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ASX Announcement

Feng Hua Mining Investment Holding (HK) Limited

Foreign Investment Review Board Approval

26 October 2012, The Board of Directors of Hawthorn Resources Limited ("Hawthorn") is pleased to inform the market that it has received advice from Feng Hua Mining Investment Holdings (HK) Limited ("Feng Hua") that it, Feng Hua, has received written advice from the Australian Foreign Investment Review Board ("FIRB") for it's \$15 million (approx) equity investment into Hawthorn.

The Feng Hua equity investment, on behalf of a consortium of Chinese investors, will be by way of two tranches:

- (a) Tranche 1 by way of the Hawthorn directors' placement power, for 320,616,224 new ordinary fully paid shares at a premium to market based issue price of \$0.013 a share; and
- (b) Tranche 2 subject to the approval of shareholders, for 967,211,427 new ordinary fully paid shares at a 20 day VWAP based premium to market issue price of \$0.01116 a share

Following the issue of the Tranche 1 and Tranche 2 shares the percentage entitlements of Feng Hua of the expanded number of shares on issue would be:

	No. Shares	Expanded No. Issue Shares	Percentage Held
Tranche 1	320,616,224	2,458,057,717	13.043
PLUS Tranche 2	967,211,427	967,211,427	-
Post Tranche 2	1,287,827,651	3,425,269,144	37.598

The Hawthorn Chairman of the Board of Directors, Mr M G Kerr, commented that FIRB approval now clears the way for Feng Hua to formally apply for the Tranche 1 issue of shares.

He further stated that at the time of allotting the Tranche 1 shares *“the Board will accept the nomination by Feng Hua of Messrs Liao, Yongzhong and Li, Yijie as additional directors of Hawthorn”*.

The Board of Directors expects that these formalities will be completed in the coming week.

End Announcement

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