



ABN 44 009 157 439

Level 2, 90 William St
Melbourne Victoria 3000
Australia

Telephone: +61 3 9605 5950

Facsimile: +61 3 9605 5999

Email: info@hawthornresources.com

Website : www.hawthornresources.com

14 August 2009

ASX ANNOUNCEMENT / MEDIA RELEASE

EQUITY PLACEMENT & SHARE PURCHASE PLAN

Hawthorn Resources Limited (ASX: HAW) (**the Company**) is pleased to announce the successful completion of an institutional placement of 57,142,857 new ordinary shares at \$0.007 per share to a sophisticated investor (**Placement**). The Placement has raised \$400,000 in capital and was managed by BBY Limited.

Settlement is scheduled to take place on 19 August 2009 and the placement shares are expected to be allotted and quoted on the Australian Securities Exchange (ASX) on or about 21 August 2009.

In addition, the Company is pleased to offer eligible shareholders (including beneficiaries of eligible custodians) the opportunity to participate in a partly underwritten Share Purchase Plan (**SPP**). The SPP will enable eligible ordinary shareholders (shareholders that are on the register at 5pm Melbourne time on the Record Date, including beneficiaries of eligible custodians so registered) to subscribe for Company shares worth up to A\$15,000 (subject to obtaining an ASX waiver increasing the current \$5,000 per shareholder limit to \$15,000).

The price at which the shares are issued under the SPP will be \$0.0072, being a 20% discount to the average market price in the five days prior to the announcement of the SPP on which the HAW shares were traded.

The SPP will be capped at a maximum amount of 30% of the Company's issued capital. BBY Limited will Lead Manage the SPP and underwrite the take-up of 116.5m shares.

The Record Date for the SPP is 14 August 2009.

Full details of the SPP will be provided to shareholders shortly.

The funds raised under the SPP and Placement will be used to fund drill programs planned on existing advanced projects

- o Iron Ore – Mt Bevan, Central Yilgarn, West Australia
- o Gold – High grade gold targets – Eastern Goldfield, West Australia
- o Uranium – Clarke River Basin, Queensland

Timetable and Funds Usage

- o ***Iron Ore (September – December 2009) – 60% of Funds***
 - § Receipt of Channel Iron testwork results
 - § Drill target preparation
 - § Drilling of Direct Shipping Ore and Channel Iron Targets
 - § Receipt of Assay Results from drilling
- o ***Gold (September – December 2009) – 30% of Funds***
 - § Drilling of existing high grade gold targets in the Wild Dog Dam, Trouser Legs, Deep South and Yundamindera areas of the Eastern Goldfields of West Australia.
 - § Testwork on existing gold dumps at Anglo Saxon
 - § Receipt of Assay Results – Follow up drilling
- o ***Uranium (October 2009) – 10% of Funds***
 - § Follow up drilling of initial high grade U result (2m @ 800ppm U) at Clarke River
 - § Drilling can commence almost immediately as drill pads and access tracks exist
 - § Assay results due November-December 2009

For any further information, please contact Mourice Garbutt, Company Secretary 03 9605 5917.

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