) units, sediments and lavas that dip at 20 – 50% towards the north east. Three substantial BIF horizons have been identified within the tenement to date that extend in a north-northwest orientation throughout the entire length of the tenement; a strike distance of more than 25 kilometres.

A Joint Venture Agreement covering the Mount Bevan Project area exists with ASX listed Legacy Iron Ore Limited (“Legacy”).

During the previous quarter a Maiden Inferred Resource (covering only 4.0 kilometres of strike) of

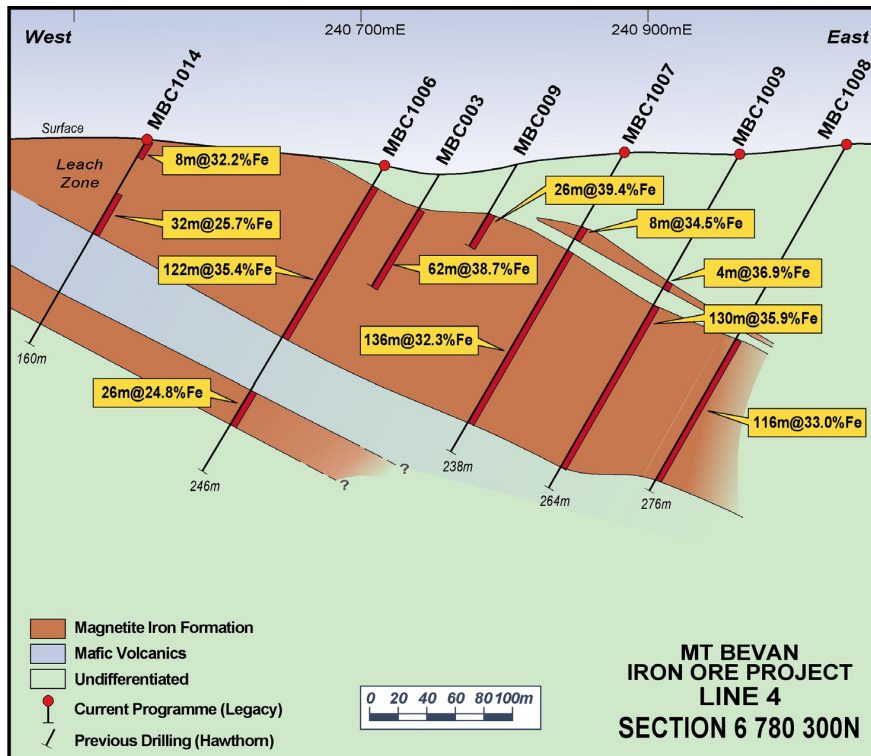
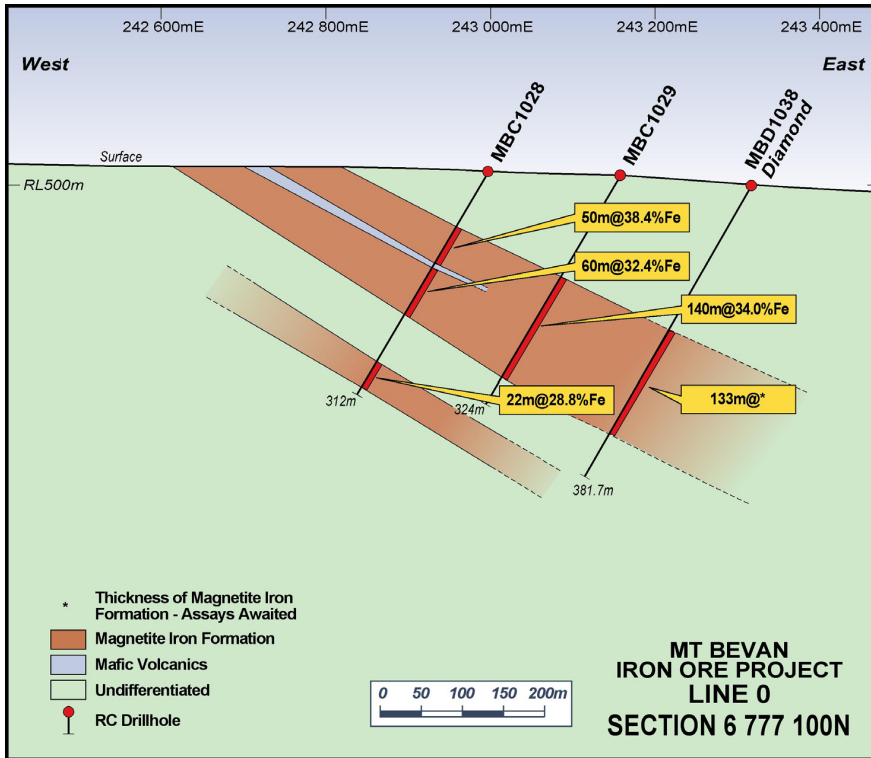
- **617 Million Tonnes @ 32.1% Fe** was announced.

This resource additionally hosted excellent Davis Tube Reduction results of

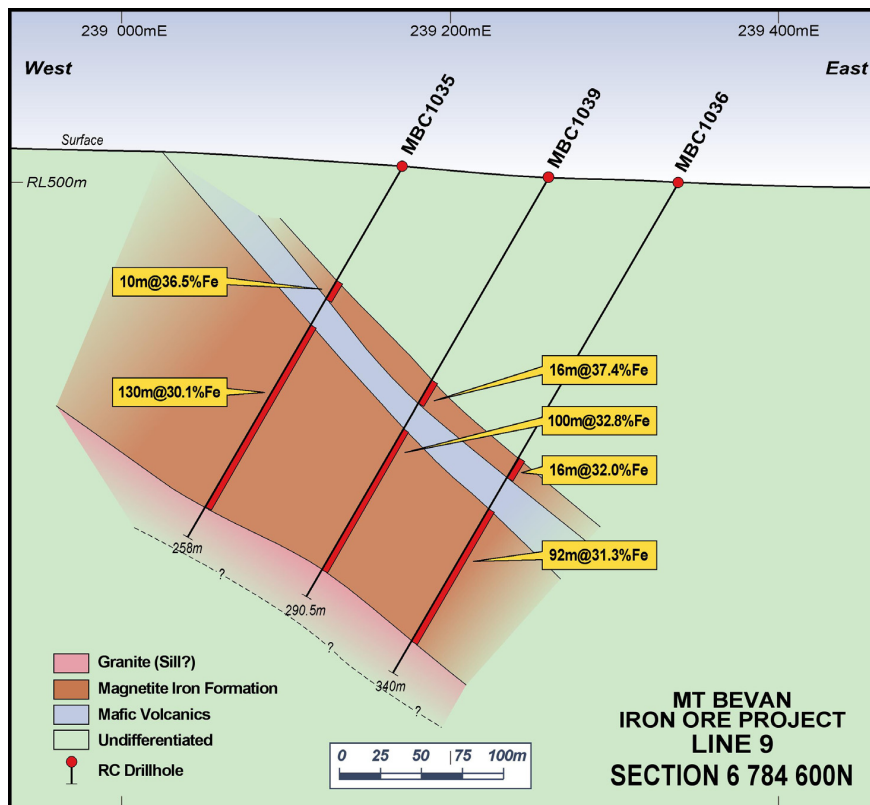
- **44.6% Weight Recovery with 69.8 % Fe Concentrate Grade, at a relatively coarse P80 grind size of 45-50 microns**

Exploration during the quarter has completed initial drilling on the main Mt Bevan Magnetite horizon with remarkably consistent intersections of massive magnetite intersected on each of the section of holes drilled over 10.0 kilometres of strike.

Indicative sections through the main magnetite horizon from the south to the north of the Mt Bevan magnetite horizon are presented below.



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It is important to note that the excellent thickness of magnetite recorded in earlier drilling has continued both along strike and at depth.

Drill Hole	From (m)	To (m)	Interval (m)	Fe %
MBC1021	32	60	28	34.3
	66	124	58	31.8
MBC1022	60	122	62	36.6
	126	192	66	32.1
MBC1023	118	252(EOH)	134	35.1
MBC1024	0	42	42	33.1
	64	120	56	31.4
MBC1025	60	184	118	34.0
MBC1026	120	180	60	36.5
	188	252	64	35.4
MBC1027	0	68	68	30.9
MBC1028	80	130	50	38.4
	136	201	65	32.4
MBC1029	144	284	140	34.0
MBC1030	180	240	60	35.9
	250	308	58	30.8
MBC1031	52	86	34	35.1
	110	150	40	30.5
MBC1032	152	202	50	35.4
MBC1033	250	326	76	35.6
MBC1034	166	238	72	38.6
	246	296	50	37.3
MBC1035	107	237	130	30.1
MBC1036	228	320	92	31.3
MBC1038	Assays	Pending		
MBC1039	172	272	100	32.8

Table 2. Mt Bevan – Phase 2 Significant RC Drill results

Legacy have announced that an updated Inferred Resource calculation (carried out by SRK Consulting (Australasia)) is due for completion by end of January 2012 and is hence imminent.

Nonetheless the stated exploration target of **1.5 – 2.0 Billion tonnes of magnetite ore** appears eminently achievable given that the existing resource calculation of 617 Million tonnes was calculated over only 4.0 kilometres of strike (and to a shallower depth).

Additionally completed metallurgical testwork has indicated

- **Excellent iron recoveries from a relatively coarse grind have been achieved from the magnetite ore, and**
- **Drill core samples of the ore have proved to be relatively soft indicating that grinding costs may be low**

These positive metallurgical and assay results will have an important impact on the economics of any future mining at Mt Bevan as both combine to suggest relatively low power consumption costs may be expected – power being a major component of OPEX in magnetite mining.

A 7,000 m Phase 3 drilling program is to commence in early March to convert part of JORC Inferred Resource to Indicated category.

In addition ASX company Jupiter Mines Limited (“Jupiter”) has announced an upgraded DSO haematite Measured and Indicated Resource of **5.9Mt @ 60.1% Fe at Mt Mason**.

Exploration by Hawthorn during 2008 & 2009 demonstrated that this **Mt Mason DSO** haematite resource extends into Hawthorn’s Mt Bevan tenement E29/510, with results from the Hawthorn side of the tenement boundary including:

- **40 metres @ 61.7 % Fe from 48 metres and**
- **34 metres @ 57.6 % Fe from 59 metres to EOH**

Drill results reported by Jupiter indicated that thick intercepts of DSO haematite were also reported on their tenement in close proximity (within 15 metres) to the shared tenement boundary.

To restate, the north end of Jupiter’s Mt Mason DSO ore body extends into Hawthorn’s ground and will be tested by further drilling.

Jupiter have also announced that a Feasibility Study of the Mt Mason DSO resource is due for completion in the March 2012 quarter, with metallurgical testwork, initial process and plant designs, infrastructure and road studies complete.

Hawthorn shareholders are reminded that an Independent Expert Valuation on the Mt Bevan Iron Ore asset owned by Hawthorn completed in August 2011, concluded that the preferred valuation for the Mt Bevan Iron Project was \$174 Million. This study, based on the 617 Million tonne magnetite resource ascribed no value to any potential DSO haematite that may be produced from the Mt Bevan tenement.

## **Joint Ventures**

### **Lake Rebecca Gold Joint Venture – Western Australia**

*(Renaissance Minerals Limited 90%, Hawthorn Resources 10%).*

This joint venture covers tenements on the southern margin and within Lake Rebecca, Western Australia, approximately 20 kilometres south of Hawthorn's Anglo Saxon Mining Area.

The tenement manager has reported little exploration progress during the quarter.

### **Erayinia Joint Venture – Western Australia**

*(ABM Resources 70%, Hawthorn Resources 30%).*

The Erayinia Joint Venture is centred approximately 150 kilometres south east of Kalgoorlie, Western Australia. The joint venture is managed by ABM Resources NL ("ABM") and has hosted encouraging volcanogenic massive sulphide ("VMS") intercepts at the King or E1 Prospect.

The tenement manager has reported little exploration progress during the quarter.

### **East Kimberley Joint Venture – Western Australia**

*(Thundelarra 80%, Pindan – Panoramic Resources earning to 48.8% of Thundelarra interest, Hawthorn Resources 20%)*

Panoramic Resources have reported that no new exploration was undertaken on the East Kimberley Joint Venture during the quarter.



**Mourice R Garbutt**  
**Company Secretary**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Ian Moody, who is a member of the Australasian Institute of Mining and Metallurgy and a full time consultant geologist with First Principle Mineral Exploration Company Pty Ltd. Mr Moody has sufficient experience as a geologist which is relevant to the style of mineralization and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Moody consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Attached is a copy of the Company's Mining Exploration Entity Quarterly Report in accordance with Listing Rule 5.3*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 17/12/10

Name of entity

HAWTHORN RESOURCES LIMITED

ABN

44 009 157 439

Quarter ended ("current quarter")

31 December 2011

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	5	5
1.2 Payments for (a) exploration and evaluation	(235)	(471)
(b) development	-	-
(c) production	-	-
(d) administration	(269)	(576)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- GST (Refundable)	-	88
<b>Net Operating Cash Flows</b>	<b>(482)</b>	<b>(935)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(482)</b>	<b>(935)</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(482)	(935)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(482)	(935)
1.20	Cash at beginning of quarter/year to date	839	1,292
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	357	357

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	192
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		
3.3 <b><u>Share Purchase Plan</u></b> <b>On 5 December 2011 the Company announced a Share Purchase Plan offering to eligible shareholders as at the Record Date of 2 December 2011. The Plan is capped at \$5million and shares have been offered to the eligible shareholders at \$0.01 each. The Plan is scheduled to close on 7 February 2012</b>		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	200
<b>Total</b>	<b>400</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	347	79
5.2 Deposits at call	10	760
5.3 Bank overdraft	-	-
5.4 Other (provide details) <b>Refer Item 3.3 above</b>	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>357</b>	<b>839</b>

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**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	See Attached		
6.2	Interests in mining tenements acquired or increased	See Attached		

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
	-	-	-	-
7.2				
	-	-	-	-
	-	-	-	-
7.3	1,775,595,897	1,775,595,897	-	-
7.4				
	-	-	-	-
	-	-	-	-
7.5	-	-	-	-

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	<b>Options</b> (description and conversion factor)	10,000,000 2,500,000 13,569,422 165,084,231	- - 13,569,422 165,084,231	<i>Exercise price</i> \$0.10 \$0.10 \$0.20 \$0.10	<i>Expiry date</i> 25 January, 2018 30 June, 2018 30 April, 2012 28 February, 2013
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

## Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:..... Date: 31/01/2012  
(Company secretary)

Print name: MOURICE GARBUTT

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## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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

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

<b>Tenement Reference</b>	<b>Nature of Interest [note (4)]</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
P37/7037	Surrendered	100%	0%
P39/4871	Surrendered	100%	0%
P37/7038	Surrendered	100%	0%
P40/1148	Surrendered	100%	0%
P40/1149	Surrendered	100%	0%
P40/1150	Surrendered	100%	0%
P40/1151	Surrendered	100%	0%
P40/1217	Surrendered	100%	0%
E28/1635	Expired	10%	0%
E28/1633	Expired	10%	0%
P40/1228	Surrendered	100%	0%
P40/1227	Surrendered	100%	0%
P40/1226	Surrendered	100%	0%
P40/1215	Surrendered	100%	0%
P40/1229	Surrendered	100%	0%
P40/1225	Surrendered	100%	0%
E28/1143	Expired	10%	0%

**6.2 Interests in Mining**  
**Tenements acquired**  
**Or increased**

<b>Tenement Reference</b>	<b>Nature of Interest [note (4)]</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
E39/1673	Granted	0%	100%
E39/1674	Granted	0%	100%

+ See chapter 19 for defined terms.

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