

## Company Announcement

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### JORC Compliant Indicated Gold Resource – Anglo Saxon

Hawthorn Resources Limited (ASX:HAW) is pleased to announce a JORC compliant Indicated Gold Resource at the **Anglo Saxon** within the **Trouser Legs Joint Venture Project** (*HAW 70%, GeI Resources 30%*).

- **304,316 tonnes @ 2.57 g/t Au for 25,121 ounces of gold**

This newly calculated, optimized resource is both robust and conservative and is focused only on the shallow, oxide portion of the much larger historically calculated Inferred Resource of 135,000 ounces of gold.

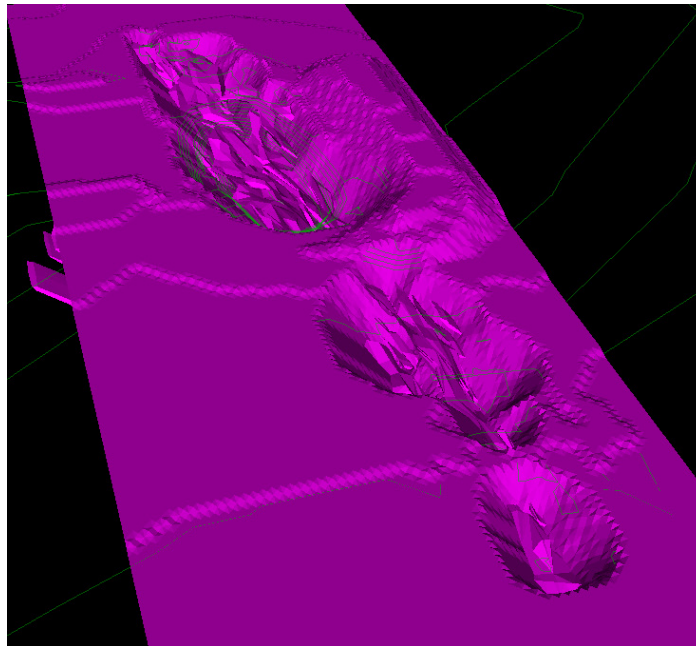


Figure 1. Anglo Saxon Ore Blocks and Proposed Oxide Only Pits. View from SW – Strike Length 660 metres

A program of feasibility drilling to finalise pit design and metallurgy is scheduled to commence in early 2012 which is additionally expected to convert a significant number of Inferred Resource ounces at the **Anglo Saxon** into Indicated and Measured Resource categories.

Drilling programs will be carried out concurrently on the **Coles** and **Exile Prospects** to elevate the small, but high grade zones of gold mineralisation identified into resource categories.

In addition the **Anglo Saxon** dumps have been determined to carry gold in larger quartz fragments that were erroneously delivered to waste in earlier mining programs. Testwork on simple size screening to produce a high grade concentrate will similarly be completed in early 2012.

These programs represent a low cost option to commence the transformation of Hawthorn from an explorer to gold producer.

**Anglo Saxon Resource**

With sustained high gold prices Hawthorn has commissioned a re-optimization of the existing Anglo-Saxon Mine and associated unexploited resources in the Trouser Legs Joint Venture project area. The existing mine, operational between 1986-1987, is located approximately 140 kilometres north east of Kalgoorlie.

The resource is located within a series of granted Mining and Associated Infrastructure Leases and has been the subject of previous resource estimations in 1994 and 2001.

The resource estimation carried out during October 2011, was designed to exploit the near surface, mainly oxide zones observed within the deposit. The optimized resource has been used to design a series of pit shells at a range of gold prices and utilising industry standard cost and dilution parameters. The results are presented in the Table below with a nominal \$ 14 / t haulage cost. A summary of parameters used in the optimization are presented in Appendix 1.

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

These Indicated and Inferred Resources are believed by Hawthorn to represent the minimum number of potentially recoverable gold ounces both within the optimized pit shells and within the deposit in general.

Substantial blocks of lower grade 0.5 – 1.0 g/t Au mineralisation exist within the resource model, often linking the higher grade oreblocks, that are not incorporated in the current Indicated or Inferred Resource. See Figure 2 below.

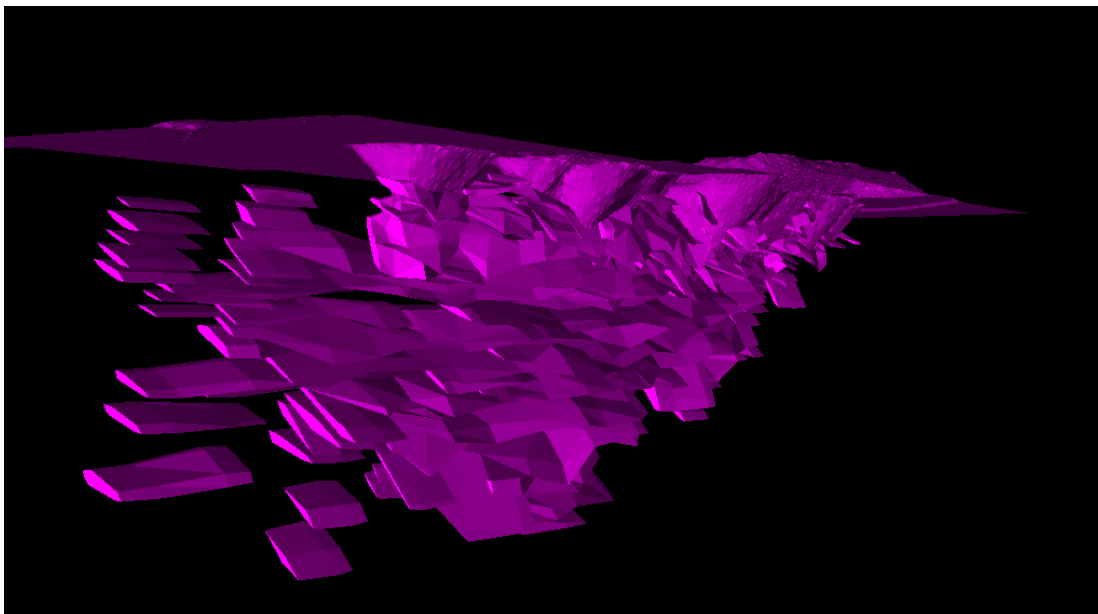


Figure 2. Anglo Saxon Ore Blocks and Proposed Oxide Only Pits. View from SE – Surface to 150 Metres Depth

During feasibility drilling programs at Anglo Saxon planned for early 2012, designed to finalise pit design and metallurgy, the substantial zones of gold mineralisation adjacent to the Indicated Resources in this study will be further assessed and a new block model will be constructed with lower ore block grade. This is expected to substantially increase the number of ounces of gold recoverable within the deposit.

### **Coles, Exile and Anglo Saxon Waste Dumps**

Concurrent with feasibility drilling to be carried out at Anglo Saxon in early 2012, focused drilling will take place on the **Coles** and **Exile Prospects** to elevate the small, but high grade zones of gold mineralisation identified into resource categories.

In addition drilling during 2009 further confirmed that the **Anglo Saxon Dumps** had an estimated bulk grade in the range of 0.6 -1.0 g/t Au. Recent assessment has concluded that a large percentage of this bulk grade is derived from abundant large, gold bearing, quartz vein fragments within the dump. The feasibility of screening these dumps to produce a high grade concentrate will similarly be completed in early 2012.

### **Forward Planning**

Hawthorn is pleased to announce this revised Indicated Resource on the predominantly oxide ore at Anglo Saxon. The company believes that the feasibility drilling and associated testwork to be carried out in early 2012 will substantially increase the near surface resources at Anglo Saxon, Coles, Exile and the Anglo Saxon waste dumps.

The company is initially targeting to obtain approximately 60,000 ounces of gold in Indicated Resource (or higher) categories during 2012 from the Trouser Legs Project area. The services of a contract Mining Engineer have been retained to evaluate and develop strategies for possible early, and sustained, gold production within the project area on this basis. If the project appears economically viable following feasibility activities and subject to permitting, mining activities are expected to commence late in 2012.

Hawthorn believes that the progression of the Anglo Saxon Resource towards exploitation is an important step. The skills and experience gained from developing this resource will assist the development of other priority gold projects at Deep South, Yundamindera – Coffey Bore, and Edjudina – Triumph should viable resources be identified as a result of aggressive exploration activities during 2012.

**For further information please contact**

Mourice Garbutt      Company Secretary

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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 mineralisation 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

### **Appendix 1. Anglo Saxon – Optimisation Parameters Summary**

• Royalty Rate	4%
• Waste mining cost (in pit load & haul)	\$2.50 / t
• Ore mining cost (in pit load & haul, drill& blast)	\$6.50 / t
• Incremental mining cost	\$0.40 / t / bench
• Processing costs	\$17.15 / t
• SG	
○ Oxide	2.00
○ Transitional	2.40
○ Fresh	2.70
• Admin Grade control	\$1.58 / t
• Mining Dilution	5%
• Recovery	95%
• Haulage	\$10, \$14, \$18/t
• Pit Slope Angles	55°N&S, 50°E, 45°W