

ASX Release  
31 October 2012

ABN  
44 009 157 439

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#### Directors

Mr Mark Gregory Kerr  
(Chairman)

Mr Mark Edward Elliott  
(Managing Director / CEO)

Dr David Tyrwhitt  
(Non Exec. Director)

#### Senior Management

Mr Ian Moody  
(Exploration Manager)

Mr Mourice Garbutt  
(Company Secretary)

ASX Symbol: HAW



# Hawthorn Resources Limited

## September 2012 Quarterly Report

### EXPLORATION AND DEVELOPMENT

#### Kalgoorlie, Eastern Goldfields – Gold, Western Australia

- Drilling in the **Senate Shaft** region of the **Edjudina – Triumph Project** intersects high grade gold results
  - **2 metres @ 20.29 g/t Au (including 1 metre @ 39.5 g/t Au),**
  - **4 metres @ 4.28 g/t Au (including 1 metre @ 10.26g/t Au), and**
  - **4 metres @ 6.03 g/t Au**
- Gold column testwork of **Coffey Bore, Yundamindera Project** indicates good gold recoveries on fine fraction material
- Drilling to commence at **Trouser Legs (Anglo Saxon Pit, Dump and Coles Prospect)** and at **Deep South** during November 2012

#### Mt Bevan Project - Iron Ore, Western Australia

- Joint Venture partner Legacy Iron Ore announces results from Phase 3 drilling program designed to increase magnetite resource to **Indicated category** at **Mt Bevan** delayed until November 2012.

#### Corporate

- Hawthorn announces new equity capital investment of **\$14.96M** from a consortium of Chinese companies
- The **Feng Hua Mining Investment Holding Limited** group comprised of Chinese companies with experience in mining and metal fabrication, and direct investment in current ASX listed entities
- New capital investment to accelerate development of key gold and iron ore projects and assist Hawthorn's transition from an exploration to mining company

## INTRODUCTION

Hawthorn Resources Limited (“Hawthorn”) is an Australian diversified minerals exploration company with tenement holdings and joint ventures primarily focussed in the Kalgoorlie District of the Eastern Goldfields of Western Australia.

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

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

A drilling program in the **Senate Mine** area of the **Edjudina –Triumph Project** area was completed. The program was designed to test remnant near surface, high grade gold mineralised positions identified in earlier drilling programs and from compilation of historic drilling and underground level plans.

Results from drilling included:

- **2 metres @ 20.29 g/t Au (including 1 metre @ 39.5 g/t Au),**
- **4 metres @ 4.28 g/t Au (including 1 metre @ 10.26g/t Au), and**
- **4 metres @ 6.03 g/t Au**

confirming earlier reported high grade results, and further identifying the high grade gold zones that are known to occur within this mineralised field

At **Yundamindera – Coffey Bore** initial gold column testwork has indicated strong gold recoveries of material to 0.5 mm – aeromagnetic survey to be carried out in the upcoming quarter to identify extensions of the **Coffey Bore** porphyry and repetitions of the porphyry signature within the greater **Yundamindera Project** area.

At **Trouser Legs – Anglo Saxon** and **Deep South** comprehensive drilling programs to define pit shells and upgrade or establish resources receive Mines Department approval and will commence in the upcoming quarter.

At **Mt Bevan - Central Yilgarn Iron Province** – Hawthorn and Joint Venture partner Legacy Iron Ore (“Legacy”) have announced the completion of the Phase 3 drilling program designed to convert a 2.0 kilometre segment of the **1.59 Billion tonnes Inferred** magnetite resource into an **Indicated Resource** category. As previously reported consistent and similar widths of magnetite mineralised rock were intercepted during the program. The updated Mineral Resource Estimate is due for receipt in November 2012.

**Gold Exploration – Western Australia incorporating:**

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

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

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

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

**Whiteheads Project** Hawthorn Resources 100%

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

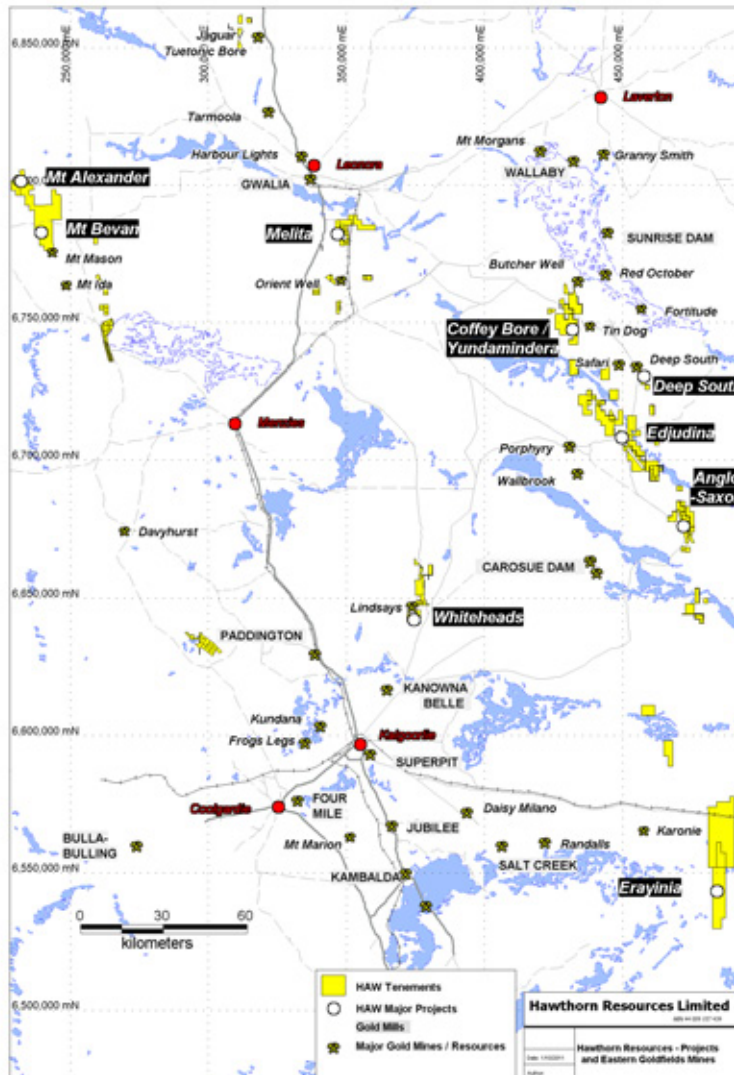


Figure 1. Eastern Goldfields, Western Australia – Project Locations

The major projects cover two distinct areas.

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

### **Edjudina – Triumph Project**

*(Hawthorn 100%)*

Gold mineralisation in the project area, 145 kilometres North-east of Kalgoorlie is hosted by a series of strike parallel quartz veins. Three major, distinct and separate quartz vein sets (“Reef 1, 2 & 3”) host most of the known gold mineralisation in the project area.

The drilling program completed during the quarter on the granted Edjudina Mining Lease was focussed beneath and along strike of the **Senate Mine** (10,398 oz of Au produced from 6942 tonnes of ore) where historic drive sampling and drill intercepts of two of the parallel reef horizons (“Reef 2 and 3”) returned:

- **0.47 metres @ 157.0 g/t Au at 35 metres vertical depth**
- **3.00 metres @ 11.3 g/t Au at 66 metres vertical depth**
- **0.25 metres @ 189.2 g/t Au at 132 metres vertical depth**

beneath and within the historic mine workings. In addition previous drilling by Hawthorn in the **Senate South** area intersected a zone of high grade Reef 2 mineralisation near surface.

In the completed program single and two hole drill sections were drilled over 600 metres of strike with most holes intersecting at least one, if not two, of the known parallel reef positions.

The results from the current program are considered extremely significant as drill sections south, immediately to the north and beneath the excavated **Senate Mine Lodes** have returned high gold grades at relatively shallow depths including:

- **2.0 metres @ 15.75 g/t Au from 36-38 metres - EDC006,**
- **4.0 metres @ 4.28 g/t Au from 54-58 metres – EDC017,**
  - **(including 1.0 metre @ 10.26 g/t Au),**
- **2.0 metres @ 4.32 g/t Au from 87-89 metres – EDC018,**
- **1.0 metres @ 6.01 g/t Au from 62-63metres – EDC022,**
- **4.0 metres @ 6.03 g/t Au from 40-44 metres – EDC028, and**
- **2.0 metres @ 20.29 g/t Au from 108-110 metres – EDC033,**
  - **(including 1.0 metre @ 39.5 g/t Au)**

These results confirm that the main gold ore bearing lode in the **Senate Mine** area appears to be the quartz – carbonate Reef 2 system, which flattens in dip with depth. Reef 2 has now been intersected in most holes drilled in the vicinity of the **Senate Mine** shaft, with over 300 metres of gold mineralised strike intersected to date. Some resampling of existing drilling is required as several intercepts in the Reef 2 position reported strongly enhanced results in initial composite sampling, but lower results in follow-up sampling.

Nonetheless the drilling and sampling indicates that well defined, high grade gold lodes exist in this area. Drilling to further define these lodes and potentially identify a mineable high grade gold resource amenable to open-cut and / or underground exploitation will be carried out in upcoming months.

Results from the drill program are reported in Table 1 and Figure 2 below.

**Table 1. RC drilling results Edjudina – Triumph Project – August 2012**

<b>Hole No.</b>	<b>Azimuth</b>	<b>Dip</b>	<b>North</b>	<b>East</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Width (m)</b>	<b>Au (g/t)</b>
<b>EDC012</b>	<b>-60</b>	<b>224</b>	<b>6706459</b>	<b>449990</b>	26	27	1	1.08
<b>and</b>					33	34	1	1.13
<b>EDC013</b>	<b>-60</b>	<b>223</b>	<b>6706481</b>	<b>450010</b>	<b>40</b>	<b>41</b>	<b>1</b>	<b>3.09</b>
<b>and</b>					60	61	1	1.02
<b>EDC014</b>	<b>-60</b>	<b>223</b>	<b>6706488</b>	<b>449987</b>	44	47	3	0.71
<b>and</b>					74	76	2	2.65
<b>EDC017</b>	<b>-70</b>	<b>224</b>	<b>6706439</b>	<b>450019</b>	<b>54</b>	<b>58</b>	<b>4</b>	<b>4.28</b>
<b>incl.</b>					54	55	1	10.26
<b>EDC018</b>	<b>-65</b>	<b>224</b>	<b>6706458</b>	<b>450039</b>	70	71	1	1.02
<b>and</b>					87	89	2	4.32
<b>EDC020</b>	<b>-65</b>	<b>224</b>	<b>6706395</b>	<b>450091</b>	<b>24</b>	<b>25</b>	<b>1</b>	<b>2.73</b>
<b>and</b>					68	69	1	1.04
<b>and</b>					102	103	1	3.05
<b>EDC022</b>	<b>-65</b>	<b>222</b>	<b>6706337</b>	<b>450141</b>	<b>62</b>	<b>63</b>	<b>1</b>	<b>6.01</b>
<b>EDC023</b>	<b>-65</b>	<b>234</b>	<b>6706672</b>	<b>449841</b>	<b>21</b>	<b>22</b>	<b>1</b>	<b>2.35</b>
<b>and</b>					52	56	4	2.49
<b>EDC024</b>	<b>-65</b>	<b>236</b>	<b>6706684</b>	<b>449864</b>	<b>80</b>	<b>82</b>	<b>2</b>	<b>2.85</b>
<b>incl.</b>					81	82	1	4.55
<b>EDC025</b>	<b>-65</b>	<b>234</b>	<b>6706624</b>	<b>449844</b>	24	25	Stope	
<b>and</b>					54	55 EOH	Stope	
<b>EDC027</b>	<b>-70</b>	<b>234</b>	<b>6706651</b>	<b>449881</b>	80	84	4	1.60
<b>EDC028</b>	<b>-65</b>	<b>230</b>	<b>6706700</b>	<b>449805</b>	<b>40</b>	<b>44</b>	<b>4</b>	<b>6.05</b>
<b>EDC029</b>	<b>-65</b>	<b>234</b>	<b>6706722</b>	<b>449834</b>	65	67	2	1.80
<b>EDC033</b>	<b>-60</b>	<b>227</b>	<b>6706541</b>	<b>450011</b>	<b>108</b>	<b>110</b>	<b>2</b>	<b>20.29</b>
<b>incl.</b>					108	109	1	39.50

All RC Holes collected as 1 metre splits from rotating splitter.

All Assays Amdel Laboratories, Kalgoorlie

\* = Previously announced drillhole

EOH = End of Hole

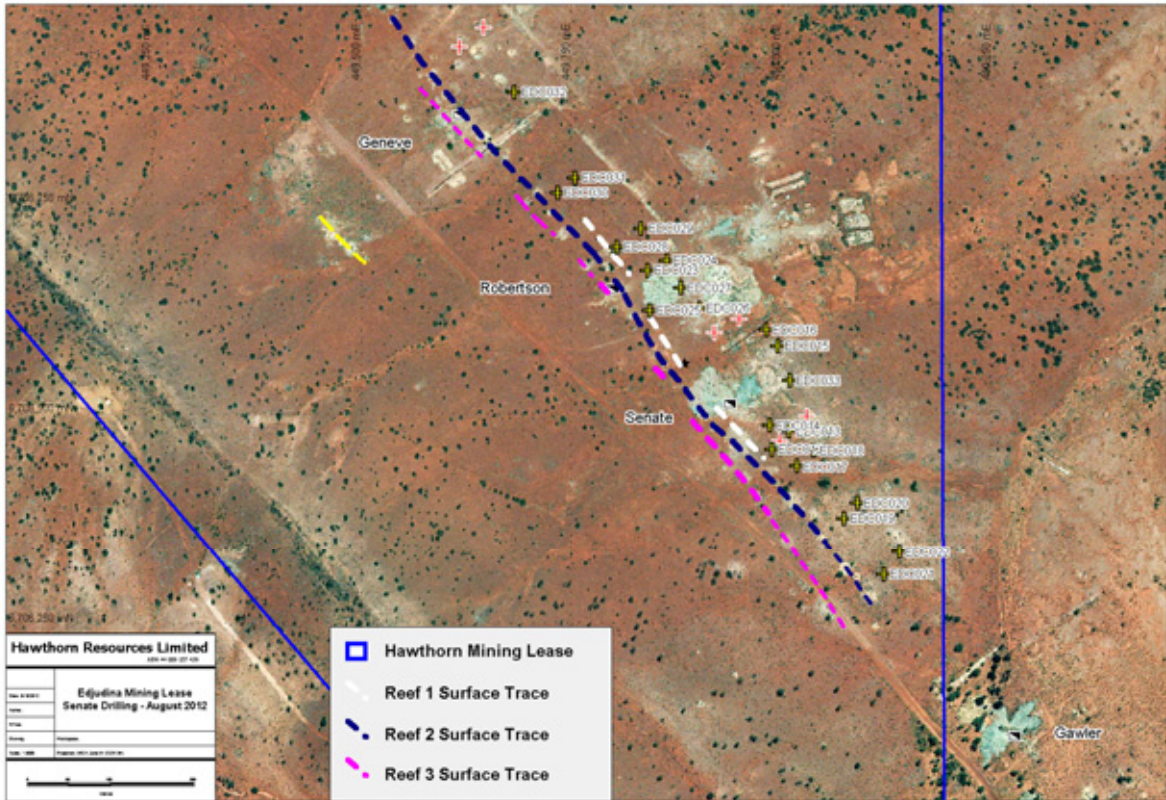


Figure 2. Edjudina Triumph – RC Drill Locations

**Yundamindera Project**

(Hawthorn 100% and Hawthorn Resources 80%, Alacer Gold 20%).

In the **Yundamindera Project** area, located approximately 175 kilometres to the north east of Kalgoorlie, Western Australia exploration has focused on the discovery of gold associated with mineralised syenitic porphyry dykes, BIF’s and shears.

A significant mineralised body has been identified at **Coffey Bore** where a broad zone of gold mineralisation associated with stockwork quartz veining at the base of a shallow, 45° east dipping, porphyry intrusion has been drill tested over 450 metres of strike.

Results from gold column / cyanide - bottle roll testwork on weathered and fresh intercepts of the mineralised unit are still to be finalised, however initial results have indicated that gold mineralisation is recovered at reasonable time ranges of 6 -10 days and that the unit is free of cyanicides (such as copper and arsenic) ensuring reagent consumption is acceptable.

The shallow gold mineralisation at **Coffey Bore** is known to be faulted off to the west in the southern part of the prospect and it remains open or inadequately tested to the north and at depth. An aeromagnetic survey covering the entire **Yundamindera Project** area is planned for the upcoming quarter that will identify the extensions of the **Coffey Bore** porphyry, identify repetitions of the porphyry signature within the larger project area and facilitate focussed drill testing of targets identified.

**Trouser Legs – Anglo Saxon Project**

(Hawthorn Resources 70%, Gel Resources 30%).

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

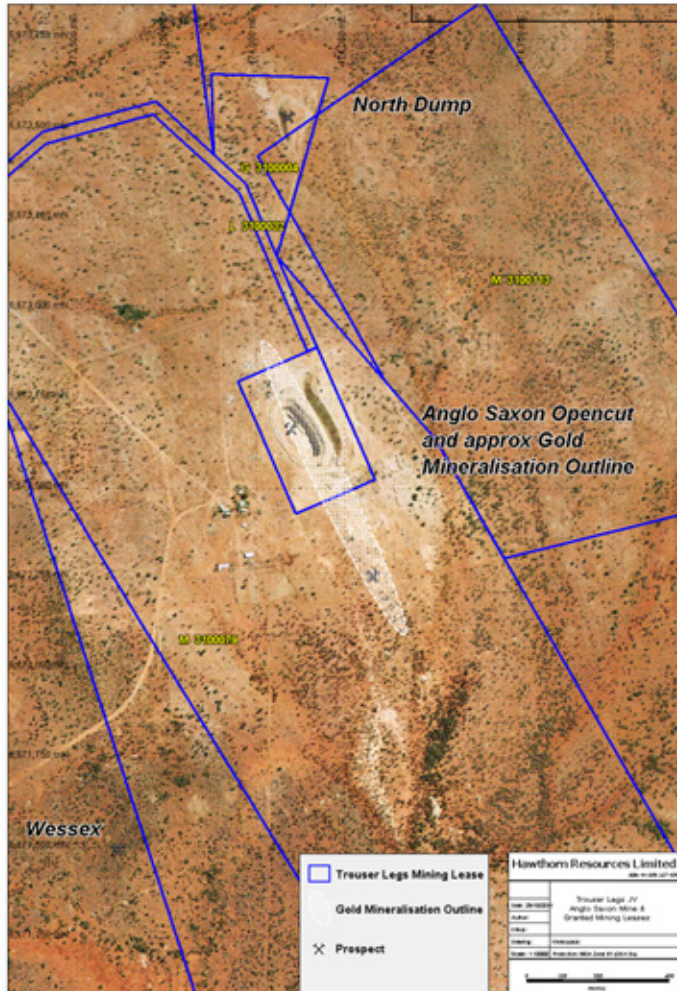


Figure 3. Trouser Legs – Anglo Saxon Mine – Airphotograph

Hawthorn has received approval to carry out comprehensive drilling programs on the JORC compliant Indicated Gold Resource at the **Anglo Saxon**.

**Table 2. Anglo Saxon Resource**

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

This drilling program, commencing during November 2012, will be primarily focused within the **Anglo Saxon** resource area and is designed to further pit definition of the resource by testing foot and hangingwall positions of the existing 3 notional pits defined to date.

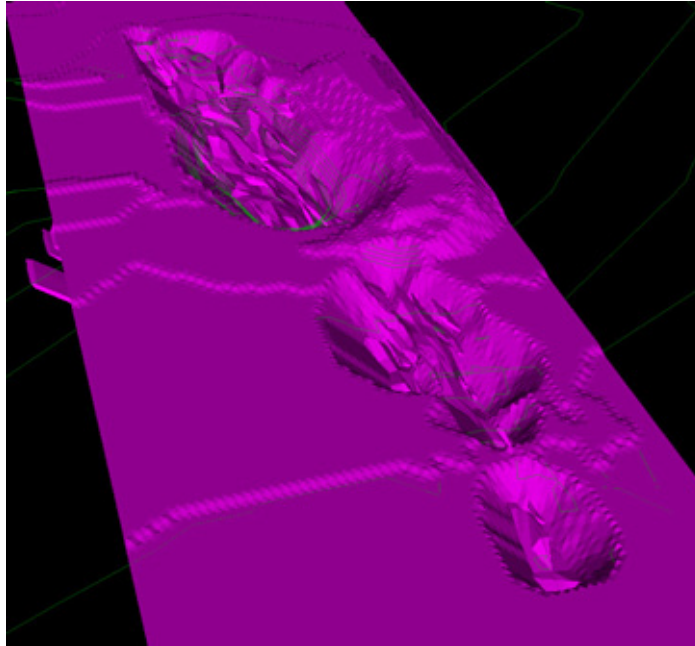


Figure 4. Anglo Saxon Ore Blocks and Proposed Oxide Only Pits. View from SW – Strike Length 660 metres

The drilling will also focus on the “neck” zones between the pits in an attempt to link the orebody - creating a single coherent pit.

In addition the program will feature large diameter RC drilling of the **Main Dump** at Anglo Saxon to assess the grade profile of the dump, and the higher grade, potential satellite resource at **Coles** will also be drilled in an attempt to establish a mineable resource.

### **Deep South Project**

*(Hawthorn Resources 80%, Alacer Gold 20%).*

The project area lies directly along strike to the south of **Deep South Mine**, approximately 170 km to the north east of Kalgoorlie in Western Australia. Hawthorn holds tenements in this area in Joint Venture, with Alacer Gold .

Hawthorn has identified a gold mineralised horizon analogous to the adjacent **Deep South** gold orebodies (Indicated and Inferred Resource - 279,000 oz Au) of Saracen Mineral Holdings Limited.

Saracen Mineral Holdings recommenced mining in the adjacent Deep South Open cut gold mine in June 2012 and has recently upgraded the underground Probable Reserve at the mine to 116,000 ounces.

Hawthorn has received approval to modify it’s existing drill approval to carry out further drilling in the project area. This drilling program will commence during December and is designed to drill out the near surface gold horizon at the **Central Prospect** and commence infill drilling in the broad, highly prospective, but as yet untested zone between the **Central** and **Southern Prospects**.



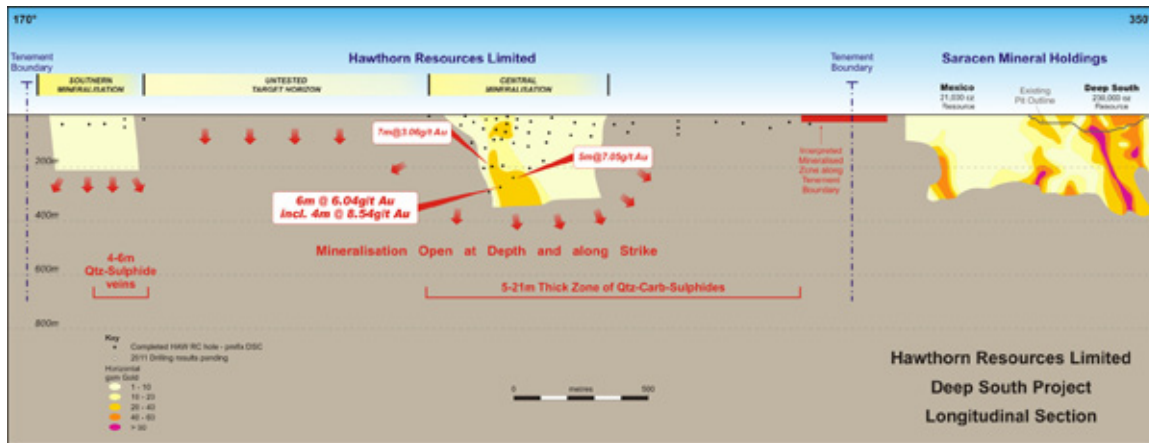


Figure 5 – Deep South – Longitudinal Section

The program, however, is primarily designed to accelerate the definition of a near surface resource in the **Central Prospect** area, that may be capable of being excavated during Saracen’s open cut mining phase at Deep South.

**Summary**

The upcoming quarter, and indeed year, is shaping as amongst the most intense periods of exploration and development in Hawthorn’s history. The recently announced injection of funds by the Feng Hua Consortium will accelerate our gold focussed activities with the goal to graduate to becoming a gold producer.

**Iron Ore Exploration – Western Australia**

**Mount Bevan Iron Ore Project**

(Hawthorn 40%, Legacy 60%)

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



Figure 6 – Mt Bevan Project Area

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

A Joint Venture Agreement covering the Mount Bevan Project area exists with ASX listed Legacy Iron Ore Limited (“Legacy”). During the quarter Hawthorn agreed that Legacy had met its minimum expenditure commitment under the terms of the joint venture and a 60% stake in the Project area was transferred to Legacy. Hawthorn however retains the important and valuable rights to market or enter into offtake agreements for 40% of production from Mt Bevan, and that under the auspices of the Joint Venture Technical Steering Committee Hawthorn continues to hold an equal vote in all exploration and development programs proposed for the project area.

An Inferred Resource of **1.59 Billion tonnes of magnetite ore @ 30.2 % Fe**, was announced at Mt Bevan during February 2012. This resource was calculated over the initial 10 kilometres of strike of the mineralised horizon tested to date.

A further drilling program was designed to upgrade a 2.0 kilometre segment of the magnetite orebody to an Indicated Resource category. This program was completed in July and the main magnetite horizon continued to be intersected along strike and at depth, with comparable widths of mineralisation observed with respect to previous drilling.

The much anticipated upgraded Mineral Resource Estimate has been delayed, with a reported completion date now during November 2012.

Hawthorn eagerly awaits these results and the upgraded resource estimate, which will assist the Joint Venture Technical Steering Committee to plan and implement further exploration and development activities.

## **Joint Ventures**

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

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

The Joint Venture manager has reported limited exploration during the quarter.

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

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

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

## **CORPORATE**

### **Issued Securities & Funding**

During the September 2012 quarter there were no changes in class or in the number of Hawthorn Resources Limited securities on issue.

On 31 August 2012 the Company announced the signing of a Share Subscription agreement with a Consortium of Chinese investors through Feng Hua Mining Investment Holding (HK) Limited (Feng Hua) to raise approximately A\$15 million in new equity capital. The raising to be in two tranches and subject to various regulatory and shareholder approvals:

- Tranche 1 by way of directors placement power, for 320,616,224 shares at a premium to market price of A\$0.013 a share to raise A\$4.168 million; and
- Tranche 2 for 967,211,427 shares at a premium to market price of A\$0.01116 a share to raise A\$10.794 million – this tranche is subject to shareholder approval.

Since the end of the September quarter and on 30 October 2012 upon the receipt of \$4.168 million in 'cleared' funds the Company has issued to Feng Hua the tranche 1 shares (320,616,224 shares).

### **Annual General Meeting**

In relation to tranche 2 and as advised to the ASX earlier today, in view of the time required for the preparation and approvals of the requisite shareholder meeting documentation, inclusive of an Independent Experts Report (IER), the Company applied for and was granted by the Australian Securities and Investments Commission (ASIC) an extension of time for the holding of the 2012 Annual General Meeting.

Subject to the timings for the IER and regulatory approvals the meeting is expected to be held in mid to late January 2013.



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

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

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

HAWTHORN RESOURCES LIMITED

ABN

44 009 157 439

Quarter ended ("current quarter")

30 September 2012

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(204)	(204)
(b) development	-	-
(c) production	-	-
(d) administration	(286)	(286)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- GST (Refundable)	48	48
<b>Net Operating Cash Flows</b>	<b>(438)</b>	<b>(438)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(438)</b>	<b>(438)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(438)	(438)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(438)	(438)
1.20	Cash at beginning of quarter/year to date	2,890	2,890
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,452	2,452

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

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	164
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions in item 1.23

Directors fees & salary \$78,027 (Previous Quarter \$85,527)
Fully Serviced Office facility rental \$86,625 (Previous Quarter \$86,625)
Company requested Consulting Fees \$- (Previous Quarter \$102,960)

**Non-cash financing and investing activities**

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

--

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

--

**Financing facilities available**

+ See chapter 19 for defined terms.

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

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	740
4.2 Development	-
4.3 Production	-
4.4 Administration	440
<b>Total</b>	<b>1,180</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	442	378
5.2 Deposits at call	2,010	2,512
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,452</b>	<b>2,890</b>

### Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

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

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

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	2,137,441,493	2,137,441,493	-	-
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>(description and conversion factor)</i>	10,000,000 2,500,000 165,084,231	- - 165,084,231	<i>Exercise price</i> \$0.10 \$0.10 \$0.10	<i>Expiry date</i> 25 January, 2018 30 June, 2018 28 February, 2013
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

## Compliance statement

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



Sign here:..... Date: 31/10/2012  
(Company secretary)

Print name: MOURICE GARBUTT

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.



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

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

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

<b>Tenement Reference</b>	<b>Nature of Interest [note (4)]</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
E31/771	Expired	100%	0%
M16/333	Expired	1.5% NSR	0%
P24/4329	Expired	1.5% NSR	0%
P24/4330	Expired	1.5% NSR	0%
P24/4331	Expired	1.5% NSR	0%
P24/4332	Expired	1.5% NSR	0%
P24/4333	Expired	1.5% NSR	0%
P24/4334	Expired	1.5% NSR	0%
P24/4335	Expired	1.5% NSR	0%
P24/4336	Expired	1.5% NSR	0%
P24/4337	Expired	1.5% NSR	0%
P24/4338	Expired	1.5% NSR	0%
P31/1763	Expired	80%	0%
P31/1887	Expired	80%	0%
P31/1890	Expired	80%	0%
P31/1891	Expired	80%	0%
P31/1892	Expired	80%	0%
P31/1896	Expired	80%	0%
P31/1901	Expired	100%	0%

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

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

+ See chapter 19 for defined terms.