CORPORATE GOVERNANCE STATEMENT

Hawthorn Resources Limited ("Company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised in this statement.

Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**") fourth edition, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices.

Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P & R	If not, why not		ASX P & R	If not, why not
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 1.4	✓		Recommendation 5.2	✓	
Recommendation 1.5	✓		Recommendation 5.3	✓	
Recommendation 1.6	✓		Recommendation 6.1	✓	
Recommendation 1.7	✓		Recommendation 6.2	✓	
Recommendation 2.1		✓	Recommendation 6.3	✓	
Recommendation 2.2	✓		Recommendation 6.4	✓	
Recommendation 2.3	✓		Recommendation 6.5	✓	
Recommendation 2.4		✓	Recommendation 7.1		✓
Recommendation 2.5		✓	Recommendation 7.2	✓	
Recommendation 2.6	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4	✓	
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3	✓		Recommendation 8.2	✓	
Recommendation 3.4	✓		Recommendation 8.3	✓	
Recommendation 4.1		✓			

Website Disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.hawthornresources.com, under the section marked Corporate Governance.

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the year ended 30 June 2025 ("**Reporting Period**").

Principle 1 – Lay Solid Foundations for Management and Oversight

Recommendation 1.1: A listed entity should have and disclose a board charter setting out:

(a) the respective roles and responsibilities of its board and management; and

(b) those matters expressly reserved to the board and those delegated to management.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Company through its key functions of:

- overseeing the management of the Company providing overall corporate governance of the Company
- monitoring the financial performance of the Company
- engaging appropriate management commensurate with the Company's structure and objectives
- involvement in the development of corporate strategy and performance' objectives
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter.

Senior executives are responsible for supporting the Chief Executive Officer and assisting the Chief Executive Officer in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Chief Executive Officer or, if the matter concerns the Chief Executive Officer, then directly to the Chairperson of the Board of Directors.

Recommendation 1.2: A listed entity should:

(a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward for election as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Disclosure:
The board undertakes a review of the potential director and senior executive candidates and their appropriate skills through a reference of previous positions and industry contacts, which the board considers appropriate.

Full details of each person are announced in the initial appointment announcement and also in the Annual Report. Where a director is seeking election, shareholders are given full details.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure:

Upon joining the Company, each director and senior executive enters into an agreement with the Company which sets out the key terms of their employment and their responsibilities including adhering to all Company policies.

Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

Disclosure:

The Company Secretary advises the board directly on all matters regarding the function of the board, in consultation with any legal advice if so required. The Company Secretary is responsible for coordinating all board matters and advice.

Recommendation 1.5: A listed entity should:

(a) have and disclose a diversity policy;

(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally;

(c) disclose in relation to each reporting period:

(1) the measurable objectives set for that period to achieve gender diversity;

(2) the entity's progress towards achieving those objectives; and

(3) either:

(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or

(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

Disclosure:

The Company is not a relevant employer under the Workplace Gender Equality Act. The Company has a diversity policy but also appoints the most suitably qualified person to each position in the Company. Where there is a vacancy in the Company, the most suitable party will be employed.

The Company has a diversity policy in place as part of its corporate governance policies that is published on the Company's website (Corporate Governance page – 'Corporate Governance Plan'). Workplace diversity recognises and values the contribution of people from different backgrounds, experiences and perspectives. It is the Company's aim to ensure that all team members have equal opportunity to participate and advance in their careers.

At the date of this report, all senior executive positions, being persons who can influence the direction of the Company, are filled by males.

Recommendation 1.6:

A listed entity should:

- have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Disclosure:

The Board continually monitors and assesses throughout the year its collective performance and the performance of individual directors to address any issues or areas for improvement as they arise. The Chairperson is primarily responsible for evaluating the board. The Chairperson holds informal discussions with the board on an ongoing basis, as required. The Company intends to move to a more formal process for evaluation as the Company develops.

Recommendation 1.7 A listed entity should:

(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and

(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

Disclosure:

The Chief Executive Officer is responsible for evaluating the senior executives and does this by holding informal discussions with the senior executives on an ongoing basis, as required. The Chief Executive Officer seeks to holds an informal review once a year.

Principle 2 – Structure the Board to Add Value

Recommendation 2.1 The board of a listed entity should:

(a) have a nomination committee which:

1. has at least three members, a majority of whom are independent directors; and
2. is chaired by an independent director, and disclose:
3. the charter of the committee;
4. the members of the committee; and
5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Disclosure:

At the date of this report, given its size, the Company does not have a Nomination Committee. The function of the Nomination Committee is instead conducted by the Board of Directors.

Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Disclosure:

The skills of each individual director is outlined in the annual report setting out the qualifications and experience of each person.

Recommendation 2.3 A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director

An Independent Director is defined by the Company as a Non-Executive Director and;

- Is not a substantial shareholder of the Company or an officer of or directly or indirectly associated

with a substantial shareholder of the Company;

- Within the last three years has not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- Within the past three years has not been a principal of a material professional advisor or a material consultant to the Company or an employee associated with a such a material service provider or advisor; and,
- Does not have a material contractual relationship with the Company other than as a Director of the Company.

Disclosure:

As at 30 June 2025, the Board comprised four Directors, none of which are considered independent.

Director Name	Position	Independent
Mr. Li, Yijie	Non-Executive Director/Chairman	No – Note 1
Mr. Brian Thornton	Executive Director/Chief Executive Officer	No – Note 2
Mr. Liu, Zhensheng	Non-Executive Director	No – Note 1
Mr. Joe Corrigan	Non-Executive Director	No – Note 3

Notes

(1) These Directors are not independent because they are nominees of the largest shareholder in the Company (36%).

(2) Mr. Thornton is an Executive Director.

(3) Mr Corrigan is not independent because he is an associate of the second largest shareholder in the Company (16%)

The Board considers that the merits of appointing additional Directors in order to achieve majority independent status are outweighed by the Board's wish to maintain a relatively small Board of five Directors, which the Board believes is adequate having regard to the size and operations of the Company.

A profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report and elsewhere in the Annual Report.

Identification of Independent Directors

Independence is measured having regard to the relationships listed in Box 2.1 of the ASX Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Group's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter:

- Statement of Financial Position items are material if they have a value of more than 10% of net assets.

- Profit and loss items are material if they have an impact on the current period operating result of 10% or more.

- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on statement of financial position or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Contracts will be considered material if they are outside the ordinary course of business, contain

exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Recommendation 2.4 A majority of the board of a listed entity should be independent directors.

Disclosure:

As set out above, the Company does not meet this requirement due to the size of the Company and its shareholding composition.

Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Disclosure:

The Chair of the Board is Mr. Li, Yijie who is a nominated representative of the largest shareholder. Mr. Li is not deemed to be independent.

Mr. Brian Thornton is the CEO of the Company.

Recommendation 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:

Each director is provided with an induction to the Company's assets and business including all policies and procedures. Each director can request appropriate development opportunities which will be considered by the board on each occasion.

If a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 3 – Act ethically and responsibly

Recommendation 3.1 A listed entity should articulate and disclose its values.

Disclosure:

The Company expects Directors, Officers and Employees to practice honesty, integrity and observe high standards of business and personal ethics and comply with all applicable laws and regulations in fulfilling their duties and responsibilities. These expectations are known to all Directors, Officers and Employees.

Recommendation 3.2 A listed entity should:

(a) have and disclose a code of conduct for its directors, senior executives and employees; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that code.

Disclosure:

The Company has established and discloses on its website a Code of Conduct (Corporate Governance page – 'Corporate Governance Plan') as to the practices necessary to maintain confidence in the Company's

integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.3 A listed entity should:

(a) have and disclose a whistleblower policy; and

(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

Disclosure:

The Company has a adopted and discloses on its website a Whistleblower Policy (Corporate Governance page – 'Corporate Governance Plan') which aims to encourage reporting of violations (or suspected violations) of the Company's Code of Conduct, or material legal or regulatory obligations, and to provide effective protection from victimisation and retaliation or dismissal to those reporting by implementing systems for confidentiality, anonymity and report handling.

Everyone working for the Company receives training on the Whistleblower Policy and are expected to understand and comply with it. Complaints made under the Whistleblower Policy which are regarded as serious and warrant investigation by the Responsible Officer are investigated as set out in the Policy. The Board is informed of material breaches or incidents reported under the Whistleblower Policy and the Board periodically reviews and makes changes to the Policy.

Recommendation 3.4 A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and
(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

Disclosure:

The Company has and discloses on its website an Anti-Bribery & Anti-Corruption Policy (Corporate Governance page – 'Corporate Governance Plan') that applies to its employees, Directors, contractors, consultants, third parties and other persons associated with the Company's business operations.

All Company policies are aimed at conducting business that is fair, honestly, transparently, with integrity and in compliance with the law in all jurisdictions in which it operates. Acknowledging the potential for reputational damage if the Company is, or is alleged to be, involved in bribery or corruption, the Policy addresses:

- what may be deemed as forms of bribery and corruption;
- encourages a robust culture of integrity, transparency and compliance, which is critical to long term success and value preservation in the business;
- aims to safeguard and make transparent relationships with external parties in the context of receiving and giving hospitality, gifts and other financial benefits for legitimate purposes consistent with normal business practice; and
- prohibits bribes and improper payments, and places appropriate controls on gifts and donations.

Employees are trained in the policy and are responsible for reporting actual or suspected breaches of the Policy. All safeguards in terms of confidentiality, anonymity, ongoing support and protection in that Policy will apply in these circumstances. Any material breaches of the Anti-Bribery & Anti-Corruption Policy are reported to the Board. The Board periodically reviews and makes changes to the Policy.

Principle 4 – Safeguard the integrity of corporate reports

Recommendation 4.1 The board of a listed entity should:

(a) have an audit committee which:

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(2) is chaired by an independent director, who is not the chair of the board,

and disclose:

(3) the charter of the committee;

(4) the relevant qualifications and experience of the members of the committee; and

(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Disclosure:

The change in composition of the Board effective from 24 November 2022 (thereafter, having no independent directors) meant the Company was unable to comply with this recommendation and the full Board performs the role of the Audit committee.

Given the size and operations of the Company, the Board considers this to be appropriate.

The performance of the external auditor is reviewed on an annual basis by the Board.

Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

The Chief Executive Officer and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Disclosure:

The Board reviews all financial reports prior to release.

Where a report does not require an audit or review by an external auditor, the report is prepared by the CFO and then reviewed by the CEO. Once the CEO has reviewed and is happy with the report's content, it is circulated internally to the full board for comment and approval prior to lodging with the ASX.

Principle 5 – Make Timely and Balanced Disclosure

Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.

Disclosure:

The Company has established a written policy designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance and these are disclosed on the Company's website (Corporate Governance page – 'Corporate Governance Plan'). The policy also include examples of disclosure requirements and who can communicate with media outlets.

Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

Disclosure:

Any announcement is first prepared by the appropriate senior executive of the Company and forwarded to the CEO for review. If needed, the Company Secretary will also review the announcement before it is then sent to the full board for comment and approval prior to lodging with the ASX.

Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Disclosure:

The Company lodges all presentations prior to any meeting with analysts. From time to time the Company will provide a Company Update which is lodged on the ASX platform ahead of the commencement of trading hours where possible.

Principle 6 – Respect the Rights of Security Holders

Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings. This includes all relevant information being disclosed on the Company's website.

Recommendation 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

Disclosure:

The Company welcomes open communication with shareholders including access to the CEO, Board members and the ability for shareholders to communicate via email.

Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Disclosure:

The Company encourages all shareholders to attend meetings of members, including allowing time for shareholder questions. The time and place of each general meeting is decided with Shareholder preferences in mind, to encourage maximum attendance by Shareholders.

Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Disclosure:

Decisions on all substantive resolutions at general meetings of the Company are decided by a poll to ensure the true will of Shareholders is ascertained, rather than by a show of hands.

Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

The Company has an email where shareholders can request to receive all information electronically and offers the same service through its share registry.

Principle 7 – Recognise and Manage Risk

Recommendation 7.1 The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director, and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Disclosure:

The Company does not have the required number of independent directors to meet the requirements.

Given the size and operations of the Company, the full Board performs the function of the Risk Committee.

The Board is responsible for risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board delegates day-to-day management of risk to the CEO who is responsible for identifying, assessing, monitoring and managing risks. The CEO and the CFO are responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the CEO may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and
- the Board has adopted a Code of Conduct which contains other measures to assist the Company to establish and maintain its governance practices.

Recommendation 7.2 The board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure:

Management report to the Board as to the effectiveness of the Company's management of its material business risks via Board meetings providing an update to ensure all relevant risks and systems are in place and working effectively.

Recommendation 7.3 A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Disclosure:

The Company does not have an internal audit committee.

The Company has a CFO who oversees the operations of the Company and sets the required measures for financial management. The Board receives assurances from the CEO and the CFO that the financial accounts are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.

Disclosure:

The Company is an exploration company and as such has exposure to the risks of the mining industry including commodity prices, environmental risks etc.
The Board , the CEO and management have extensive experience in the management of these matters and a risk assessment and review is conducted before commencement and during mining operations. The Company also engages external consultants, advisors and contractors to assist in the management of this process.

Principle 8 – Remunerate Fairly and Responsibly

Recommendation 8.1 The board of a listed entity should:

(a) have a remuneration committee which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director, and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Disclosure:

The Company does not have the required number of independent directors to meet the requirements. Given the size and operations of the Company, the full Board performs the function of the Remuneration

Committee, which the Board considers appropriate in the circumstances.

Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non- executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

Non-Executive Directors are remunerated at a fixed fee for their time and their responsibilities.

The Non-Executive Directors are eligible to participate in any Company incentive plan. The Board considers that this is a necessary motivation to attract the highest calibre candidates to the Board at this stage in the Company's operations.

The Board discusses the employment terms of the CEO and Non-Executive Directors where required.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

The Company has also established a Share Trading Policy concerning trading in the Company's securities by Directors, senior executives and employees. The Share Trading Policy is available on the Company's website on the Corporate Governance page.

Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Disclosure:

The Company currently does not have any equity-based remuneration scheme.