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4 April 2011

**Ms Kate Kidson
Principal Adviser, Listings
ASX Compliance Pty Limited
Level 45
Rialto South Tower
525 Collins Street
Melbourne Vic 3000**

Dear Kate

Hawthorn Resources Limited (“HAW”)

re: Price Enquiry

In response to your letter of enquiry dated Friday 1st April 2011 the Company advises, using your numbering, the following:

- 1 The Company is not aware of any such information;
- 2 Not applicable - see response to question 1 above;
- 3 HAW has informed the market of the current field activity in its two principal project areas namely the **gold project** in the Deep South area of Western Australia (HAW 80%; ALACER Gold (formerly Avoca Resources) 20%) and the **iron ore project** at the Central Yilgarn region of Western Australia (HAW 100%).

HAW is of the opinion that each of these projects represents a significant opportunity and potential for the development of commercially viable regional mining operations

- South Laverton Goldfields – Deep South

On 23 March HAW announced that it was resuming exploration at the Deep South gold project with follow-up infill drilling of high grade gold shoots identified during the December 2010 programme. This short term programme is nearing completion and the Company will advise the market of the results of this drilling as they become available.

As announced in the 23 March 2011 release the presence of numerous gold intercepts over substantial strike tends to indicate the presence of a significant gold mineralized system within the Deep South area;

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- Mt Bevan Iron Ore Project

This project is subject to a joint venture agreement with Legacy Iron Ore Limited (LCY) whereby LYC may earn a 60 per cent interest by expending \$3.5 million before 31 December 2012 to take the project to pre-feasibility. LCY has commenced its field work and has issued progress reports to the market on 16 February 2011 and 23 March 2011.

The Mt Bevan iron ore tenement areas are located in an area of Western Australia referred to as the Central Yilgarn Region and about the Jupiter Mines Limited (JMS) areas referred to as Mt Mason and Mt Ida.

In its Investor Presentation release to the market on 15 March 2011 JMS referred to the Central Yilgarn Region and the two pillars of its Iron Ore Strategy - the Mt Mason DSO/Hematite project (a resource that extends in to the abutting HAW tenement) and the Mt Ida Magnetite Project. JMS is undertaking a major scoping and feasibility study in both areas at an estimated \$40 million cost.

JMS has also indicated, subject to the study, that it will first commence mining on the Mt Mason DSO/Hematite resource in early 2013. This resource abuts the HAW tenement

In line with its concept of consolidation for Central Yilgran Region the Company is aware that JMS has unfulfilled consolidation and joint venture aspirations in this region.

- 4 The Company affirms that it is in compliance with the ASX listing rules and, in particular, listing rule 3.1

Yours sincerely
Hawthorn Resources Limited



per Mourice Garbutt
Company Secretary
h\asx\price enquiry 04 04 11



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1 April 2011

Mourice Garbutt
Company Secretary
Hawthorn Resources Limited

By email only

Dear Maurice

Hawthorn Resources Limited (“Company”) - Price Query

We have noted a change in the price of the Company's securities from 0.9 cents on 25 March 2011 to a high of 1.7 cents today. We have also noted an increase in trading volumes over the same period.

In light of the price change and increase in volumes, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by return e-mail or by facsimile on facsimile number (03) 9614 0303. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 9.30 AM EST on Monday, 4 April 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

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Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

Sent by electronic means without signature

Kate Kidson
Principal Adviser, Listings

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