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6 December 2011

***COMPANY ANNOUNCEMENTS PLATFORM***

**Share Purchase Plan – Documentation**

On Monday 5 December 2011 Hawthorn Resources Limited (ASX : HAW) gave notice that it will make offers to issue shares under a Share Purchase Plan without disclosure to investors under Part 6D.2 of the Corporations Act 2011 (Act).

Enclosed is a copy of the Share Purchase Plan documentation that is to be dispatched to shareholders on Monday 12 December 2011 and consisting of:

- 1 Chairman's Letter
- 2 Plan Timetable; and
- 3 Terms and Conditions of the Plan Offering

The individual shareholder's Share Purchase Plan Application Form will also be forwarded with the Plan documentation

**END ANNOUNCEMENT**



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Dear Shareholder

### **Hawthorn Resources Limited**

- ***Share Purchase Plan***

I am pleased to inform you that the directors of Hawthorn Resources Limited (“HAW” or “the Company”) have established a share purchase plan (“Plan”) to give eligible registered holders of the Company’s shares the opportunity to purchase up to A\$15,000 worth of additional shares in HAW at a 16.66% discount to the average market closing price over the five days on which sales in shares in HAW were recorded immediately preceding the announcement to the ASX of the offer on Monday 5th December 2011 (“Announcement Date”).

Shares purchased under the Plan will not attract brokerage, stamp duty or any other transaction cost.

**A non-renounceable offer is being made under the Plan to all shareholders who at Close of Business on Friday 2nd December 2011 were registered and eligible holders of ordinary shares in HAW and whose registered address is in Australia; New Zealand or the United Kingdom of Great Britain.**

Details of the offer and the full terms and conditions of the Plan are set out in the attached documentation.

- ***Share Purchase Plan – Scale Back***

The Plan is established pursuant to the Australian Securities & Investments Commission Class Order 09/425 and the ASX Listing Rules.

The Board of Directors has determined that for a capped raising of A\$5,000,000 the aggregate number of shares that will be issued under the Plan will not exceed 500,000,000 shares being approximately 28.1 per cent of the 1,775,595,897 ordinary fully paid shares currently on issue.

As the offer has been structured to comply with the Class Order, the maximum investment of A\$15,000 worth of shares offered under the offer applies to all eligible shareholders even if they receive more than one offer from the Company (for example, because they are a joint holder of shares or because they hold more than one shareholding under a separate shares accounts). The Company reserves the right to reject any application for shares where it believes this requirement has not been complied with or may elect to scale back applications to the maximum A\$15,000 limit and refund the excess subscription monies (without interest) as soon as is reasonable practicable.

Should applications from eligible holders for participation in the Plan in aggregate exceed the 30 percent share limit, the Board of Directors will scale back applications on a pro rata basis. Excess subscription monies will be refunded (without interest).

- ***The Issue Price***

Shares will be issued under the Plan at A\$0.01, which is equivalent to a discount of 16.66 per cent to the average Market Price of ordinary shares in HAW calculated over the last five days on which sales in shares in HAW were recorded immediately preceding the Announcement Date. In calculating the number of shares to be issued at this price the Company will round-down to the next whole shares.

- ***The Offer closes on Monday 16 January 2012***

To participate in the offer you will need to return your completed Offer and Acceptance Form, together with your cheque for the full amount to which your acceptance relates, in the enclosed envelope so that we receive it by no later than Close of Business on 5.00 p.m. Melbourne on Monday 16 January 2012.

Payment may be made only by cheque in Australian dollars drawn on an Australian bank made payable to HAW or by *Bpay* as described on your personalised offer and acceptance form.

- ***Plan Conditions***

Included for your information in the accompanying Schedule of Terms & Conditions is a table of recent market prices in the shares on HAW.

- ***Market price risk***

You should note that there is a risk that the market price may change between the date of the offer and the date when shares are issued to applicants under the Plan. While such change will not effect the price at which shares are offered under the Plan are issued, it may have an effect on the value of those shares. If the market price falls the value (based on market price) will be less and if the market price increases the value (based on market price) will be greater.

- ***No Financial Advice***

In deciding whether to take up the enclosed offer of shares, you should seek your own independent and taxation advice in respect of the offer. HAW is not licensed to provide financial product advice in relation to HAW shares or any other financial products. No cooling off regime applies to the acquisition of shares under the Plan.

- ***Application of Funds***

As announced on 5 December 2011 the funds raised under the SPP will be used to provide working capital in the interim whilst the restructuring proposals for the separate development of the Company's iron ore and gold assets proceed during the first quarter of 2012.

- ***Participation***

Eligible shareholding directors are entitled to participate in the Plan offering. Directors, Messrs M Kerr and M Elliott, each of whom has a declared interest in the Company's shares have indicated that they will participate in the Plan offering.

Enclosed with this letter are the detailed indicative timetable; the Terms & Conditions of the Offer to eligible shareholders who were recorded in the Register of Members as of the Record Date of Friday 2 December 2011 and a personalised Offer and Acceptance form.

On behalf of the Board of Directors I encourage participation in the Plan offer.

If you have any questions in relation to the Plan, please contact the Company Secretary, Mourice Garbutt, on (03) 9605 5917.

Yours sincerely  
Hawthorn Resources Limited

A handwritten signature in black ink that reads "Mark Kerr". The signature is written in a cursive style with a period at the end.

Mark Kerr  
Chairman  
h\asx\spp 06.12.2011

## HAWTHORN RESOURCES LIMITED

### SHARE PURCHASE PLAN – Indicative Timetable

<b>Event/Term</b>	<b>Explanation/Obligation</b>	<b>Date</b>
<b>Record Date</b>	Date which determines Shareholders entitled to participate in the Offer (5.00 pm)	Friday 2 December 2011
<b>Announcement</b>	Notice to ASX under ASIC CO 09/425 / Cleansing Notice with Appendix 3B	Monday 5 December 2011
<b>Announcement date</b>	Announcement by Company of SPP	Monday 5 December 2011
<b>SPP Documents</b>	Lodge SPP documentation with ASX	Tuesday 6 December 2011
<b>Open Date</b>	Date from which the offer is open	Tuesday 6 December 2011
<b>Dispatch Date</b>	Issue to entitled shareholders of the offer documents	Monday 12 December 2011
<b>Close / Election Date</b>	Date by which Shareholders must elect to participate in the Offer (5.00 pm)	Monday 16 January 2012
<b>Cleared Funds</b>	Date by which application monies received at close have been cleared/ produce list valid applications	Wednesday 18 January 2012
<b>Allotment Date</b> (also date on which Completion occurs)	Company issues and allots the Offer Shares	Friday 20 January 2012
<b>Trading new shares</b>	Date upon which newly issued shares can be traded on ASX.	Monday 23 January 2012
<b>Despatch Date</b>	Despatch by the Company of shareholding statements in respect of Offer Shares	Monday 23 January 2012



**Hawthorn Resources Limited**

(ABN 44 009 157 439)

**SHARE PURCHASE PLAN 2011**

**Terms and Conditions**

**1 INTRODUCTION**

Eligible holders have the opportunity to participate in the Hawthorn Resources Limited ("HAW") Share Purchase Plan ("Plan") by subscribing for up to A\$15,000 of new fully paid ordinary shares ("New Shares") in HAW without incurring brokerage, commission, stamp duty or other transaction cost.

The Plan is established pursuant to the Australian Securities & Investments Commission Class Order 09/425 and the ASX Listing Rules. That instrument grants relief from the requirement to prepare a prospectus for the offer of New Shares under the Plan.

Participation in the Plan is optional and is subject to the terms and conditions set out below. By accepting the offer to purchase New Shares under the Plan, each holder agrees to be bound by the terms and condition below and HAW constitution.

The Board of Directors has determined that the Plan be capped raising of A\$5,000,000. The maximum aggregate number of HAW shares that will be issued under the Plan will not exceed 500,000,000 shares being approximately 28.1 per cent of the 1,775,595,897 ordinary fully paid shares currently on issue. Should applications exceed the cap of A\$5,000,000 then a scale back, as describe below, will apply.

The Plan is governed by the law in force in Victoria. By accepting the offer under the Plan, a holder submits to the non exclusive jurisdiction of the courts of Victoria.

All references to amounts in the Plan are to Australian dollars.

**2 ELIGIBLE HOLDERS**

Participation in the Plan is open for acceptance only by persons who, as at 7.00 pm (Melbourne time) on Friday 2 December 2011 ("Record Date"), were registered as a holder of fully paid ordinary shares in HAW, except those holders whose registered address is outside Australia; New Zealand or United Kingdom of Great Britain.

The Board of Directors of HAW ("Board") has determined that it is unlawful or impractical for it to make offers under the Plan to the extremely small number of holders involved who reside or, whose addresses are, outside those jurisdictions.

**3 ELIGIBILITY FOR PARTICIPATION**

Offers made under the Plan are non-renounceable. This means that a holder cannot transfer their right to purchase New Shares under the Plan to anyone else. New Shares will be issued only to the registered holder to whom they are offered.

Each offer is made on the same terms and conditions. All eligible holders receive the same offer, irrespective of the number of shares which they hold on the Record Date.

The maximum value of New Shares for which each eligible holder may subscribe under each offer is A\$15,000 (subject to scale back described further below). The following rules apply to participation by eligible holders:

#### *Sole Holders*

Unless a holder is a Custodian (defined below), each sole holder is entitled to apply for up to a maximum amount of A\$15,000 New Shares (irrespective of whether the sole holder receives multiple offers under the Plan, for example, due to multiple registered holdings), subject to the sole holder certifying that the total of the application price for the following does not exceed A\$15,000:

- (a) the New Shares the subject of the application; and
- (b) any other fully paid ordinary HAW shares:
  - (i) issued to the sole holder; and
  - (ii) which the sole holder has instructed a custodian to acquire on their behalf; and
  - (iii) issued to a custodian as a result of an instruction given by the sole holder to the custodian to apply for shares on their behalf,

under the Plan or any similar arrangement in the 12 months before the application (HAW has not conducted a share purchase plan or similar Plan in the prior 12 months).

By completing and submitting the personalised acceptance form (referred to below) which accompanies the Plan, a sole holder certifies the above.

#### *Joint Holders*

Unless a holder is a Custodian (defined below), if a holder is recorded with one or more other persons as the joint holder of HAW shares, the joint holding is considered a single registered holding for the purpose of the Plan. Joint holders are entitled to participate in respect of that single holding and may apply for up to a maximum amount of A\$15,000 New Shares (irrespective of whether the holder and the other person or persons receive multiple offers under the Plan, for example, due to multiple identical registered holdings), subject to the joint certifying that the total of the application price for the following does not exceed A\$15,000:

- (a) the New Shares the subject of the application; and
- (b) any other fully paid ordinary HAW shares:
  - (i) issued to the joint holder; and
  - (ii) which the joint holder has instructed a custodian to acquire on their behalf; and
  - (iii) issued to a custodian as a result of an instruction given by the joint holder to the custodian to apply for shares on their behalf,

under the Plan or any similar arrangement in the 12 months before the application (HAW has not conducted a share purchase plan or similar Plan in the prior 12 months).

By completing and submitting the personalised acceptance form (referred to below) which accompanies the Plan, a joint holder certifies the above.

### *Custodians and Nominees*

Eligible holders who hold HAW shares as custodian or nominee ("Custodian") for one or more persons on the Record Date ("Beneficiaries") may apply for up to a maximum amount of A\$15,000 New Shares in respect of each Beneficiary subject to the Custodian:

- (a) certifying to HAW that the Custodian is an eligible holder of HAW shares on behalf of one or more Beneficiaries and, provides the following details:
  - (i) the number of Beneficiaries instructing the Custodian to participate;
  - (ii) the name and address of each participating Beneficiary;
  - (iii) in respect of each participating Beneficiary:
    - (A) the number of fully paid ordinary HAW shares that the Custodian holds on their behalf; and
    - (B) the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf;
- (b) undertaking not to, in respect of the Plan or other similar plan, accept on behalf of any Beneficiary, in any consecutive 12 month period, HAW shares with an aggregate application price which exceeds A\$15,000.

By completing and submitting the personalised acceptance form (referred to below) which accompanies this offer, a Custodian certifies the above. If a Custodian requires more than one personalised acceptance form to provide the above information, the Custodian should contact HAW and make that request.

It is at the discretion of the Custodian whether to extend the offer to their Beneficiaries.

## **4 HOW TO APPLY FOR NEW SHARES**

The offer to participate in the Plan opens on Tuesday 6 December 2011.

An offer to participate in the Plan may be accepted by a registered holder only by completing and returning the personalised acceptance form provided by HAW, together with the appropriate payment for the amount to which the acceptance relates, by no later than the offer closing date, Monday 16 January 2012 ("Closing Date"). Acceptances received after that time will not be accepted.

Payment may be made only by cheque in Australian dollars drawn on an Australian bank made payable to HAW or by *Bpay* as described on the customised Offer / Acceptance form.

If one or more acceptance forms are received from a registered holder in relation to shares with a value greater than A\$15,000, the holder will be issued with the maximum number of shares permitted by the Plan. The difference between the subscription moneys received from such holder, and the number of New Shares allocated to the holder multiplied by the offer price, will be refunded to the holder by cheque, without payment of any interest, as soon as possible following allotment.

If a registered holder subscribes for an amount which is not exactly divisible by the issue price for the shares, in calculating the number of shares to be issued, all fractional entitlements will be rounded down to the nearest whole number. HAW will not refund any resulting small excess in subscription monies which will be deemed to form part of the aggregate subscription price of the shares.



Notwithstanding any other provision of these terms and conditions, the Board may, in its sole discretion, reject any application form which is received from ineligible holders and otherwise which:

- (a) is incomplete, incorrectly filled out or accompanied by a cheque which is not paid in full on first presentation;
- (b) the Board believes is completed by:
  - (i) a U.S. Person (as defined in the U.S. Securities Act of 1933) ("U.S. Person") or a person acting for the account or benefit of a U.S. Person; or
  - (ii) a person within the United States or a person acting for the account or benefit of a person within the United States;(collectively, "Prohibited Persons"); or
- (c) the Board believes is completed by a person within, or a person acting for the account or benefit of a person within, another jurisdiction where, in the reasonable opinion of the Board, it would be unlawful or impractical for HAW to issue the New Shares.

If a cheque does not clear, the holder's application will not be accepted and the holder will be deemed to agree to be responsible for any dishonour fees or other costs incurred. In relation to the dishonoured cheque, the cheque will not be re-presented.

Once submitted, applications for New Shares under the Plan cannot be withdrawn or amended.

Shareholders should consult their taxation or investment advisers to clarify the financial and taxation implications for them of subscribing for shares under the Plan.

## **5 ISSUE PRICE**

New Shares will be issued under the Plan at a discount to the average market closing price of ordinary shares in HAW traded during the ordinary course of trading on the ASX Limited ("ASX") during the five days on which shares were traded immediately preceding the Announcement day of the offer on Monday 5 December 2011, less a discount of 16.66 per cent. On this basis the issue price will be A\$0.01 a share. In calculating the number of New Shares to be issued at this price, HAW will round-down to the next whole share.

As HAW share price may increase or decrease between the date the offer is made under the Plan and the date when the shares are allotted and issued to the holder under the Plan; the price paid by a holder for the shares may be higher or lower than the HAW share price at the time of the offer or at the time the new shares are issued and allotted to the holder.

The current trading price of HAW can be monitored via the ASX website, [www.asx.com.au](http://www.asx.com.au), by entering the share code "HAW". A table of closing market prices for the Company's shares since 1 September 2011 is shown on Annexure "A".

## **6 SCALE BACK**

The Board of Directors has determined that for a capped raising of A\$5,000,000 the aggregate number of shares that will be issued under the Plan will not exceed 500,000,000 shares being approximately 28.1 per cent of the 1,775,595,897 ordinary fully paid shares currently on issue.

Should applications from eligible holders for participation in the Plan in aggregate exceed that limit, the Board will scale back applications on a pro rata basis, to the extent that the Board sees fit.

The difference between the subscription moneys received from each registered holder, and the number of New Shares allocated to each holder multiplied by the offer price, will be refunded to each holder by cheque, without payment of any interest, as soon as possible following allotment.

## **7 ISSUE OF SHARES**

HAW will issue New Shares pursuant to an offer under the Plan as soon as reasonably practicable after the Closing Date and will promptly apply for those shares to be quoted on the ASX.

HAW will, within the period required by the ASX Listing Rules, send each participant a holding statement in respect of any shares issued under the Plan.

Shares issued under the Plan will rank equally with all other ordinary shares in HAW and will therefore carry the same voting rights, dividend rights and other entitlements as those shares from the date of issue.

## **8 AMENDMENT OF THE PLAN**

The Board may, in its discretion, amend, suspend or terminate the Plan at any time (including, without limitation, by extending the Closing Date). HAW will notify ASX of any amendment, suspension or termination of the Plan, but failure to do so will not invalidate the amendment, suspension or termination.

HAW may issue to any person fewer shares than subscribed for under the Plan (or none at all) if HAW believes that the issue of those shares would contravene any law or the ASX Listing Rules.

## **9 ADMINISTRATION AND DISPUTE RESOLUTION**

HAW principal objective in administering the Plan is to facilitate maximum participation consistent with compliance with ASIC Class Order CO 09/425 and all applicable laws and efficient administrative practices.

HAW may adopt any administrative procedures it thinks appropriate in relation to the Plan.

HAW may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, offer, acceptance or shares, and the decision of HAW will be conclusive and binding on all participants and other persons to whom the determination relates.

HAW reserves the right to waive compliance with any provision of these terms and conditions.

## **10 NOTICES**

Notices and statements to participating shareholders may be given in any manner determined by HAW.

## **11 PRIVACY ACT**

Chapter 2C of the *Corporations Act 2001* (Cth) (the **Act**) requires information about shareholders (including name, address and details of the shares held) to be included in HAW' public register. If a shareholder ceases to be a shareholder, Chapter 2C of the Act requires this information to be retained in HAW' public register. These statutory obligations are not altered by the *Privacy Act 1988* (Cth) as amended. Information is collected to administer shareholders' security holdings.

**HAWTHORN RESOURCES LIMITED**

**SHARE PURCHASE PLAN**

**TABLE OF RECENT DAILY CLOSING MARKET PRICES**

1	Sep	2011	<b>0.016</b>	1	Nov	2011	<b>0.015</b>
2	Sep	2011	<b>0.016</b>	2	Nov	2011	<b>0.014</b>
5	Sep	2011	<b>0.015</b>	3	Nov	2011	<b>0.014</b>
6	Sep	2011	<b>0.016</b>	4	Nov	2011	<b>0.014</b>
7	Sep	2011	<b>0.016</b>	7	Nov	2011	<b>0.014</b>
8	Sep	2011	<b>0.016</b>	8	Nov	2011	<b>0.013</b>
9	Sep	2011	<b>0.019</b>	9	Nov	2011	<b>0.014</b>
12	Sep	2011	<b>0.018</b>	10	Nov	2011	<b>0.013</b>
13	Sep	2011	<b>0.017</b>	11	Nov	2011	<b>0.013</b>
14	Sep	2011	<b>0.018</b>	14	Nov	2011	<b>0.013</b>
15	Sep	2011	<b>0.018</b>	15	Nov	2011	<b>0.013</b>
16	Sep	2011	<b>0.017</b>	16	Nov	2011	<b>0.013</b>
19	Sep	2011	<b>0.017</b>	17	Nov	2011	<b>0.013</b>
20	Sep	2011	<b>0.018</b>	18	Nov	2011	<b>0.013</b>
21	Sep	2011	<b>0.018</b>	21	Nov	2011	<b>0.013</b>
22	Sep	2011	<b>0.015</b>	22	Nov	2011	<b>0.012</b>
23	Sep	2011	<b>0.015</b>	23	Nov	2011	<b>0.013</b>
26	Sep	2011	<b>0.013</b>	24	Nov	2011	<b>0.012</b>
27	Sep	2011	<b>0.013</b>	25	Nov	2011	<b>0.012</b>
28	Sep	2011	<b>0.013</b>	28	Nov	2011	<b>0.013</b>
29	Sep	2011	<b>0.013</b>	29	Nov	2011	<b>0.012</b>
30	Sep	2011	<b>0.013</b>	30	Nov	2011	<b>0.012</b>
3	Oct	2011	<b>0.012</b>	1	Dec	2011	<b>0.011</b>
4	Oct	2011	<b>0.011</b>	2	Dec	2011	<b>0.012</b>
5	Oct	2011	<b>0.012</b>				
6	Oct	2011	<b>0.012</b>				
7	Oct	2011	<b>0.013</b>				
10	Oct	2011	<b>0.012</b>				
11	Oct	2011	<b>0.012</b>				
12	Oct	2011	<b>0.012</b>				
13	Oct	2011	<b>0.012</b>				
14	Oct	2011	<b>0.014</b>				
17	Oct	2011	<b>0.013</b>				
18	Oct	2011	<b>0.013</b>				
19	Oct	2011	<b>0.012</b>				
20	Oct	2011	<b>0.012</b>				
21	Oct	2011	<b>0.012</b>				
24	Oct	2011	<b>0.012</b>				
25	Oct	2011	<b>0.012</b>				
26	Oct	2011	<b>0.014</b>				
27	Oct	2011	<b>0.014</b>				
28	Oct	2011	<b>0.015</b>				
31	Oct	2011	<b>0.015</b>				