



**Hawthorn  
RESOURCES**

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23 September 2019

## **COMPANY ANNOUNCEMENT**

### **Hawthorn Resources Limited**

#### **2020 Annual Financial Report**

Attached for release to the Market is the Company's Financial Report for the financial year ended 30 June 2020.

#### **2020 Annual Report and Annual General Meeting**

The Company's 2020 Annual Report to shareholders, subject to printing and mailing, is to be dispatched no later than Wednesday 30 September 2020 with the 2020 Annual General Meeting ("AGM") to be held on Friday 30 October 2020 commencing at 2.00 p.m.

Arising from the existing restrictions associated with the COVID-19 pandemic the Company's 2020 AGM will be held as a virtual meeting – details to enable member's participation and proxy voting will be included in the mailing to shareholders together with, where applicable, the 2020 Annual Report.

#### **Capital Return and Special Dividend**

In November 2019 the Company announced in the Managing Director's address to the Annual General Meeting that the Board of Directors announced an intention to make a return of funds equally to all shareholders from the \$13.5 million proceeds from the disposal of the Company's interest in the Yundamindera Project (Box Well and Deep South prospects). Such return to be subject to clarification from the Australian Taxation Office ("ATO") as to the inherent nature of the proposed return of funds for taxation purposes and subject to shareholder approval.

Arising from an ATO draft class ruling the proposed return of funds **subject to the approval of shareholders in meeting** will consist in aggregate of a Return of Capital (approx. \$8.23 million) and a Special Dividend (approx. \$5.27 million) which represents on a per share basis:

- Return of Capital: \$0.0246908737
- Special Dividend: \$0.0157869914

The approval of shareholder will be sought as an item of Special Business at the 2020 Annual General Meeting of shareholders on 30 October 2020.

**END**

For further information: please contact Managing Director, Mark Kerr, or Company Secretary, Mourice Garbutt, on (03) 9605-5950.

*This announcement was authorised for release by the Board of Directors, Hawthorn Resources Limited.*

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# Hawthorn Resources Limited

ABN 44 009 157 439

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## FINANCIAL REPORT YEAR ENDED 30 JUNE 2020

**Comprising:**

Directors' Report including the Remuneration Report	2
Auditor's Independence Declaration	14
Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
Consolidated Statement of Financial Position	16
Consolidated Statement of Cash Flows	17
Consolidated Statement of Changes in Equity	18
Notes to the Consolidated Financial Statements	19
Directors' Declaration	38
Auditor's Independent Report	39

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# Hawthorn Resources Limited

ABN 44 009 157 439

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## Directors' Report 2020

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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 2020.

### 1 Directors

The Directors of the Company in office since 1 July 2019 and up to the date of this Report are:

#### **Mr Li, Yijie**

#### **Non-Executive Chairman**

#### **Appointed 30 October 2012; last re-elected 2018 AGM**

In November 2019 following Mr Kerr having stepped down as Chairman the Board of Directors elected Mr Li 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, which has total assets of RMB 5 billion.

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

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

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

#### **Appointed 22 November 2007; last re-elected 2014 AGM**

Mr Kerr was appointed as a Director and as Chairman of the Board of Directors of Hawthorn Resources Limited in November 2007, which merged with Ellendale Resources N.L in June 2008. In June 2016 the Board of Directors resolved to additionally appoint Mr Kerr to be Managing Director and Chief Executive Officer with immediate effect from 24 June 2016. In November 2019 Mr Kerr stepped down as Chairman but continued in his role as Managing Director and CEO.

Mr Kerr is an experienced director and advisor to listed and private companies and is a director of Berkeley Consultants Pty Ltd which specialises in public relations and reputation management consultancy. In addition to his business activities, Mr Kerr's community involvement currently extends to being a member of the Victorian Committee for Juvenile Diabetes Research Foundation; a committee member of the St Vincent's Institute Charity Golf Day Committee and a board member of International Specialised Skills Institute Inc.

Mr Kerr holds current directorships as non-executive Chairman of Contango Income Generator Ltd (ASX: CIE); non-executive chairman of Think Childcare Limited (ASX: TNK) and non-executive director chairman Think Childcare Development Limited (ASX: TND).

Former directorships of listed entities during the past three-year period being: non-executive chairman of Contango Microcap Limited (ASX: CTN), now known as NCS Small Cap Opportunities Company Limited (ASX: NSC) - resigned 13 October 2017 – and non-executive director of Alice Queen Ltd (ASX: AQX) – resigned 30 June 2019.

Mr Kerr is a member of the Company's Audit Committee.

Interest in securities (ordinary fully paid shares): 13,500,456 (2019: 11,100,456).

Interest in securities (Performance Rights): Nil (2019: 2,400,000).

#### **Mr Christopher D Corrigan - BEc**

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

#### **Appointed 5 October 2017; and elected by shareholders 29 November 2017**

Mr C D Corrigan was appointed as a non-executive director of the Company with effect from 5 October 2017.

Mr Corrigan has indirect involvement in Hawthorn's Anglo-Saxon project through Hawthorn's joint venture partner.

Mr Corrigan directly holds 56,095,028 shares in Hawthorn Resources Limited.

Mr Corrigan is a member of the Company's Audit Committee.

## Hawthorn Resources Limited Directors' Report

Prior to his appointment to the Board of Directors of Hawthorn Resources Limited, Mr Corrigan has during the past three years held directorships in listed entities:

- Webster Limited – Chairman from February 2016 to February 2020.

**Dr David S Tyrwhitt** - PhD(Geology) BSc(Hons) FSEG(USA) FAusIMM CPGeo  
**Non-Executive Director**  
**Appointed 14 November 1996; last re-elected 2019 AGM**

Dr Tyrwhitt has been a Director of the Company since 1996. He has more than 50 years of experience in the mining industry.

Dr Tyrwhitt worked for over 20 years with Newmont Mining Corporation in Australia, South East Asia and the United States. During this time, he was responsible for the discovery of the Telfer Gold Mine in Western Australia. He was Chief Executive of Newmont Australia Limited between 1984 and 1988 and Chief Executive Officer of Ashton Mining Limited between 1988 and 1991. He established his own consultancy business in 1991 working in South-East Asia and China with several Australian, Canadian and British mining and exploration groups as a consulting geologist.

Dr Tyrwhitt is the Chairman of the Company's Audit Committee.

Dr Tyrwhitt holds no other directorships of listed entities.

Former directorships in the last three years of listed entities being Merlin Diamonds Limited (December 2011 to September 2019) and Northern Capital Resources Incorporated (January 2008 to October 2019).

Interest in securities (ordinary fully paid shares): 650,000 (2019: 150,000).

Interest in securities (Performance Rights): Nil (2019: 500,000).

**Mr Liao, Yongzhong** – MBA  
**Non-Executive Director**  
**Appointed 30 October 2012; last re-elected 2017 AGM**

Mr. Liao, Yongzhong has served Guangdong Fenghua 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 Fenghua Mining Investment Holding (HK) Limited.

Interest in securities (ordinary fully paid shares): Nil (2019: Nil).

**Mr Liu, Zhensheng**  
**Non-Executive Director**  
**Appointed 9 December 2015; last re-elected as a Director 2019 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 Fenghua 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 (2019: Nil).

# Hawthorn Resources Limited

## Directors' Report

### FORMER DIRECTORS

During the financial year ended 30 June 2020 and up to the date of this Report there have been no resignations of directors from the Board of Directors.

### 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 Iron Province and the South Laverton Gold Zone of Western Australia.

The principal activity of the Group during the financial year was the development and mining of the Trouser Legs Mining Joint Venture Project ("TLMJV" or "the Project"), in which the Company holds a 70 per cent interest. GEL Resources Pty Ltd ("GEL") owns the remaining 30% interest in the project. The Company also holds interests in exploration assets 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 interest GEL holds being represented in the financial accounts as a non-controlling interest.

#### *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 revenues of \$37,360,850 (2019: \$39,258,959) from ore sales. Mining costs and related development expenses amounted to \$21,773,181 (2019: \$37,907,828), including amortisation and impairment of previously capitalised exploration expenditure totalling \$2,392,867 (2019: \$3,418,987).

Exploration write-offs and impairment for the year amounted to \$583,940 compared to \$286,607 in 2019.

Administration expenses for 2020 were \$1,473,434 (2019: \$1,210,655), and consolidated profit for the year was \$13,921,133 (2019: \$8,315,992).

#### *Consolidated Statement of Financial Position*

The Group had cash funds on hand at 30 June 2020 of \$28,987,487 (2019: \$15,969,638), receivables of \$192,719 (2019: \$5,529,287), inventories of ore of \$nil (2019: \$1,360,063), available for sale securities of \$113,090 (2019: \$1,549) and current liabilities totaled \$2,957,004 (2019: \$5,816,734).

At 30 June 2020, the Group had working capital of \$26,223,202 (2019: \$17,042,254), being current assets less current liabilities (excluding mining assets disclosed as current assets), and net assets of \$28,727,314 (2019: \$20,947,003).

#### *Cash Flow*

During the year, the Group generated \$20,391,112 (2019: \$3,009,479) from operating activities, paid \$1,120,900 (2019: \$1,028,257) for exploration activities. It raised no capital from the issue of new equity (2019: \$nil). In addition, it received no cash calls from the TLMJV partner (2019: \$nil). Rather, return of funds and profit distributions totaling \$6,140,822 (2019: \$600,000) were provided to the TLMJV partner.

### 3 Significant Change in State of Affairs

During the year the Group completed its mining operations at the Trouser Leg Mining Joint Venture. Subsequently the Group began evaluating the potential for an underground mine immediately to the south of the Trouser Legs open-pit gold mine.

The on-going COVID-19 pandemic has impacted how the Company operates, refer point 8 below.

Other than this matter, 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.

# Hawthorn Resources Limited

## Directors' Report

### 4 Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend since the end of the previous financial year and up to the date of this Annual Report.

In November 2019 the Company announced in the Managing Director's address to the Annual General Meeting that the Board of Directors announced an intention to make a return of funds equally to all shareholders from the \$13.5 million proceeds from the disposal of the Company's interest in the Yundamindera Project (Box Well and Deep South prospects). Such return to be subject to clarification from the Australian Taxation Office ("ATO") as to the inherent nature of the proposed return of funds for taxation purposes and subject to shareholder approval.

Arising from an ATO draft class ruling the proposed return of funds subject to the approval of shareholders in meeting will consist in aggregate of a Return of Capital (approx. \$8.23 million) and a Special Dividend (approx. \$5.27 million). The approval of shareholder will be sought as an item of Special Business at the 2020 Annual General Meeting of shareholders.

### 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 Zone.

### 6. Events after the balance date

On 3 August 2020, the Victorian Government declared a State of Disaster in response to the development of increased COVID-19 cases. This resulted in increased restrictions around work places. Whilst impacting workers in the Melbourne office there has been no impact on the operations of the Company Refer note 8 below.

Other than the above, 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 note 7 below.

### 7. Future Developments and Results

The current focus is exploring and evaluating underground 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. COVID-19 Pandemic

On 30 January 2020 the World Health Organisation ("WHO") declared a Public Health Emergency of International Concern in relation to the coronavirus (COVID-19) pandemic, subsequently characterising COVID-19 as a pandemic affecting worldwide. The Australian Federal and State governments introduced legislation to help control the spread of the COVID-19 virus, impacting how work places operated. The Western Australia state government introduced a State of Emergency in March 2020, limiting movement within the state, and also between WA and other states. The Victorian state government introduced a State of Disaster subsequent to the year end placing further restrictions upon workplaces in Victoria.

Judgement has been exercised in considering the impacts that the measures undertaken to limit the impacts of the COVID-19 pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the Company's operations, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes in this report, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

# Hawthorn Resources Limited

## Directors' Report

### 9. Issued Securities

#### (a) Ordinary Shares

At the date of this Report this Company has on issue a total of 333,515,613 shares (2019: 326,615,613 shares). During the year 6,900,000 performance rights were converted to ordinary shares.

#### (b) Options

At the date of this Report the Company has no options on issue (2019: nil).

#### (c) ESOP – Performance Rights

In October 2018 by a resolution of the Board of Directors, with Directors Mr M Kerr and Dr D Tyrwhitt abstaining, a total of 20,165,000 Performance Rights were granted under the terms of the Company's Employee Share Option Plan ("ESOP") which included the grant of 8,250,000 performance rights to Mr Kerr and Dr Tyrwhitt as previously approved by shareholders. All the performance rights as granted were subject to the achievement of various milestones linked to the mining operations at the TLMJV mine and exploration successes.

As at 1 July 2019 an aggregate of 14,815,000 Rights remained. During the FY 2020 an aggregate of 7,165,000 Rights related to milestones associated with the Yundamindera Project were cancelled following the disposal of the Yundamindera Project related Tenements (Box Well and Deep South) leaving a residual balance of 7,650,000 Rights related to the TILMJV gold mine milestones.

With the completion of mining of the TLMJV Anglo Saxon open-pit mine an aggregate of 6,900,000 Rights vested and were exercised by holders who received an aggregate of 6,900,000 ordinary fully paid Hawthorn shares. The balance of 750,000 Rights were cancelled. Of the Yundamindera Project related Rights held by Mr Kerr and Dr Tyrwhitt a total of 2,500,000 Rights were cancelled (respectively 2,000,000 and 500,000) and of the TLMJV gold mine related Rights a total of 2,900,000 Rights were vested and exercised (respectively 2,400,000 and 500,000).

### 10. 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:

	2020	2019
M G Kerr *	13,500,456	11,100,456
C D Corrigan **	56,095,028	56,095,028
D S Tyrwhitt	650,000	150,000
Liao, Yongzhong	-	-
Li, Yijie ***	-	-
Liu, Zhengsheng	-	-

\* Mr Kerr's shareholding is held indirectly through superannuation funds that Mr Kerr is trustee of 7,877,794 ordinary shares (2019: 7,877,794 ordinary shares) and nil share indirectly through Berkeley Consultants Pty Ltd (2019: 622,662 ordinary shares) and Paradyce Pty Ltd 5,622,662 (2019: 2,600,000 ordinary shares), companies in which Mr Kerr is a director and shareholder.

\*\* Mr Corrigan's direct relevant interest in the Company's shares is held through Bell Potter Nominees Ltd <BB Nominees A/C>.

\*\*\* 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") greater than 20 Per cent, has a relevant shareholding interest in Hawthorn Resources Limited ("HAW"). As declared, Feng Hua holds 120,788,101 ordinary fully paid voting shares (2019: 120,788,101 shares) in HAW currently being the equivalent of a 36.22 percentage voting interest in HAW (2019: 36.98 per cent).

In addition, Mr Kerr and Dr Tyrwhitt hold the following vested performance rights:

	2020	2019
M G Kerr *	nil	4,400,000
D S Tyrwhitt	nil	1,000,000

These Rights, upon issue, can be converted into ordinary fully paid shares based on one new shares for each vested and converted Right. Issue is subject to Board approval of the vesting conditions.



## Hawthorn Resources Limited Directors' Report

### 11. 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
M G Kerr	4	4	2	2
C D Corrigan*	4	4	2	1
D S Tyrwhitt	4	4	2	2
Liao, Yongzhong	4	4	n.a.	n.a.
Li, Yijie	4	4	n.a.	n.a.
Liu, Zhensheng	4	4	n.a.	n.a.

**Note:**

- \* In between Board Meetings, Directors passed a total of nine circulating resolutions which are then noted and ratified at the next occurring Board meeting.
- \*\* Audit, Compliance and Corporate Governance Committee considerations are, when required, Chaired by Dr Tyrwhitt. Mr Corrigan was not available to attend one of the Audit Committee meetings as he was overseas. He did provide commentary on all matters of business considered at the meeting.

### 12. Company Secretary

Mr M Garbutt, appointed in May 2008, is the Company Secretary of the Company and its subsidiaries. Mr Garbutt is a Fellow of Governance Institute of Australia (FGIA) and Chartered Institute of Secretaries (FCIS) and formerly a Justice of the Peace in Victoria. He has over 30 years' commercial experience and currently conducts a corporate compliance and company secretarial company providing such services to several public and listed companies in Australia including the Hawthorn Resources Limited Group.

### 13. 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.

### 14. 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

## Hawthorn Resources Limited Directors' Report

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

### 15. Non-Audit Services

During the year BDO Audit Pty Ltd, the Company's auditor, has not performed other services in addition to their statutory duties.

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

	2020 \$	2019 \$
<b>Statutory audit</b>		
Auditors of the Company – BDO		
- audit and review of financial reports	71,000	69,716
Other Services – BDO		
- other non-audit services	-	-
<b>Total fees</b>	<b>71,000</b>	<b>69,716</b>

### 16. 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) Details of Directors and Executives Interest in Securities.

#### (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 2020 financial year amounted to \$190,000 plus GST (2019: \$190,000) for the provision of 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.

Given the nature of the related party interest in this matter, the non-related non-executive directors, in March 2014 conducted a review of the provision of serviced office facilities and executive functions offered to the Hawthorn Resources group of companies by Berkeley Consultants Pty Ltd noting the terms and procedures set out in Section 195 of the *Corporations Act 2001* and approved an extension to the term of the arrangement to 31 December 2017 and thereafter of a month to month basis.

In considering the extension of the Agreement to 31 December 2017 and beyond and the services to be provided by Berkeley Consultants Pty Ltd to the Hawthorn Resources group of companies, the non-related Directors noted the following:

- (i) the terms proposed are similar to the previous arrangements being on arms-length commercial terms; and
- (ii) the proposal includes provision of serviced offices with reception, boardroom and other facilities as required, payable quarterly in advance.

## Hawthorn Resources Limited Directors' Report

### (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:

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	\$	\$	\$	\$	\$
	<u>Consolidated</u>	<u>Consolidated</u>	<u>Consolidated</u>	<u>Consolidated</u>	<u>Consolidated</u>
Revenue	37,758,946	39,318,439	17,339,153	70,669	161,679
Net profit / (loss)	13,921,133	8,315,992	(5,586,744)	(3,048,655)	(1,760,756)
Basic earnings / (loss) per share – cents	2.715	2.280	(1.723)	(1.780)	(1.028)
Diluted earnings per share-cents	2.715	2.280	(1.723)	(1.780)	(1.028)
Net assets	28,727,314	20,947,003	13,272,581	10,907,265	13,955,920

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. 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. The development of the TLMJV is the Company's first such development and will provide a measure of the Company's progress.

### (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 (2019: \$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 Managing Director/CEO, Mr M G Kerr was appointed on 24 June 2016. The key elements of the Executive Service Agreement were:

- (i) Term: to 31 December 2018, and thereafter, renewable annually;
- (ii) Remuneration: \$147,000 a year plus government superannuation levy;
- (iii) Bonus: the Board of Directors may, in its absolute discretion, set performance criteria which, if met, will entitle a bonus of 50 per cent of the annual remuneration to be paid in respect of each Financial Year or pro rata Financial Year;
- (iv) Termination: the Agreement may be terminated by:
  - (a) mutual agreement between the Company and the Executive;
  - (b) expiry of the Agreement at the agreed date as extended; and
  - (c) by being summarily terminated by the Company without notice or compensation where certain events have occurred. The Agreement does not contain a period of notice; and
- (v) Termination Benefits: subject to an entitlement to a bonus there are no other amounts payable on Termination.

Hawthorn Resources Limited  
Directors' Report

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

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

(a) **Directors**

Li, Yijie – Non-Executive Chairman (appointed to Board 30 October 2012, appointed Chairman 29 November 2019)

M G Kerr – Managing Director and Chief Executive Officer (appointed 22 November 2007)

C D Corrigan – Non-Executive Director (appointed 5 October 2017)

D S Tyrwhitt – Non-Executive Director (appointed 14 November 1996)

Liao, Yongzhong – Non-Executive Director (appointed 30 October 2012)

Liu, Zhensheng – Non-Executive Director (appointed 9 December 2015)

(b) **Executives**

M Garbutt – Company Secretary (appointed 5 May 2008)

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 2020*

	SHORT TERM EMPLOYMENT BENEFITS			POST EMPLOYMENT	EQUITY BASED	
	Cash Salary and Fees	Leave provision	Cash Bonus	Superannuation Contributions	PAYMENTS Performance Rights	TOTAL
	\$	\$		\$	\$	\$
<b>Non-Executive Directors</b>						
C Corrigan	30,000	-	-	2,850	-	32,850
D S Tyrwhitt (1)	79,100	-	-	4,750	-	83,850
Liao, Yongzhong	30,000	-	-	-	-	30,000
Li, Yijie	30,000	-	-	-	-	30,000
Liu, Zhensheng	30,000	-	-	-	-	30,000
<b>Sub-Total</b>	<b>199,100</b>	<b>-</b>	<b>-</b>	<b>7,600</b>	<b>-</b>	<b>206,700</b>
<b>Executive Directors</b>						
M G Kerr	147,000	-	-	13,965	-	160,965
<b>Sub-Total</b>	<b>147,000</b>	<b>-</b>	<b>-</b>	<b>13,965</b>	<b>-</b>	<b>160,965</b>
<b>Other KMP</b>						
M Garbutt	-	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>346,100</b>	<b>-</b>	<b>-</b>	<b>21,565</b>	<b>-</b>	<b>367,665</b>

1. In addition to directors' duties, Dr Tyrwhitt undertook additional exploration 'field' duties at the request of the Board of Directors and received \$29,100 in consulting fees.

# Hawthorn Resources Limited Directors' Report

Year Ended 30 June 2019

	SHORT TERM Cash Salary and Fees \$	EMPLOYMENT Leave provision \$	BENEFITS Cash Bonus	POST EMPLOYMENT Superannuation Contributions \$	EQUITY BASED PAYMENTS Performance Rights \$ (2) (3)	TOTAL \$
<b>Non-Executive Directors</b>						
C Corrigan	30,000	-	-	2,850	-	32,850
D S Tyrwhitt (1)	68,000	-	-	4,750	(981)	71,769
Liao, Yongzhong	30,000	-	-	-	-	30,000
Li, Yijee	30,000	-	-	-	-	30,000
Liu, Zhensheng	30,000	-	-	-	-	30,000
<b>Sub-Total</b>	<b>188,000</b>	<b>-</b>	<b>-</b>	<b>7,600</b>	<b>(981)</b>	<b>194,619</b>
<b>Executive Directors</b>						
M G Kerr	147,000	-	-	13,965	(11,792)	149,173
<b>Sub-Total</b>	<b>147,000</b>	<b>-</b>	<b>-</b>	<b>13,965</b>	<b>(11,792)</b>	<b>149,173</b>
<b>Other KMP</b>						
M Garbutt	-	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>335,000</b>	<b>-</b>	<b>-</b>	<b>21,565</b>	<b>(12,773)</b>	<b>343,792</b>

- In addition to directors' duties, Dr Tyrwhitt undertook additional exploration 'field' duties at the request of the Board of Directors and received \$18,000 in consulting fees.
- During the year performance rights valued at \$8,361 vested with Dr Tyrwhitt during the year. An expense of \$9,342 recorded in 2018 was reversed in 2019 in respect of performance rights that failed to vest.
- During the year performance rights valued at \$36,787 vested with Mr Kerr during the year. An expense of \$48,579 recorded in 2018 was reversed in 2019 in respect of performance rights that failed to vest.

(vi) **Bonuses included in Remuneration**

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

	2020			2019		
	Fixed remuneration	At risk - STI	At risk - LTI	Fixed remuneration	At risk - STI	At risk - LTI
<b>Non-Executive Directors</b>						
C Corrigan	100%	-	-	100%	-	-
D S Tyrwhitt (i)	100%	-	-	100%	-	-
Liao, Yongzhong	100%	-	-	100%	-	-
Li, Yijee	100%	-	-	100%	-	-
Liu, Zhensheng	-	-	-	-	-	-
<b>Executive Directors</b>						
M G Kerr (i)	100%	-	-	100%	-	-
<b>Other KMP</b>						
M Garbutt	-	-	-	-	-	-

(vii) **Details of Directors and Executives Interest in Securities**

Fully paid ordinary shares:

Directors:	01.07.2019	Exercise of performance rights	On Market movements	30.06.2020
M G Kerr	11,100,456	2,400,000	-	13,500,456
C D Corrigan	56,095,028	-	-	56,095,028
D S Tyrwhitt	150,000	500,000	-	650,000
Liao, Yongzhong	-	-	-	-
Li, Yijie	-	-	-	-
Liu, Zhensheng	-	-	-	-
<b>Total Directors</b>	<b>67,345,484</b>	<b>2,900,000</b>	<b>-</b>	<b>70,245,484</b>
<b>Executives</b>				
M Garbutt	-	-	-	-
<b>Total Directors/Executives</b>	<b>67,345,484</b>	<b>2,900,000</b>	<b>-</b>	<b>70,245,484</b>

Hawthorn Resources Limited  
Directors' Report

Non-Quoted performance rights:

Directors:	01.07.2019	Exercise of performance rights	Cancellation of performance rights	30.06.2020 Balance	30.06.2020 Vested
M G Kerr	4,400,000	(2,400,000)	(2,000,000)	-	-
C D Corrigan	-	-	-	-	-
D S Tyrwhitt	1,000,000	(500,000)	(500,000)	-	-
Liao, Yongzhong	-	-	-	-	-
Li, Yijie	-	-	-	-	-
Liu, Zhensheng	-	-	-	-	-
<b>Total Directors</b>	<b>5,400,000</b>	<b>(2,900,000)</b>	<b>(2,500,000)</b>	-	-
<b>Executives</b>					
M Garbutt	-	-	-	-	-
<b>Total Directors/Executives</b>	<b>5,400,000</b>	<b>(2,900,000)</b>	<b>(2,500,000)</b>	-	-

The performance rights were granted in November 2017. Six different tranches were granted, each with different performance hurdles. The details are contained in note 18 to the financial statements. At 30 June 2020 there are no outstanding Performance Rights.

**(viii) Other transactions with Key Management Personnel**

- (i) During the year the Company paid \$190,000 (2019: \$190,000) 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.
- (ii) K R Corporate Compliance Pty Ltd., a company related to and controlled by Mr Garbutt, has provided corporate secretarial, compliance and support services to the Hawthorn Resources Limited group for which it was paid fees of \$104,079 (2019: \$129,211).
- (iii) During the year the Company paid consulting fees totalling \$6,840 (2019: \$12,663) to Public Relations Exchange, an entity controlled by a related party of Mr. M Kerr.

***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 14.

Signed in accordance with a resolution of the Board of Directors at Melbourne this 18th day of September 2020.

*Mark Kerr*

Mark Kerr  
Chairman

**DECLARATION OF INDEPENDENCE BY WAI AW TO THE DIRECTORS OF HAWTHORN RESOURCES LIMITED**

As lead auditor of Hawthorn Resources Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hawthorn Resources Limited and the entities it controlled during the period.



Wai Aw  
Director

**BDO Audit Pty Ltd**

Melbourne, 18 September 2020

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Hawthorn Resources Limited  
Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 30 June 2020

		<b>Consolidated</b>	
		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
	Note		
<b>Continuing operations</b>			
Revenue	2	37,758,946	39,318,439
Other income	7	-	8,367,709
<b>Expenses</b>			
Mining costs	3	(21,773,181)	(37,907,828)
Exploration expenditure impaired	8	(111,769)	(92,236)
Exploration expenditure expensed	8	(472,171)	(194,371)
Administration expenses		(1,473,434)	(1,210,655)
Depreciation expense		(7,258)	(6,636)
Share based payments benefit	18	-	41,570
<b>Profit before income tax expense from continuing operations</b>		13,921,133	8,315,992
Income tax expense	12	-	-
<b>Profit for the year after tax from continuing operations</b>		13,921,133	8,315,992
<b>Other comprehensive income</b>		-	-
<b>Total other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		13,921,133	8,315,992
<b>Profit attributable to members</b>		8,911,998	7,409,698
Profit attributable to non-controlling interests		5,009,135	906,294
		13,921,133	8,315,992
<b>Earnings per share</b>		Cents	Cents
Basic earnings per share for the year attributable to ordinary equity holders	13	2.715	2.280
Diluted earnings per share for the year attributable to ordinary equity holders	13	2.715	2.280

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 2020

		<b>Consolidated</b>	
		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
Note			
<b>ASSETS</b>			
<b>Current Assets</b>			
	Cash and cash equivalents	28,987,487	15,969,638
	Trade and other receivables	192,719	5,529,287
	Inventories	-	1,360,063
	Development and mining assets	-	2,392,867
	<b>Total Current Assets</b>	<b>29,180,206</b>	<b>25,251,855</b>
<b>Non-Current Assets</b>			
	Other financial assets	113,090	1,549
	Exploration expenditure	2,389,852	1,501,905
	Plant and equipment	1,170	8,428
	<b>Total Non-Current Assets</b>	<b>2,504,112</b>	<b>1,511,882</b>
	<b>TOTAL ASSETS</b>	<b>31,684,318</b>	<b>26,763,737</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
	Trade and other payables	1,111,987	4,563,169
	Provisions	1,845,017	1,253,565
	<b>Total Current Liabilities</b>	<b>2,957,004</b>	<b>5,816,734</b>
	<b>TOTAL LIABILITIES</b>	<b>2,957,004</b>	<b>5,816,734</b>
	<b>NET ASSETS</b>	<b>28,727,314</b>	<b>20,947,003</b>
<b>EQUITY</b>			
	Contributed equity	62,319,314	62,043,314
	Reserves	-	276,000
	Accumulated losses	(33,874,948)	(42,786,946)
	Equity attributable to the members of Hawthorn Resources Limited	28,444,366	19,532,368
	Non-controlling interest	282,948	1,414,635
	<b>TOTAL EQUITY</b>	<b>28,727,314</b>	<b>20,947,003</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 2020

		Consolidated	
		2020	2019
		\$	\$
	Note		
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		42,855,291	40,657,745
Payments in the course of operations (inclusive of GST)		(22,785,085)	(37,707,746)
Government grant income		50,000	-
Interest received		270,906	59,480
<b>Net cash provided by operating activities</b>	14 (b)	20,391,112	3,009,479
<b>Cash flows from investing activities</b>			
Payments for exploration expenditure		(1,120,900)	(1,028,257)
Receipts from sale of exploration leases		-	13,500,000
Payments for investments		(113,090)	-
Receipts from disposal of investments		1,549	-
<b>Net cash (used in) / provided by investing activities</b>		(1,232,441)	12,471,743
<b>Cash flows from financing activities</b>			
Return of cash calls to JV partner		(6,140,822)	(600,000)
<b>Net cash used in financing activities</b>		(6,140,822)	(600,000)
Net increase in cash and cash equivalents		13,017,849	14,881,222
Cash and cash equivalents at beginning of year		15,969,638	1,088,416
<b>Cash and cash equivalents at end of year</b>	14(a)	28,987,487	15,969,638

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 2020

	Contributed Equity	Accumulated Losses	Reserves	Non- controlling interest	Total Equity
	\$	\$	\$	\$	\$
<b>CONSOLIDATED</b>					
<b>At 1 July 2018</b>	61,615,314	(50,196,644)	745,570	1,108,341	13,272,581
Loss for the year after income tax expense	-	7,409,698	-	906,294	8,315,992
Other comprehensive income for the year, net of tax	-	-	-	-	-
<b>Total comprehensive income for the year</b>		7,409,698	-	906,294	8,315,992
Conversion of performance rights to shares	428,000	-	(428,000)	-	-
Share based payment	-	-	(41,570)	-	(41,570)
Joint venturer - return of cash calls	-	-		(600,000)	(600,000)
<b>At 30 June 2019</b>	62,043,314	(42,786,946)	276,000	1,414,635	20,947,003
<b>At 1 July 2019</b>	62,043,314	(42,786,946)	276,000	1,414,635	20,947,003
Profit for the year after income tax expense	-	8,911,998	-	5,009,135	13,921,133
Other comprehensive income for the year, net of tax	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	8,911,998	-	5,009,135	13,921,133
Conversion of performance rights to shares	276,000	-	(276,000)	-	-
Profit distribution	-	-	-	(4,531,830)	(4,531,830)
Joint venturer - return of cash calls	-	-	-	(1,608,992)	-(1,608,992)
<b>At 30 June 2020</b>	62,319,314	(33,874,948)	-	282,948	28,727,314

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

**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 2020, 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 and principal place of business of the entity is Level 2, 90 William Street, Melbourne, Victoria, 3000.

**(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 other comprehensive income and 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 25.

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:

- the amortisation of Development and Mining assets, as discussed in note 4 to the accounts; and
- Exploration expenditure 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 2020

**(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. REVENUE**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Ore sales	37,360,850	39,258,959
Government grant income	87,100	
Interest	310,996	59,480
<b>Total revenue</b>	<b>37,758,946</b>	<b>39,318,439</b>

**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 Saracen Gold Mines Pty Ltd's ("Saracen") Carosue Dam Mill processing operation. The amount paid by Saracen is the amount billed, net of processing costs borne by Saracen 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.

*Government grant income*

Government grants are recognised as income when it is reasonable to expect that the grant will be received, when all of the conditions associated with the grant income have been completed and over the period in which the expenses being compensated for by the grant income are incurred. During the year the Company received grant income relating to the Cash Flow Boost awarded by the ATO in response to the COVID-19 pandemic.

*Interest*

Interest revenue is recognised as the interest accrues.

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

**3. MINING COSTS**

	Consolidated	
	2020 \$	2019 \$
Processing costs	9,104,344	15,214,969
Mine management and contract services	5,200,333	16,021,583
Camp costs	957,118	1,387,448
Amortisation	2,392,867	3,418,987
Royalties and related costs	1,312,362	1,689,401
Other expenses	1,446,094	1,535,503
	20,413,118	39,267,891
Opening work-in-progress	1,360,063	-
Closing work-in-progress	-	(1,360,063)
Total mining costs	21,773,181	37,907,828

**4. DEVELOPMENT AND MINING ASSETS**

Areas in the mining phase – At cost		
Current	-	2,392,867

Movement in the carrying value of development and mining assets during the year was:

Opening balance at 1 July	2,392,867	5,811,854
Amortisation during the year (i)	(2,392,867)	(3,418,987)
Balance at 30 June	-	2,392,867

(i) Costs transferred and capitalised are amortised on the unit-of-production method.

**Accounting policy**

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of the mine and the related infrastructure. The TLMJV project is a pre-existing open-cut mine. Therefore, the development decision and the mining decision was effectively made at the same time, with some initial development and stripping undertaken to confirm the operation. These costs were capitalised, and all the accumulated exploration and development costs classified into mining assets, when it was deemed the mine was capable of operating in the manner intended by management. Amortisation is charged to using the units-of-production basis results in an amortisation charge proportional to the depletion of proved, probable and estimated reserves. Development properties are tested for impairment in accordance with the policy of impairment of assets.

**Accounting policy - Impairment**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, the asset or cash generating unit is impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Profit or Loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**Key estimates and judgements**

*Ore reserve and resource estimate*

Ore reserves are estimates of the amount of product that can be economically and legally extractable from the Group's current mining tenements. The Group estimates its ore reserves based on information compiled by appropriately qualified persons able to interpret the geological data. The estimation of recoverable reserves is based on factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact on the value of mine properties and amortisation charges.

*Units of production amortisation*

Estimated recoverable reserves are used in determining the amortisation of mine specific assets. This results in an amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The Group adopts a Run of Mine tonnes of ore produced methodology. This involves using tonnes of ore processed to estimate remaining recoverable reserves and requires accurate measurement of ore processed, the ore grade and the recoverable reserves.

*Impairment*

Based on an assessment of the key variables underpinning the value of the project the Directors have determined there are no indicators of impairment as at 30 June 2020.

**5. TRADE AND OTHER RECEIVABLES**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade receivables	-	5,494,441
Other receivables (i)	192,729	34,846
	<b>192,719</b>	<b>5,529,287</b>

- (i) Other debtors relate to GST and sundry debtors.

**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.

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

**6. INVENTORIES**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Ore stockpiles	-	1,360,063

**Accounting policy**

Inventories of ore are valued at the lower of cost and net realisable value. Costs comprise direct material, labour, and an appropriate allocation of variable and fixed production overheads based on normal production capacity. These costs are included in Mining Costs in the Statement of profit or loss and other comprehensive income. Net realisable value is the estimated sales value in the ordinary course of the business less any direct and the estimated selling costs.

**7. OTHER INCOME**

**Disposal of interests in mining leases**

Proceeds from disposal	-	13,500,000
Disposal of exploration assets	-	(5,127,361)
Transaction costs	-	(4,930)
<b>Total other income</b>	-	<b>8,367,709</b>

**8. EXPLORATION EXPENDITURE**

Areas in the exploration phase At cost	2,389,852	1,501,905
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Movement in the carrying value of exploration expenditure during the year was:

Opening balance at 1 July	1,501,905	5,892,921
Costs incurred during the year	1,995,083	1,022,952
Disposal of exploration assets	-	(5,127,361)
Joint venturer contribution	(523,196)	-
Exploration expenditure written off during the year	(472,171)	(194,371)
Exploration expenditure impaired during the year (i)	(111,769)	(92,236)
<b>Balance at 30 June</b>	<b>2,389,852</b>	<b>1,501,905</b>

(i) Impairment expense for the year relates to amounts expended on lower priority projects where the Group has not committed to future expenditure.

**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.

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

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 Trouser Leg, 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.

**9. INTEREST IN JOINT OPERATIONS**

The Company has an interest in the following joint operations:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Edjudina – Pinjin (Avoca Resources Pty Ltd) (i)	80%	80%
Mt Bevan (Legacy Iron Ore Limited) (ii)	40%	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: Whilst the Company's financial/contributing interest in the joint operation is 40% the Company and Legacy Iron Ore Limited share management decision making on a 50/50 basis.

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 8).

Included in the assets and liabilities of the Group are the following assets and liabilities employed in the joint operations:

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Exploration expenditure	1,501,905	1,501,905
<b>Total Assets</b>	1,501,905	1,501,905
<b>Liabilities</b>		
Trade and other payables	59,000	59,000
<b>Total Liabilities</b>	59,000	59,000

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

Included in the Group commitments (note 10) are the following commitments in relation to the joint ventures:

	Consolidated	
	2020 \$	2019 \$
Exploration		
Not later than 1 year	245,010	245,010
Later than one year but not later than five years	595,840	686,640
More than five years	922,810	1,070,020
Total	1,763,660	2,001,670

**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.

**10. 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:

	Consolidated	
	2020 \$	2019 \$
Not later than one year	423,610	538,610
Later than one year but not later than five years	835,240	1,101,040
More than five years	1,004,410	1,165,220
	2,263,260	2,804,870

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 Company's lease for its principal place of business expired on 31 December 2018 and thereafter the Company has leased the premises on a month to month basis.

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

**11. EXPENSES**

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

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
(i) Payroll and contractor expenses		
Salaries and other employee costs	436,280	478,640
Superannuation	27,386	27,265
Insurance	47,982	43,486
Consulting and contractor fees	111,500	52,000
Share based payments (see note 18)	-	(41,570)
<b>Total payroll and contractor expenses</b>	<b>623,148</b>	<b>559,821</b>
(ii) Fully serviced office rental expense	190,000	190,000

**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.

**12. TAXATION**

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

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current tax benefit	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Tax losses not recognised	-	-
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

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:

	Consolidated	
	2020 \$	2019 \$
Profit from operations	13,921,133	8,315,992
Income tax expense at 27.5% (2019: 27.5%)	3,828,312	2,286,898
Non-deductible expenditure	1,495,110	1,206,916
Capital expenditure deduction	(404,769)	(282,667)
Decline of value of depreciating assets	(1,996)	(1,825)
Allowable deductions	(442,872)	(165,207)
Tax base of assets disposed of	(17,977)	868,081
Tax and capital losses utilised	(4,455,808)	(3,912,196)
Income tax expense	-	-
<b>(b) Deferred tax assets and liabilities</b>		
<b>Deferred tax liability comprises:</b>		
Exploration costs	332,731	746,583
Amounts not recognised due to offset of deferred tax assets (detailed below)	(332,731)	(746,583)
	-	-
<b>Deferred tax asset comprises:</b>		
Accruals and payables	167,112	71,775
Employee entitlements	27,155	33,564
Blackhole expenditure	52,732	79,098
Tax Losses utilised to offset remaining DTL	-	250,980
Provisions	480,225	311,166
	727,224	
Deferred tax liabilities not recognised	(394,493)	-
	332,731	746,583
Tax Loss amounts where benefit not recognised (potential benefit of 27.5%)*	6,549,719	22,752,658

\*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.

**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.

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

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.

**13. EARNINGS PER SHARE**

**Basic and diluted earnings per share**

Basic and diluted earnings per share is calculated as follows:

	<b>Consolidation</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Profit for the year attributable to members	8,911,998	7,409,698

  

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares at the end of the financial year	328,266,615	325,047,257
Basic/Diluted Earnings Per Share (cents)	2.715	2.280

There were no outstanding options at the reporting date (30 June 2019: \$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 2020.

**14. CASH AND CASH EQUIVALENTS**

(a) Cash and cash equivalents

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	7,079,695	1,895,810
Term deposits	21,907,792	14,073,828
Total cash and cash equivalents	28,987,487	15,969,638

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

**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.

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

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Profit for the year after tax	13,921,133	8,315,992
<i>Adjustment for:</i>		
Write off of exploration expenditure	472,171	194,371
Impairment of exploration expenditure	111,769	92,236
Amortisation of mine assets	2,392,867	3,418,987
Depreciation	7,258	6,636
Gain on disposal of exploration leases	-	(8,367,709)
Impairment of financial assets	-	683
Share based payments	-	(41,570)
Net cash from operating activities before change in assets and liabilities	16,905,198	3,619,626
Change in assets and liabilities:		
Decrease in receivables and other assets	5,336,569	1,408,124
Decrease / (Increase) in inventories	1,360,063	(1,360,063)
Decrease in trade and other payables	(3,802,169)	(1,535,898)
Increase in provisions	591,451	877,690
Net cash from / (used in) operating activities	20,391,112	3,009,479

*(b) Reconciliation of cash*

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

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

During the year, there was no non-cash financing or investing activities (2019: Nil).

**15. TRADE AND OTHER PAYABLES**

Trade and other payables	1,111,987	4,563,169
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**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.

**16. PROVISIONS**

Employee entitlements	458,746	122,052
Land rehabilitation	1,386,271	1,131,513
Provisions	1,845,017	1,253,565
<i>Reconciliation of Land Rehabilitation provision</i>		
Opening balance	1,131,513	348,334
Provision made in the year	254,758	783,179
Closing balance	1,386,271	1,131,513

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

**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.

**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 volume of land to be rehabilitated, regulatory changes, technological changes and discounting factors.

**17. CONTRIBUTED EQUITY**

	Consolidated			
	2020		2019	
	No. of shares	\$	No. of shares	\$
Ordinary shares	333,515,613	62,319,314	326,615,613	62,043,314

The reconciliation of opening and closing equity is as follows:

	Consolidated	
	No. of shares	\$
Balance at 1 July 2018	321,265,613	61,615,314
Exercise of performance rights	5,350,000	428,000
At 30 June 2019	326,615,613	62,043,314
Exercise of performance rights	6,900,000	276,000
At 30 June 2020	333,515,613	62,319,314

**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.

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

18. RESERVES

Consolidated	
2020	2019
\$	\$
-	276,000

Performance rights reserve

(a) Nature of Reserve

This reserve records the value of the performance rights issued by the Company, in accordance with the measurement requirements of AASB 2 *Share Based Payments*. At the Group's AGM in November 2017, it was resolved to award long term performance rights to key personnel of the Company, and performance rights were awarded to 6 officers of the Group. Each right is to be issued upon completion of the performance hurdle. Each right issued entitles the officer to one share per right at no cost. The rights are issued upon vesting and exercisable as soon as issued. The performance rights granted were in six tranches and details were as follows:

Grant Date	Total number granted	Performance condition	Performance date	STATUS
29/11/2017	2,000,000	Completion of capital raising	18/9/2017	Vested and issued
29/11/2017	3,350,000	First deliver/sale of gold ore	28/2/2018	Vested and Issued
29/11/2017	3,450,000	Completion of 50% of mining Pit 2	31/10/2018	Vested
29/11/2017	4,200,000	Completion of Pit 2 mining	28/2/2019	Vested and issued
29/11/2017	2,450,000	Discovery of additional 130,000 oz at Yundamindera/Box Well	N/A	Expired *
29/11/2017	4,715,000	Discovery of further 240,000 oz at Yundamindera/Box Well	N/A	Expired *
Total	20,165,000			

\* Yundamindera/Box Well has been sold, and therefore the performance rights cannot vest.

In accordance with AASB 2 the Company has valued each of the performance rights, and then determined the probability of the performance rights vesting, and calculated the total cost of issuing the performance rights. In order to estimate the cost, the Company has used the following inputs into a Black-Scholes/Binomial convergence model.

Input	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Valuation Date	29/11/2017	29/11/2017	29/11/2017	29/11/2017	29/11/2017	29/11/2017
Vesting Period	18/9/2017	28/2/2018	31/10/2018	28/2/2019	N/A	N/A
Spot Price	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Volatility	61%	61%	61%	61%	61%	61%
Risk free rate	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Dividend yield	0%	0%	0%	0%	0%	0%
Value per right	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Probability of success	100%	80%	60%	50%	25%	5%
Number of rights	2,000,000	3,350,000	3,450,000	4,200,000	-	-
Expected cost \$	160,000	268,000	276,000	336,000	-	-
<b>Actual Expense</b>						
<b>2020 \$</b>	-	-	-	-	-	-
<b>2019 \$</b>	-	-	115,377	(156,947)	-	-

Where the probability of the rights vesting is below 50% no expense has been recorded.

*Performance Hurdles*

**Tranche Performance Hurdle**

- 1 Completion of capital raising on 18 September 2017
- 2 First Gold Sale from Anglo Saxon
- 3 Half-completion of the Anglo-Saxon open pit mining by 31 October 2018
- 4 Completion of open-pit mining at Anglo-Saxon by 30 June 2019
- 5 Yundamindera-Box Well discovery of additional 130,000oz (total 260,000oz)
- 6 Yundamindera-Box Well discovery of additional 240,000oz (total 500,000oz)

There are no performance rights outstanding at 30 June 2020.

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

(b) *Movements in reserve*

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Balance as at 1 July	276,000	745,570
Expense during the year	-	115,377
Expense reversed on reassessment of probability of achieving performance hurdle	-	(156,947)
Issued and exercised during the year (i)	(276,000)	(428,000)
<b>Balance at 30 June</b>	<b>-</b>	<b>276,000</b>

(i) All outstanding performance rights were issued and 6,900,000 were converted into ordinary shares in May 2020. The remaining 750,000 Performance Rights were cancelled.

(c) *Accounting policy*

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

**19. NON-CONTROLLING INTERESTS**

Hawthorn Resources Limited has a 70% equity interest in the Trouser Legs Mining Joint Venture ("TLMJV") Project with GEL Resources Pty Ltd holding a 30% interest. As Hawthorn is deemed to control the operation it has accordingly consolidated in full the TLMJV Project assets and liabilities, plus income and expenditure, with the interest GEL holds being represented in the financial accounts as a non-controlling interest.

The movement in GEL's non-controlling interest during the year ended 30 June 2020 is shown below and is represented by contributed equity and adjusted for its share of the Joint Venture profit or loss for the period.

	<b>Consolidation</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
At 1 July	1,414,635	1,108,341
Profit distribution	(4,531,830)	-
Return of cash calls	(1,085,795)	(600,000)
Contributions called to exploration expenditure	(523,197)	-
Share of profit for the year	5,009,135	906,294
<b>At 30 June</b>	<b>282,948</b>	<b>1,414,635</b>

**20. RELATED PARTIES**

**(a) Key Management Personnel Disclosures**

The key management personnel for the Company during the year are set out as follows: -

Directors

Mark G Kerr – Managing Director/CEO	(Appointed 22 November 2007)
Christopher D Corrigan – Non-Executive Director	(Appointed 5 October 2017)
David S Tyrwhitt – Non-Executive Director	(Appointed 14 November 1996)
Liao, Yongzhong – Non-Executive Director	(Appointed 30 October 2012)
Li, Yijie – Non-Executive Chairman	(Appointed 30 October 2012)
Liu, Zhensheng – Non-Executive Director	(Appointed 9 December 2015)
Mourice Garbutt – Company Secretary	(Appointed 5 May 2008)

The key management personnel compensation is as follows:

	2020 \$	2019 \$
Short-term employee benefits	346,100	335,000
Share based payments	-	(12,773)
Post-employment benefits	21,565	21,565
	367,665	343,792

In addition to the above disclosed remuneration, \$190,000 (2019: \$190,000) 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.

During the year the Company paid consulting fees totalling \$6,840 (2019: \$12,663) to Public Relations Exchange, an entity controlled by a related party of Mr. M Kerr.

K R Corporate Compliance Pty Ltd., a company related to and controlled by Mr Garbutt, has provided corporate secretarial, compliance and support services to the Hawthorn Resources Limited group for which it was paid fees of \$104,079 (2019: \$129,211).

At year end, no amounts were due to or from key management personnel (2019: \$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 2020, Hawthorn Resources Limited loan balances with its subsidiary companies were:

Payable to Ellendale Resources Pty Ltd	\$515,746 (2019: \$516,280)
Receivable from Northern Resources Australia Pty Ltd	\$261,820 (2019: \$261,553)
Receivable from Trouser Leg Mining Joint Venture	\$1,677,387 (2019: \$71,097)

As at 30 June 2020, Ellendale Resources Pty Ltd loan balances with its subsidiary companies were:

Payable to Sunderland Pty Ltd	\$477,423 (2019: \$477,691)
Receivable from Northern Resources Australia Pty Ltd	\$140,738 (2019: \$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.

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Notes to the Consolidated Financial Statements for the year ended 30 June 2020

**21. CONSOLIDATED ENTITIES**

Name	Country of Incorporation	Ordinary Share Consolidated Equity Interest	
		2020 %	2019 %
<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 an unincorporated joint venture, set up upon a decision to mine within the joint venture exploration tenements.

**22. 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.

**(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 \$70,797 (2019: \$61,629) and decrease by \$70,797 (2019: \$61,629). 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 Note 14). The Group's cash assets are held with large Australian banks. The Group's sales are all made to Saracen Gold Mines Pty Ltd. This presents itself as a credit risk to the Group, however, the

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

directors are satisfied that the Saracen Group is a significant Australian gold producer that is listed on the ASX and has long history within the gold production industry. The directors have access to the results and financial position of the Saracen Group due to continuous disclosure requirements of the ASX.

**(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's revenue is derived from the sale of gold ore and is therefore impacted by fluctuations in the price of gold. The gold price is quoted in US dollars and as a result the Group's price risk is impacted by fluctuations in the exchange rate between the US and Australian dollars. The Group is limited in its ability to mitigate price risk as it is a new producer with little history of production, and limited financial resources to engage in forward contracts.

Whilst price risk is a risk facing the Group's future economic returns price risk does not impact any of the Group's financial assets at 30 June 2020.

**(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 2020**

	<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	(1,111,987)	-	-	-	(1,111,987)

**Group - 30 June 2019**

	<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	(4,563,169)	-	-	-	(4,563,169)

**(f) Net Fair Values**

The net 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 (\$113,090). These are valued using Level 3 inputs. The risk related to these assets are considered minimal based on the low level of resources invested.

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Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2020

**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.

**23. EVENTS AFTER THE BALANCE DATE**

On 3 August 2020, the Victorian Government declared a State of Disaster in response to the development of increased COVID-19 cases. This resulted in increased restrictions around work places. Whilst impacting workers in the Melbourne office there has been no impact on the operations of the Group.

Other than the above 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.

**24. REMUNERATION OF AUDITORS**

The auditor of Hawthorn Resources Limited is BDO Audit Pty Ltd.

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Amounts received or due and receivable by BDO for:		
An audit and review of the financial report of the Company and any other companies in the consolidated group	71,000	67,916

**25. PARENT ENTITY INFORMATION**

As at, and throughout the financial year ended 30 June 2020, the legal parent entity of the Group was Hawthorn Resources Limited.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current assets	26,029,342	13,880,147
Non-current assets	2,644,949	8,025,373
<b>Total assets</b>	<b>28,674,291</b>	<b>21,905,520</b>
Current liabilities	636,212	371,869
Non-current liabilities	8,322,194	254,727
<b>Total liabilities</b>	<b>8,958,406</b>	<b>625,596</b>
<b>Net assets</b>	<b>19,715,885</b>	<b>21,278,924</b>
Issued capital	114,053,604	113,777,604
Reserves	-	276,000
Accumulated losses	(94,337,719)	(92,774,680)
<b>Total equity</b>	<b>19,715,885</b>	<b>21,278,924</b>
(Loss) / Profit of the parent entity	(1,563,039)	7,028,097
<b>Comprehensive Income of the parent entity</b>	<b>(1,563,039)</b>	<b>7,028,097</b>

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.

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**26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities and contingent assets in existence at 30 June 2020 and 30 June 2019.

**27. 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.

**28. 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.

*AASB 16: Leases*

This standard replaces AASB 117 and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The Group does not have any operating leases that fall under scope of AASB 16. Therefore, adoption of the Standard has not had a material impact upon the financial statements of the Group in the current year.

*IFRIC 23 Uncertainty over Income Tax Treatments*

This interpretation clarifies how to apply the recognition and measurement in AASB 112 when there is uncertainty over income tax treatments.

The Group does not have any uncertainties over its income tax treatments that has impacted the financial statements.

**(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 2020. 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 15 to 37 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 2020 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 13 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 2020.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 18<sup>th</sup> day of September 2020.



M G Kerr  
Chairman

## INDEPENDENT AUDITOR'S REPORT

To the members of Hawthorn Resources Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Hawthorn Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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## 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.

### *Recoverability of exploration expenditure*

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group has incurred significant exploration expenditure which have been capitalised. As the carrying value of exploration expenditure represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p><i>AASB 6 Exploration for and Evaluation of Mineral Resources</i> contains detailed requirements with respect to both the initial recognition of such assets and ongoing requirements to continue to carry forward the assets.</p> <p>Note 8 to the financial statements contains the accounting policy and disclosures in relation to exploration expenditure.</p>	<p>Our procedures, amongst others, included:</p> <ul style="list-style-type: none"> <li>• Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration expenditure</li> <li>• Confirming whether the rights to tenure of the areas of interest remained current at the reporting date</li> <li>• Reviewing the directors' assessment of the carrying value of the exploration expenditure, agreeing that management have considered the effect of impairment indicators and critically reviewed the status and findings of exploration activities at each tenement</li> <li>• Reviewing budgets and challenging assumptions made by the Group to agree that substantive expenditure on further exploration for and evaluation of the mineral resources in the areas of interest are planned</li> <li>• Reviewing ASX announcements and minutes of directors' meetings to agree that the Group had not decided to discontinue activities in any of its current areas of interest</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's directors' report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

### **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 in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for 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 preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has 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 (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

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 9 to 13 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Hawthorn Resources Limited, for the year ended 30 June 2020, 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.

### **BDO Audit Pty Ltd**

BDO

A handwritten signature in black ink, appearing to read 'Wai Aw', written over a faint, light-colored signature line.

Wai Aw  
Director

Melbourne, 18 September 2020

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