

**HAWTHORN**  
RESOURCES

**ANNUAL REPORT 2025**

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ANGLO SAXON PIT FOLLOWING COMPLETION OF STAGE I MINING AND PRE OPTIMISATION

# HAWTHORN RESOURCES LIMITED

## 2025 ANNUAL REPORT

### SNAPSHOT

Hawthorn Resources Limited (ASX: HAW) is a multifaceted explorer and gold producer in Western Australia. Its primary focus has been gold exploration and production at its Anglo-Saxon Joint Venture project at Pinjin but more recently, magnetite and critical minerals - copper, lithium and nickel exploration have been added to its development portfolio.

Significant new joint ventures with Hancock Prospecting Pty Ltd (now Hanroy) and Legacy Iron Ore (ASX: LCY), a subsidiary of the Indian Government's NMDC, were executed on Mt. Bevan; firstly, for magnetite (iron ore) and then for critical minerals, primarily lithium pegmatites adjacent to the Mt. Ida fault.

As a result of these new partnerships, Hawthorn has been able join the emerging electrification revolution for minerals and help meet its decarbonisation aspirations with 2 significant global partners, to the benefit of its shareholders. At a time of record A\$ gold prices, Hawthorn has maintained and enhanced its exposure to gold via its 70% ownership and management of the high-grade Anglo-Saxon mine at Pinjin in the Western Australian goldfields.

Following completion of the initial open pit at Anglo Saxon, the JV is now focused on a drill out and optimization of the current pit, to unlock the significant value of the remaining high-grade Mineral Resource Estimate (MRE) of 157,000 ounces at 6.1g/t (see Hawthorn's 30th October 2020 announcement).

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# HAWTHORN RESOURCES LIMITED

ABN 44 009 157 439

## Corporate Directory

### DIRECTORS

Li, Yijie	Non-executive Director/Chairman
Brian Thornton	Managing Director/CEO
Liu, Zhensheng	Non-executive Director
Joseph Corrigan	Non-executive Director

### COMPANY SECRETARY & CHIEF

#### FINANCIAL OFFICER

Tony Amato

### REGISTERED OFFICE

Level 23, Rialto Tower South, 525 Collins Street, Melbourne, Victoria 3000 Australia  
Phone: +61 411 366 668  
Email: [info@hawthornresources.com](mailto:info@hawthornresources.com)  
Web: <http://www.hawthornresources.com>

### SHARE REGISTRY

MUFG Corporate Markets Ltd  
Level 10, Tower 4  
727 Collins Street  
Docklands VIC 3008  
+ 61 3 9106 5000

### AUDITORS

Connect National Pty Ltd  
Level 3 North Building  
333 Collins Street  
Melbourne VIC 3000

### SOLICITORS

Thomson Geer  
Level 23 Rialto South Tower  
525 Collins Street  
Melbourne VIC 3000

### BANKERS

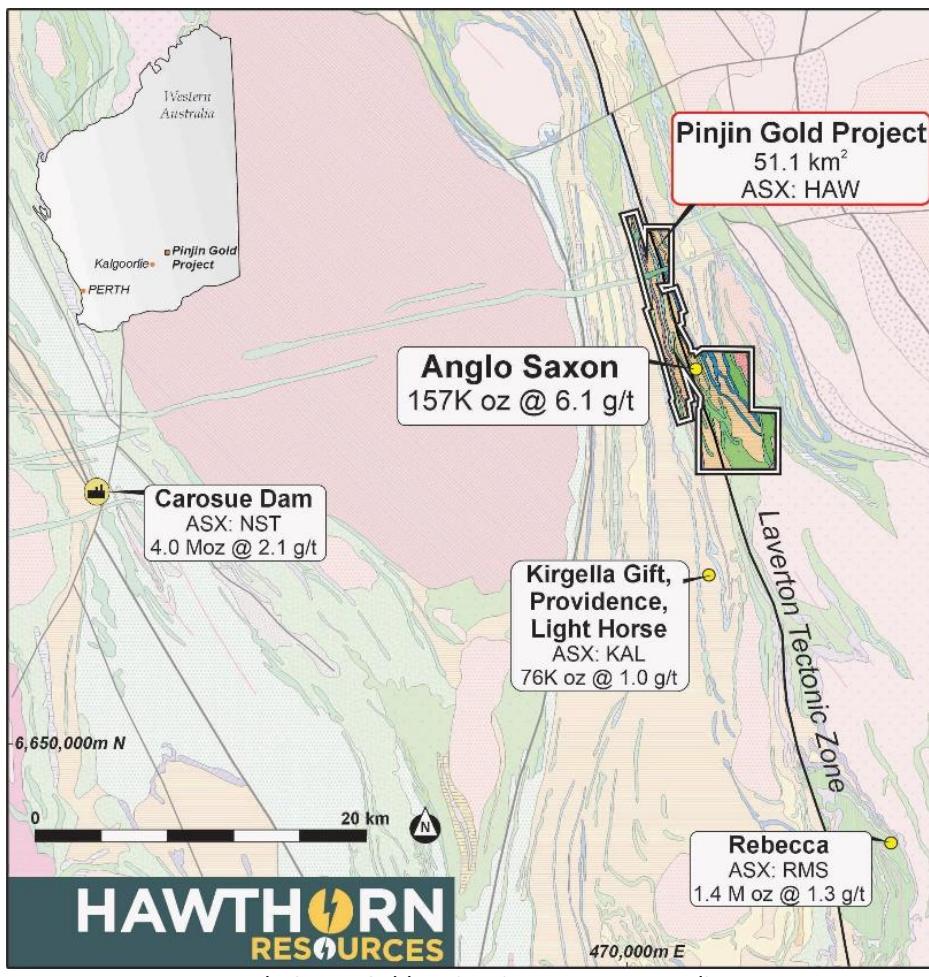
National Australia Bank  
Level 1, 99 Bell Street  
Preston VIC 3072

## MANAGING DIRECTOR AND CEO REPORT

Dear Shareholders

Despite a challenging year globally, Hawthorn Resources was able to move forward and lay the foundations for future success following a review of its high-grade Anglo Saxon gold asset at Pinjin in Western Australia. We have continued to operate with financial prudence, ensuring that shareholder capital is deployed efficiently and effectively. Our lean operating model, patience and belief in our core business of gold, has meant we are focused on our high-grade Anglo Saxon gold asset and options for its further development at a time of record gold prices.

In addition, the restructuring of our exposure to the Mt. Bevan Magnetite project with Hancock Prospecting and Legacy Iron Ore, (a subsidiary of the National Minerals Development Corporation of India (NMDC)) to a royalty stream, has provided us with exposure to the rapidly developing opportunity presented by the global decarbonization of steel whilst preserving cash and avoiding dilution. This potential royalty stream will be of significant value to our shareholders, once production of this long-life asset starts.



## ANGLO SAXON GOLD PROJECT

Firstly, the Anglo-Saxon Gold project at Pinjin, 140kms northeast of Kalgoorlie in Western Australia, is 70% owned and managed by Hawthorn, with joint venture partner Gel Resources Pty Ltd and which operates as the Trouser Legs JV. Anglo Saxon has received a significant boost and a substantial derisking, because of record A\$ gold prices. Shareholders may recall we undertook the initial open cut of Anglo Saxon in 2018 at a gold price at the commencement of A\$1650/oz which yielded a profit for the Joint Venture on completion in 2020 of approx. \$18m. In our Annual Report at the same time last year, the A\$ gold price was sitting at A\$3,800/oz versus the current gold price in excess of A\$5,500/oz.

Following that successful open cut campaign, the JV focused on a potential underground operation to exploit the remaining Mineral Resource Estimate (MRE) of 157.000 ounces at 6.1 g/t, (see Hawthorn's 30th October 2020 announcement). Studies at the time indicated that an underground operation at the prevailing gold price of approximately A\$2500/oz whilst profitable, was high risk due to the complex orebody, mining method and significant upfront capex for a decline at the base of the pit.

In the current climate of record gold prices, the dynamics and risk reward of the Anglo-Saxon project have changed significantly. This was confirmed by a recent optimization study on Anglo Saxon which highlighted its potential as a larger open pit operation using current industry costs for mining, haulage and third-party processing versus a higher risk underground. The optimization has also assisted management in their discussions with potential parties interested in funding the next stage of the development of Anglo Saxon.



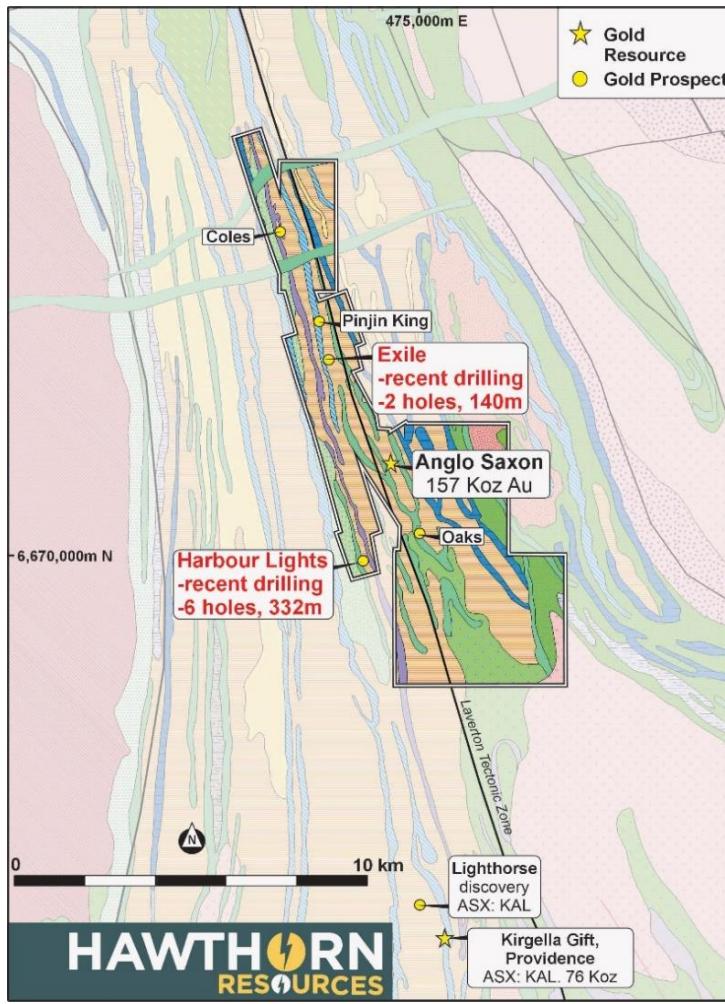
Anglo Saxon Optimisation Drilling September 2025

As part of the re-optimization of the ore body and confirmation of the current Mineral Resource Estimate (MRE to JORC 2012), a 2 stage RC drilling program to confirm depth and lateral extensions of the shallow plunging mineralization commenced in July this year (see photo of drilling now underway, above). Results are still pending at the time of this report, but it is expected that if the drill program is successful, the JV will commence a preliminary feasibility study (PFS) to evaluate the economics of a pit cutback and a re-optimization of the current high-grade resource.

At current record gold prices, a re-optimized Anglo Saxon open pit operation could generate significant returns over and above those of an underground operation at lower risk and capex.

Hawthorn and the JV continue to engage with third parties on the next stage of development of Anglo Saxon. Receipt of the current drilling program results and subsequent re-optimisation will be critical in our assessment of the next stage of development.

In addition, discussions are well advanced with Pinjin Pastoral station owners, Tisala to accommodate further development of the project.



## OTHER EXPLORATION PROGRAMS AND OPPORTUNITIES

During the year the JV carried out several exploration programs on its extensive tenement package both to meet its minimum exploration expenditure requirements and fill a number of gaps which earlier drilling programs had not closed off.

At Harbour Lights and Exile (See map above) an 8-hole RC program was designed to test shallow oxide resources amenable to haulage and treatment at third party regional mills. Both prospects have modest exploration targets of 2-5000 ounces supported by historical drilling. At current gold prices, small high-grade deposits, if delineated, can be profitably mined.

Harbour Lights provided positive confirmation of its potential to host a shallow open pittable resource, with hole 25TLRC003 returning a downhole intercept of 35m@ 2.91 g/t from surface. This opportunity needs to be followed up in conjunction with a future mining plan for Anglo Saxon and any other emerging prospects.



Low grade stockpiles

The Joint Venture has demonstrated that it can effectively capitalize on its existing resource base at Anglo Saxon by monetizing its low-grade stockpiles to generate positive cash flow to fund operational costs and exploration. This is a key part of the JV's strategy and modus operandi to self-fund exploration as far as possible. Having successfully treated our very low-grade oxide stockpile of 46,000t in 2024-2025, discussions are continuing for the treatment of a further 75,000t of low-grade stockpiled ore at a regional mill. At current very high gold prices, this is profitable and could self-fund a significant portion of our future exploration and optimization work.

## **MT BEVAN MAGNETITE PROJECT**

With respect to our former Mt Bevan magnetite JV with Hancock Prospecting Pty Ltd and Legacy Iron Ore (ASX: LCY), Hawthorn announced its decision on 19 September 2024, to revert to a FOB revenue-based royalty stream of 1% from its previous 19.6% interest in the Mt. Bevan JV. This followed the completion of a PFS by Hancock which was announced on 16 July 2024 following the release of a revised MRE on 1 July 2024 of 1,291Mt of magnetite.

The PFS confirmed that the Mt Bevan resource was high grade post beneficiation, generating a Direct Reduced Iron (DRI) grade of more than 70% Fe and less than 2.5%Si at a 45um grind size. This is an exceptional grade by world standards and indicates the potential for Mt Bevan magnetite to fetch a premium as a feedstock for next generation steel production.

During the year, the partners, Hancock and Legacy Iron Ore committed funds to a Forward Works Program to further enhance, optimize and de risk the project by the following actions which included

- Submission of a Mining Lease application and associated Native Title processes
- Feasibility studies for Stage 1 works planning and execution
- Applications for Miscellaneous water licenses, infrastructure and transport corridors
- Hydrological work including passive seismic surveys over the paleo valleys for water
- Stakeholder engagement for optimization of product logistics from mine to port

Environmental surveys (Flora and Vegetation, Fauna and short-range endemics) for planning of both mine and infrastructure areas are continuing. In addition, various Heritage surveys were completed in the reporting period.

The company believes that the potential royalty stream from Mt Bevan magnetite production and related exposure to next generation ‘greener’ DRI (steel) production will be of significant value to shareholders, once production of premium grade iron ore commences.

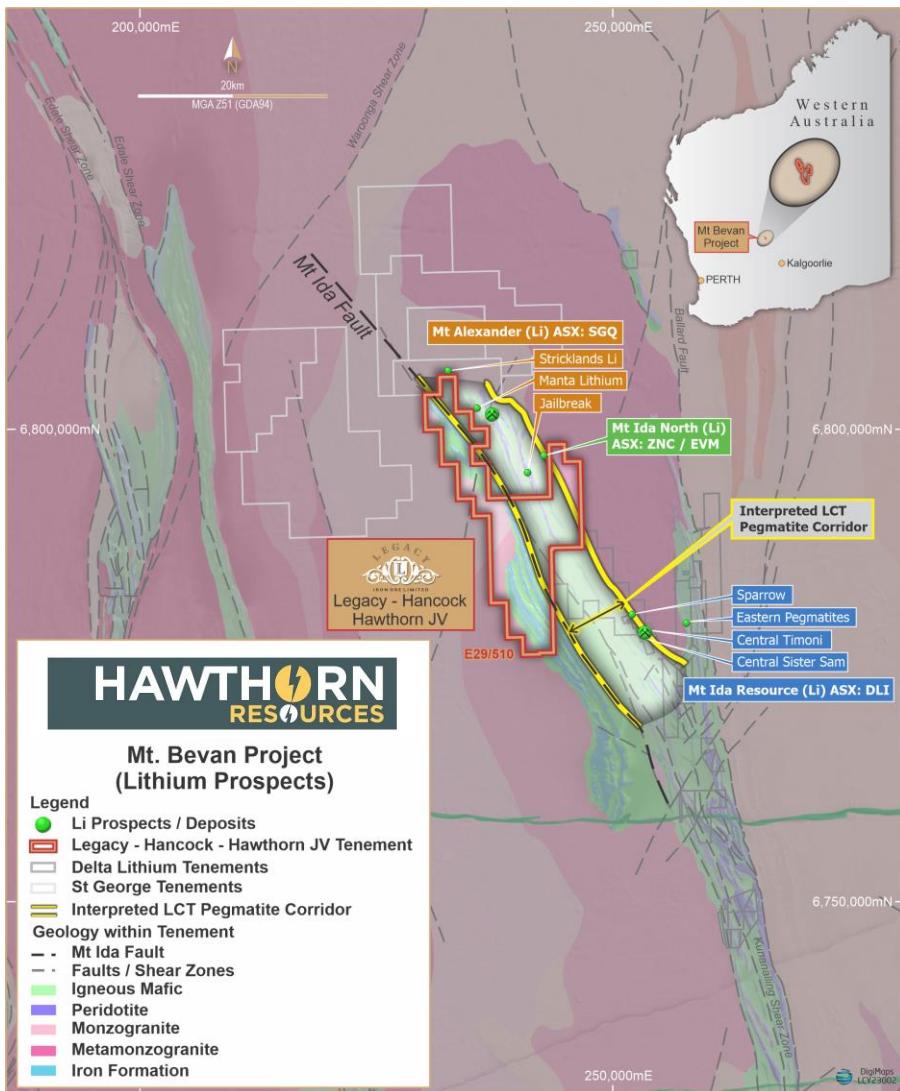
## **MT BEVAN OTHER MINERALS JOINT VENTURE**

The Other Minerals Joint Venture (OMJV) was executed on June 15 ,2023, to explore for lithium pegmatites and other critical minerals on the Mt Ida fault which is contiguous to the Mt Bevan Magnetite project managed by Hancock Prospecting, now Hanroy. The Mt Ida fault is spatially related to an emerging lithium, caesium and tantalum (LCT) pegmatite corridor following recent discoveries along the fault and it is also prospective for nickel, copper and gold. The current equity interests in the JV are Hawthorn Resources 34%, Legacy Iron Ore 51% and Hancock Magnetite Holdings Pty Ltd 15%.

Following field reconnaissance and regional geophysics, Hancock undertook an 8000m drilling program focused on outcropping lithium pegmatites identified on the corridor, but with inconclusive results.

Against a backdrop of weak spodumene pricing and inconclusive drill results, the JV has put OMJV spending on hold, pending a review with the focus firmly back on the adjoining magnetite opportunity.

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Mt Bevan Other Minerals JV pegmatite corridor

In conclusion, I would like to express my thanks and gratitude on behalf of the Board, to our management team, our former Company Secretary Glenn Fowles and our principal geologist Joe Clarry for their service and valued counsel over the past year.

Despite the challenges and opportunities facing the resources sector, Hawthorn remains in excellent shape with a strong balance sheet, exposure its high-grade Anglo Saxon gold project in the South Laverton and to next generation “green steel” and critical minerals with highly credentialled JV partners, Hancock Prospecting, Legacy Iron Ore, the listed Australian arm of NMDC of India.

Brian Thornton

Managing Director and CEO  
Hawthorn Resources Limited



## Hawthorn Resources Limited

ABN 44 009 157 439

### **FINANCIAL REPORT YEAR ENDED 30 JUNE 2025**

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# Hawthorn Resources Limited

ABN 44 009 157 439



## Directors' Report 2025



# Hawthorn Resources Limited

## Directors' Report

The Directors of Hawthorn Resources Limited, a Company listed on the Australian Securities Exchange, present their report for the year ended 30 June 2025.

### 1. Directors

The Directors of the Company in office since 1 July 2024 and up to the date of this Report are:

#### **Mr Li, Yijie**

#### **Non-Executive Chairman**

**Appointed 30 October 2012; last re-elected 2021 AGM**

In November 2019 Mr Li was elected as Chairman of the Board of Directors.

Mr. Li is the Chairman of the Board of Lite Smooth Investment Limited. Mr. Li has been the President of Guangdong Carrinton Development Co., Ltd, a diversified business group, since 2001.

Indirect interest in securities (ordinary fully paid shares) are held through a greater than twenty per cent shareholding interest in Feng Hua Mining Investment Holding (Hong Kong) Limited.

#### **Mr Liu, Zhensheng**

#### **Non-Executive Director**

**Appointed 9 December 2015; last re-elected 2022 AGM**

Mr Liu, is a Geological professor-level senior engineer and a mineral processing senior engineer. He has worked on prospecting, exploration, mine construction, mine production and operation management, mining investment for 40 years.

He has held the following significant positions:

- Investment Director of a listed company (2018 to present);
- Director and General Manager of a Guangdong mineral resource company (2013-2018);
- Director, General Manager, and Chief Engineer of a gold-mining company (1989-2013); and
- Technician, Technical Manager of a Guangdong geological and exploration company (1983-1989);

Interest in securities (ordinary fully paid shares): Nil.

#### **Mr B F Thornton**

#### **Managing Director and Chief Executive Officer**

**Appointed as Non-executive Director on 17 June 2021, elected 2021 AGM, appointed Managing Director and CEO on 24 November 2022**

Mr Thornton is the Director and 100% shareholder of Gel Resources Pty Ltd, which holds a 30% interest in the Anglo-Saxon gold project, which is part of the larger Trouser Legs JV with Hawthorn Resources. Mr Thornton has had a long association with the minerals and exploration industry in Australia and internationally, both at executive and advisory levels. He is the former Executive Chairman of Xanadu Mines Ltd (ASX: XAM), which he founded in 2004, and which was acquired by Bastion Mining Pte Ltd in July 2025.

Mr Thornton is a graduate in Economics from the Australian National University and a Fellow of the Financial Services Institute (FINSIA) and, currently, is the Honorary Consul for Mongolia for New South Wales.

Interest in securities (ordinary fully paid shares): 5,761,879.

# Hawthorn Resources Limited

## Directors' Report

### **Mr J D Corrigan - BA, MA Non-Executive Director**

#### **Appointed 24 November 2022**

An experienced businessman and director, Mr Corrigan holds directorships and key investments in the agricultural and aerospace industries.

He is a former director of Kooba Pty Ltd, an Agribusiness focusing on cotton and almond production as well as water rights.

Mr Corrigan is also the Executive Chairman of Australian Rainforest Honey Pty Ltd, an apiary business focused on crop pollination, honey production and international honey sales and distribution.

Mr Corrigan has not held any other ASX listed company directorships in the last 3 years.

### **DIRECTORSHIPS**

Other than the directorships noted above there have been no other directorships of listed entities held in the past three years.

## **2. Principal Activities and Review and Results of Operations**

Hawthorn Resources Limited ("Hawthorn" or "the Company") and its controlled entities ("the Group") is an Australian diversified iron ore, base metals and gold mining and exploration company, with strategic and significant tenement holdings throughout the Central Yilgarn and the South Laverton Tectonic Zone of Western Australia.

The principal activities of the Group during the financial year centered around the Company's interests in:

- (i) the Mount Bevan magnetite and lithium Joint Venture projects ("Mt Bevan") and
- (ii) the 70% interest in the Trouser Legs Mining Joint Venture Project ("TLMJV"). GEL Resources Pty Ltd ("GEL") owns the remaining 30% interest in TLMJV.

#### *Mt Bevan Iron Ore Joint Venture*

At 30 June 2025, the Company had disposed of its stake in the Iron Ore Joint Venture via the Joint Venture funding arrangements with Hancock and Legacy taking over the Company's share, and the Company converting its interest to a 1% FOB royalty.

#### *Mt Bevan Other Minerals Joint Venture*

At 30 June 2025, the Company held a 34% stake with Legacy Iron Ore Limited (ASX: LCY) a holding 51% stake and Hancock Magnetite Holdings Pty Ltd ("Hancock") holding the remaining 15% in a joint venture to explore and extract other critical minerals, including lithium. Hancock will earn an additional 43.5% in the joint venture by funding a series of exploration activities by December 2025. At completion of these activities, if successful, interests in the project will be Hancock 51%, LCY 29.4% and HAW 19.6% - refer to ASX announcement of 15 June 2023 for further details.

#### *Trouser Legs Mining JV (TLMJV) Gold*

This project's initial development and open pit mining operations were completed in FY2020. During the current year the Company generated revenue from the sale of existing lower grade stockpiled ore, and is undertaking further drilling program to improve confidence in the existing Mineral Resource Estimate. The Company also holds interests in surrounding exploration tenements and continues exploration and evaluation activities on these assets.

As Hawthorn is deemed to control the operation of the TLMJV it has accordingly consolidated in full the project assets and liabilities, plus income and expenditure, with the interests GEL Resources Pty Ltd ("Gel") holds being represented in the financial accounts as a cost to the project, and any amounts arising from the operation due to Gel presented as a liability to the Group, and any amounts due from Gel represented as an asset.

#### *Objective*

The Company's objective is to increase shareholder wealth through successful exploration activities whilst providing a safe workplace and ensuring best practice in relation to its environmental obligations.

# Hawthorn Resources Limited

## Directors' Report

### *Consolidated Statement of Profit or Loss and Other Comprehensive Income*

The Group made a loss after tax for the year of \$341,645 (2024: \$536,992).

Exploration write-offs and impairment for the year amounted to \$475,898 compared to \$404,160 in 2024. Administration expenses for 2025 were \$765,267 (2024: \$788,812).

### *Consolidated Statement of Financial Position*

The Group had cash funds on hand at 30 June 2025 of \$12,586,361 (2024: \$13,114,088), receivables of \$19,582 (2024: \$155,522) including accrued interest earned of nil (2024: \$138,541) and current liabilities totaled \$1,558,152 (2024: \$1,639,147), mostly reflecting the provision for mine rehabilitation of \$1,081,683 (2024: \$1,081,683).

At 30 June 2025, the Group had working capital of \$11,047,791 (2024: \$11,630,463), being current assets less current liabilities, and net assets of \$13,537,306 (2024: \$13,893,951).

### *Cash Flow*

In operations, the Group generated cash of \$451,233 (2024: \$415,429 expended) from operating activities and paid \$824,506 (2024: \$523,952) for exploration activities. There was a return of funds and profit distributions in the current year of \$154,454 (2024: \$17,602) to the TLMJV partner, and a further \$15,590 was offset against the GEL contribution to the project for the year.

## **3. Significant Change in State of Affairs**

Other than the matters noted in item 2 above and items 4 to 9 below, the Directors are of the opinion that there has not been any significant change in the state of affairs of the Company during the year under audit.

## **4. Dividends**

No dividend was declared or paid during the year ended 30 June 2025. (2024: Nil)

## **5. Status of Operations at Reporting Date**

### *Exploration and Development*

The Company's maintains its interest in the Anglo-Saxon gold Joint Venture and is continuing to review all opportunities relating to the project. The Company disposed of its interest in the Edjudina mining lease during the year. The Company retains a 1% FOB royalty interest in the Mount Bevan Iron Ore Joint Venture and its Joint Venture interest in the Mount Bevan Other Minerals Project.

## **6. Events After the Balance Date**

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods. Refer to item 7 below.

## **7. Future Developments and Results**

The current focus is exploring and evaluating gold reserves at the Trouser Legs Mining Joint Venture ("TLMJV") tenement areas having undertaken work to establish a Mineral Resource Estimate.

Other than this there are no likely developments of which the Directors are aware of which could be expected to significantly affect the results of the Group's operations in subsequent financial years.

## **8. Issued Securities**

### **(a) Ordinary Shares**

At the date of this Report this Company has on issue a total of 335,015,613 shares (2024: 335,015,613 shares).

### **(b) Options**

At the date of this Report the Company has no options on issue (2024: nil).

### **(c) ESOP – Performance Rights**

At the date of this Report the Company has no performance rights on issue (2024: nil)

# Hawthorn Resources Limited

## Directors' Report

### 9. Directors Interest in Issued Securities

The declared relevant interest of each Director of fully paid ordinary shares of the Company as at the date of this Report is:

	2025	2024
Li, Yijie *	-	-
Liu, Zhengsheng	-	-
B F Thornton	5,761,879	5,761,879
J D Corrigan	-	-

\* Mr Li, as the owner and controller of Lite Smooth Investment Limited, an entity which has a voting power in Feng Hua Mining Investment Holding (HK) Limited ("Feng Hua") of greater than 20%, has a relevant shareholding interest in Hawthorn Resources Limited ("HAW"). As declared, Feng Hua holds 120,788,101 ordinary fully paid voting shares (2024: 120,788,101 shares) in HAW currently being the equivalent of a 36.22 percentage voting interest in HAW (2024: 36.22 per cent).

### 10. Meetings of Directors

The number of meetings of Directors held including meetings of Committees of the Board during the financial year including their attendance was as follows:

	BOARD	
	ELIGIBLE TO ATTEND	ATTENDED
Li, Yijie	3	3
Liu, Zhengsheng	3	3
B F Thornton	3	3
J D Corrigan	3	3

#### Notes:

In between Board Meetings, Directors passed a total of 1 circulating resolution which are then noted and ratified at the next occurring Board meeting.

### 11. Company Secretary

Mr T Amato has been the Company Secretary since 2 April 2024.

Mr Amato has been the Company's CFO for 17 years.

### 12. Directors' and Officers' Indemnity and Auditor Indemnity

#### Directors:

The Company has entered into an Indemnity Deed with each of the Directors and with certain former Directors which will indemnify them against liability incurred to a third party (not being the Company or any related company) where the liability does not arise out of misconduct including a breach of good faith. The Indemnity Deed will continue to apply for a period of 10 years after a Director ceases to hold office and a Director's Access and Insurance Deed with each of the Directors pursuant to which a Director can request access to copies of documents provided to the Director whilst serving the Company for a period of 10 years after the Director ceases to hold office. There will be certain restrictions on the Directors' entitlement to access under the deed.

Pursuant to the requirements of the Indemnity Deed, the Company has taken out Directors and Officers Liability Insurance the terms of which are subject to confidentiality prohibiting disclosure of the terms and conditions of the policy cover.

#### Auditors:

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against a liability incurred as an auditor.

## Hawthorn Resources Limited Directors' Report

### 13. Environment

The mining and exploration activities of the Hawthorn group are conducted in accordance with, and controlled principally by, Australian state and territory government legislation. The group has extensive land holdings in Australia for exploration and exploitation or resources. The Company employs a system for reporting environmental incidents, establishing and communicating accountability, and rating environmental performance. During the year, data on environmental performance was reported as part of the periodic exploration reporting regime. In addition, as required under state legislation, procedures are in place to ensure that the relevant authorities are notified prior to the commencement of ground disturbing exploration activities. Mining activities are governed by licencing arrangements and the Company is committed to complying in full to all conditions and regulations associated with the TLMJV mining licence requirements.

The Company is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end the environment is a key consideration in our mining and exploration activities and during the rehabilitation of disturbed areas. Generally, rehabilitation occurs immediately following the completion of a particular phase of exploration or, in the case of TLMJV, after the completion of mining activities. In addition, the Company continues to develop and maintain mutually beneficial relationships with the local communities affected by its activities.

### 14. Non-Audit Services

During the year Connect National Audit Pty Ltd, the Company's auditor, has not performed other services in addition to their statutory duties.

### 15. Remuneration Report - Audited

The Remuneration Report sets out remuneration information for non-executive directors, executive directors and other key management personnel.

The Report contains the following sections:

- (i) Overview of Company Performance on Remuneration Structures;
- (ii) Non-Executive Directors;
- (iii) Executive Directors Remuneration;
- (iv) Details of Directors, Executives and Remuneration; and
- (v) Bonuses included in Remuneration
- (vi) Details of Directors and Executives Interest in Securities.
- (vii) Other Transactions with Key Management Personnel

#### (i) Overview of Company Performance on Remuneration Structures

The Group's performance, during the current year and over the past five years, has been as follows:

Consolidated	2025	2024	2023	2021	2020
	\$	\$	\$	\$	\$
Revenue	1,110,552	673,582	326,460	5,661,091	92,138
Net profit / (loss)	(341,645)	(536,992)	84,951	927,058	(1,660,433)
Basic earnings / (loss) per share – cents	(0.102)	(0.160)	0.025	0.278	(0.498)
Diluted earnings per share- cents	(0.102)	(0.160)	0.025	0.278	(0.498)
Net assets	13,537,306	13,893,951	14,430,943	14,210,992	13,283,934

The Directors do not believe the financial or share price performance of the Company is an accurate measure when considering remuneration structures as the Company is in the mineral exploration industry. Companies in this industry do not have an ongoing source of revenue, as revenue is normally from ad-hoc transactions.

The more appropriate measure is the identification of exploration targets, identification and/or increase of mineral resources and reserves and the ultimate conversion of the Company from explorer status to mining status.

## Hawthorn Resources Limited Directors' Report

### (ii) Non-Executive Directors

Total remuneration for all Non-Executive Directors, last voted upon by shareholders in January 2008 at a General Meeting of shareholders and approved with a 99.65% acceptance in favour of the resolution, is not to exceed \$300,000 per annum. The current aggregate of Non-Executive Directors' base fees for the current year was \$90,000 per annum (2024: \$105,000). Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main Board activities and membership of Board committees. Non-Executive Directors do not receive any benefits on retirement.

However, and as permitted under the Company's Constitution, Non-Executive Directors are entitled to receive payment for services provided which are over and above their normal directorial duties and which have been specifically requested by the Board of Directors. For such additional services, consultancy fees are in addition to directors' fees and are outside of the shareholder approved aggregate for directors' fees.

There has been no change to the remuneration structure during the year, and as such no independent remuneration expert was engaged during the year.

### (iii) Executive Directors Remuneration

The Company seeks to reward executives with a level of remuneration based upon their position and responsibilities.

The Company's MD/CEO was appointed on 24 November 2022. The key terms of his employment contract are as follows:

- Base salary \$185,000 plus statutory superannuation guarantee, with an annual CPI increase.
- Fixed term to 30 June 2024, and then subsequently renewed first to 30 June 2025 and again until 30 June 2026.
- Cash bonus of up to 50% of base salary, at the discretion of the Board.
- Termination – payment of 4 weeks salary for each year completed, pro-rated for part years completed.
- 

### (iv) Details of Directors, Executives and Remuneration

The names of the Directors and Executives in office during the year are as follows: -

Li, Yijie – Non-Executive Chairman

Liu, Zhensheng – Non-Executive Director

J D Corrigan – Non-Executive Director

B F Thornton – Managing Director and Chief Executive Officer

Details of the nature and amount of each major element of remuneration of each Director of the Company and of each Executive of the Company are:

#### **Year Ended 30 June 2025**

	SHORT TERM EMPLOYMENT BENEFITS		POST EMPLOYMENT		EQUITY BASED PAYMENTS	TOTAL
	Cash Salary and Fees \$	Leave provision \$	Cash Bonus \$	Superannuation Contributions \$	Performance Rights \$	\$
<b>Non-Executive Directors</b>						
Li, Yijie	30,000	-	-	-	-	30,000
Liu, Zhensheng	30,000	-	-	-	-	30,000
J D Corrigan	30,000	-	-	3,450	-	33,450
<b>Sub-Total</b>	<b>90,000</b>	-	-	<b>3,450</b>	-	<b>93,450</b>
<b>Executive Directors</b>						
B F Thornton	192,030	-	-	22,083	-	214,113
<b>Sub-Total</b>	<b>192,030</b>	-	-	<b>22,083</b>	-	<b>214,113</b>
<b>Total</b>	<b>282,030</b>	-	-	<b>25,533</b>		<b>307,563</b>

**Hawthorn Resources Limited**  
**Directors' Report**

**Year Ended 30 June 2024**

	SHORT TERM EMPLOYMENT BENEFITS		POST EMPLOYMENT		EQUITY BASED PAYMENTS	TOTAL
	Cash Salary and Fees \$	Leave provision \$	Cash Bonus \$	Superannuation Contributions \$	Performance Rights \$	\$
<b>Non-Executive Directors</b>						
Li, Yijie	30,000	-	-	-	-	30,000
Liu, Zhensheng	30,000	-	-	-	-	30,000
Liao, Yongzhong <sup>(1)</sup>	15,000	-	-	-	-	15,000
J D Corrigan	30,000	-	-	3,300	-	33,300
<b>Sub-Total</b>	<b>105,000</b>	-	-	<b>3,300</b>	-	<b>108,300</b>
<b>Executive Directors</b>						
B F Thornton	185,000	-	-	20,350	-	205,350
<b>Sub-Total</b>	<b>185,000</b>	-	-	<b>20,350</b>	-	<b>205,350</b>
<b>Total</b>	<b>290,000</b>	-	-	<b>23,650</b>	-	<b>313,650</b>

1. Mr Liao retired during the year

**(v) Bonuses included in Remuneration**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	2025			2024		
	Fixed remuneration	At risk - STI	At risk – LTI	Fixed remuneration	At risk - STI	At risk – LTI
<b>Non-Executive Directors</b>						
Li, Yijie	100%	-	-	100%	-	-
Liu, Zhensheng	100%	-	-	100%	-	-
Liao, Yongzhong	-	-	-	100%	-	-
J D Corrigan	100%	-	-	100%	-	-
D S Tyrwhitt	-	-	-	100%	-	-
<b>Executive Directors</b>						
B F Thornton	100%	-	-	100%	-	-
M G Kerr	-	-	-	100%	-	-

**(vii) Details of Directors and Executives Interest in Securities**

Fully paid ordinary shares:

Directors:	01.07.2024	Exercise of performance rights	Other movements	30.06.2025
Li, Yijie	-	-	-	-
Liu, Zhensheng	-	-	-	-
B F Thornton	5,761,879			5,761,879
J D Corrigan	-	-	-	-
<b>Total Directors</b>	<b>5,761,879</b>	-	-	<b>5,761,879</b>

**(viii) Other transactions with Key Management Personnel**

There were no other transactions with Key management Personnel.

***This concludes the Remuneration Report, which has been audited.***

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Hawthorn Resources Limited  
Directors' Report

**Auditor's Independence Declaration:**

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 11.

Signed in accordance with a resolution of the Board of Directors at Melbourne this 17<sup>th</sup> day of September 2025.



B F Thornton  
Managing Director and CEO

for personal use only

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the audit of Hawthorn Resources Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hawthorn Resource Limited and its controlled entities.



**Robin King Heng Li RCA**  
Director  
Connect National Audit Pty Ltd  
ASIC Authorised Audit Company No.: 521888  
Melbourne, Victoria  
Date: 17 September 2025

**Hawthorn Resources Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 30 June 2025**

	Note	<b>Consolidated</b>	
		<b>2025</b> \$	<b>2024</b> \$
<b>Continuing operations</b>			
Revenue	12	1,110,552	673,582
<b>Expenses</b>			
Mining costs		(39,100)	-
Exploration expenditure impaired	5	(316,157)	(298,320)
Exploration expenditure written off	5	(159,741)	(105,840)
Administration expenses		(765,267)	(788,812)
Loss on disposal of non-current assets	5(i)	(1,888)	-
Profit attributable to Joint Venture partner	13(ii)	(170,044)	(17,602)
<b>Loss before income tax expense from continuing operations</b>		<b>(341,645)</b>	<b>(536,992)</b>
Income tax expense	14	-	-
<b>Loss for the year after tax from continuing operations</b>		<b>(341,645)</b>	<b>(536,992)</b>
<b>Other comprehensive income</b>		-	-
Change in fair value of financial assets at fair value through other comprehensive income	4	(15,000)	-
<b>Total other comprehensive loss for the year, net of tax</b>		<b>(15,000)</b>	-
<b>Total comprehensive loss for the year</b>		<b>(356,645)</b>	<b>(536,992)</b>
<b>Loss per share</b>			
Basic loss per share for the year attributable to ordinary equity holders (cents)	15	(0.1020)	(0.1603)
Diluted loss per share for the year attributable to ordinary equity holders (cents)	15	(0.1020)	(0.1603)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes

**Hawthorn Resources Limited**  
**Consolidated Statement of Financial Position as at 30 June 2025**

	Note	<b>Consolidated</b>	
		<b>2025</b> \$	<b>2024</b> \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2(a)	12,586,361	13,114,088
Trade and other receivables	3	19,582	155,522
<b>Total Current Assets</b>		<b>12,605,943</b>	<b>13,269,610</b>
<b>Non-Current Assets</b>			
Financial assets at fair value through other comprehensive income	4	93,000	-
Exploration expenditure	5	2,396,515	2,263,488
<b>Total Non-Current Assets</b>		<b>2,489,515</b>	<b>2,263,488</b>
<b>TOTAL ASSETS</b>		<b>15,095,458</b>	<b>15,533,098</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	446,261	519,974
Provisions	9	1,111,891	1,119,173
<b>Total Current Liabilities</b>		<b>1,558,152</b>	<b>1,639,147</b>
<b>TOTAL LIABILITIES</b>		<b>1,558,152</b>	<b>1,639,147</b>
<b>NET ASSETS</b>		<b>13,537,306</b>	<b>13,893,951</b>
<b>EQUITY</b>			
Contributed equity	10	54,219,505	54,219,505
Asset revaluation reserve	4	(15,000)	-
Accumulated losses		(40,667,199)	(40,325,554)
<b>TOTAL EQUITY</b>		<b>13,537,306</b>	<b>13,893,951</b>

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes

Hawthorn Resources Limited  
Consolidated Statement of Cash Flows for the year ended 30 June 2025

	<u>Note</u>	<b>Consolidated</b>	
		<b>2025</b> \$	<b>2024</b> \$
<b>Cash flows from operating activities</b>			
Receipts from customer (inclusive of GST)		505,214	-
Payments in the course of operations (inclusive of GST)		(758,760)	(950,470)
Interest received		704,779	535,041
<b>Net cash (used in) / provided by operating activities</b>	2 (b)	<b>451,233</b>	<b>(415,429)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration expenditure		(824,506)	(523,952)
<b>Net cash provided by investing activities</b>		<b>(824,506)</b>	<b>(523,952)</b>
<b>Cash flows from financing activities</b>			
Return of cash calls to JV partner		(154,454)	(17,602)
<b>Net cash used in financing activities</b>		<b>(154,454)</b>	<b>(17,602)</b>
Net increase / (decrease) in cash and cash equivalents		(527,727)	(956,983)
Cash and cash equivalents at beginning of year		13,114,088	14,071,071
<b>Cash and cash equivalents at end of year</b>	2 (a)	<b>12,586,361</b>	<b>13,114,088</b>

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes

Hawthorn Resources Limited  
Consolidated Statement of Changes in Equity for the year ended 30 June 2025

	<b>Contributed Equity</b> \$	<b>Asset revaluation Reserve</b> \$	<b>Accumulated Losses</b> \$	<b>Total Equity</b> \$
<b>CONSOLIDATED</b>				
<b>At 1 July 2023</b>	54,219,505	-	(39,788,562)	14,430,943
Loss for the year after income tax expense	-	-	(536,992)	(536,992)
Other comprehensive income for the year, net of tax	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	<b>(536,992)</b>	<b>(536,992)</b>
<b>At 30 June 2024</b>	<b>54,219,505</b>	-	<b>(40,325,554)</b>	<b>13,893,951</b>
<b>At 1 July 2024</b>	54,219,505	-	(40,325,554)	13,893,951
Loss for the year after income tax expense	-	-	(341,645)	(341,645)
Other comprehensive loss for the year, net of tax	-	(15,000)	-	(15,000)
<b>Total comprehensive loss for the year</b>	-	<b>(15,000)</b>	<b>(341,645)</b>	<b>(356,645)</b>
<b>At 30 June 2025</b>	<b>54,219,505</b>	<b>(15,000)</b>	<b>(40,667,199)</b>	<b>13,537,306</b>

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes

**Hawthorn Resources Limited**  
**Notes to the Consolidated Financial Statements for the year ended 30 June 2025**

**1. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**(a) Reporting Entity**

Hawthorn Resources Limited (the "Company") is a public company incorporated and domiciled in Australia. The principal activity of the Company during the financial year was development and mining of gold ore, as well as exploration and evaluation of various base metals and gold.

The consolidated financial report of the Company as at, and for the year ended, 30 June 2025, comprises the Company and its subsidiaries. The financial report was authorised for issue by the Directors on the date of this report.

The registered office of the entity is Level 23, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000, and the principal place of business is 6/11 Chester Street, Oakleigh VIC 3166.

**(b) Basis of Preparation**

The financial report is presented in Australian dollars. The financial report has been prepared on a historical cost basis, except for the valuation of financial assets at fair value through profit or loss that have been measured at fair value in accordance with Australian Accounting Standards.

Separate financial statements for Hawthorn Resources Limited as an individual entity are no longer presented as a consequence of a change in the *Corporations Act 2001*, however limited information for Hawthorn Resources Limited as an individual entity is presented at Note 18.

The accounting policies set out in the notes to the financial statements have been applied consistently to all periods presented in the financial report.

The financial statements have been prepared on a going concern basis.

**(c) Statement of Compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Accounting Interpretations) issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

The financial report complies with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board.

**(d) Critical Accounting Estimates and Judgments**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make significant judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards have a significant effect on the financial report and estimates made in accordance with these Standards have a significant risk of material adjustment in the next year. The areas most impacted include:

- Exploration expenditure in note 5.
- Provision for land rehabilitation in note 9.

**(e) Principles of Consolidation**

**Subsidiaries**

The consolidated financial statements comprise the assets, liabilities and results of the Company, and the entities it controlled at the end of, or during, the financial year. The Company and its controlled entities together are referred to in this financial report as the Company or Group.

## Hawthorn Resources Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2025

Subsidiaries are all those entities over which the consolidated Group has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The balances and effects of transactions between entities in the Group have been eliminated. Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased. The accounting policies adopted in preparing the financial statements have been consistently applied by all entities in the Company.

The acquisition of Ellendale Resources NL ("Ellendale") on 10 June 2008 was treated as a reverse acquisition in accordance with AASB 3 "Business Combinations" whereby Ellendale is considered the accounting acquirer on the basis that Ellendale is the controlling entity in the transaction. As a result, Ellendale is the continuing entity for consolidated accounting purposes and the legal parent, Hawthorn Resources Limited, is the accounting subsidiary.

Investments in subsidiaries are accounted for at cost or recoverable amounts in the individual financial statements of Hawthorn Resources Limited.

#### **2. CASH AND CASH EQUIVALENTS**

##### **(a) Cash and cash equivalents**

Cash at bank  
Term deposits  
Total cash and cash equivalents

	<b>2025</b>	<b>2024</b>
	\$	\$
Cash at bank	104,900	187,311
Term deposits	12,481,461	12,926,777
Total cash and cash equivalents	<b>12,586,361</b>	<b>13,114,088</b>

##### **(b) Reconciliation of loss after tax to net cash generated in operating activities**

(Loss) / Profit for the year after tax

	<b>2025</b>	<b>2024</b>
	\$	\$
(Loss) / Profit for the year after tax	(341,645)	(536,992)

##### *Adjustment for:*

Write off of exploration expenditure  
Impairment of exploration expenditure  
Loss on disposal of non-current assets  
Allocation of profit to JV partner  
Net cash from operating activities before change in assets and liabilities

Write off of exploration expenditure	159,741	105,840
Impairment of exploration expenditure	316,157	298,320
Loss on disposal of non-current assets	1,888	
Allocation of profit to JV partner	170,044	17,602
Net cash from operating activities before change in assets and liabilities	306,185	(115,230)

##### *Change in assets and liabilities:*

(Increase) / Decrease in receivables and other assets  
(Increase) / Decrease in accrued interest  
Increase / (Decrease) in trade and other payables  
Decrease in provisions

(Increase) / Decrease in receivables and other assets	(2,601)	(150,262)
(Increase) / Decrease in accrued interest	138,541	(138,541)
Increase / (Decrease) in trade and other payables	16,391	(3,121)
Decrease in provisions	(7,283)	(8,275)

Net cash (used in) / from operating activities

Net cash (used in) / from operating activities	<b>451,233</b>	<b>(415,429)</b>
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##### **(c) Reconciliation of cash**

For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank.

##### **(d) Non-cash financing and investing activities**

During the year, there was no non-cash financing activities (2024: Nil). The Group disposed of its interest in the Edjudina mining lease in exchange for shares in a listed entity (see note 5(i)). (2024: No non-cash investing activities).

Hawthorn Resources Limited  
Notes to the Consolidated Financial Statements for the year ended 30 June 2025

**3. TRADE AND OTHER RECEIVABLES**

	<b>2025</b> \$	<b>2024</b> \$
<b>CURRENT</b>		
GST recoverable	19,582	15,226
Sundry debtors	-	1,755
Accrued interest	-	138,541
Total trade and other receivables	19,582	155,522

**4. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b>2025</b> \$	<b>2024</b> \$
Investments in listed shares	93,000	-

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

*Reconciliation*

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	<b>2025</b> \$	<b>2024</b> \$
Opening balance	-	-
Acquired in disposal of exploration asset (note 5)	108,000	-
Revaluation decrements	(15,000)	-
Closing balance	93,000	-

For investment in listed shares, fair value is determined by reference to closing bid prices on the Australian securities exchange.

**5. EXPLORATION EXPENDITURE**

	<b>2025</b> \$	<b>2024</b> \$
Areas in the exploration phase	2,396,515	2,263,488
At cost		

**Hawthorn Resources Limited**  
**Notes to the Consolidated Financial Statements for the year ended 30 June 2025**

Movement in the carrying value of exploration expenditure during the year was:

	<b>2025</b> \$	<b>2024</b> \$
Opening balance at 1 July	2,263,488	2,153,617
Costs incurred during the year	718,813	531,633
Non-controlling interest contribution	-	(17,602)
Exploration expenditure written off during the year	(159,741)	(105,840)
Exploration expenditure impaired during the year	(316,157)	(298,320)
Disposal of interests (i)	(109,888)	-
Balance at 30 June	2,396,515	2,263,488

(i) *Disposal of exploration assets*

During the period the Group disposed of its interest in the Edjudina mining lease. The Group received 3,000,000 ordinary shares from the buyer, Gibb River Diamonds Ltd (ASX: GIB) as sale proceeds. At the date of the sale the share price for GIB's shares was \$0.036, providing sale proceeds of \$108,000. As a result the Group recorded a loss of \$1,888 on the disposal of the mining lease.

**Material accounting policy**

Exploration expenditure is capitalised for each separate area of interest where rights to tenure are current and:

- (a) such costs are expected to be recovered through successful development and exploitation or by sale; or
- (b) where activities in the area of interest have not yet reached a stage, which permits reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas.

The carrying values of expenditures carried forward are reviewed for impairment at each reporting date when the facts, events or changes in circumstances indicate that the carrying value may be impaired. Accumulated expenditures are written off to the Profit or Loss to the extent to which they are considered to be impaired.

The key points that are considered in this review include:

- planned drilling programs and data evaluation;
- environmental issues that may impact the underlying tenements; and
- the estimated market value of assets at the review date.

Information used in the review process is rigorously tested to externally available information as appropriate.

The Group conducted a review of its exploration areas of interest at Mt Bevan and its Trouser Leg Joint Venture, considering planned exploration activity over the next twelve months, which is over and above the expenditure requirements to maintain the tenements in good standing. In addition, the Group has other areas of interests, classified as a lower priority over the next twelve months. These lower priority areas of interests have been fully impaired in the current year.

**Key estimates and judgements**

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off to profit or loss in the period when the new information becomes available.

**Hawthorn Resources Limited**  
**Notes to the Consolidated Financial Statements for the year ended 30 June 2025**

**6. INTEREST IN JOINT OPERATIONS**

The Company has an interest in the following joint operations:

	<b>2025</b>	<b>2024</b>
	\$	\$
Edjudina – Pinjin (Avoca Resources Pty Ltd) (i)	-	80%
Mt Bevan Iron Ore (Legacy Iron Ore Limited) (ii)	-	28%
Mt Bevan Other Minerals (Legacy Iron Ore Limited) (ii)	34%	37%

- (i) Edjudina – Pinjin: the company disposed of its interest in the Joint Venture during the year, as noted in note 5;
- (ii) Mt Bevan: Hawthorn's interest in the Mt Bevan permit has been converted to a 1% FOB royalty, after the publication of a Pre-Feasibility Study ("PFS").

The principal activity of these joint operations is mineral exploration all of which are located within Australia. The Company's interest in these projects is included in exploration expenditure (Note 5). Included in the assets and liabilities of the Group are the following assets and liabilities employed in the joint operations:

	<b>2025</b>	<b>2024</b>
	\$	\$
Assets		
Exploration expenditure	-	-
Total Assets	-	-
Liabilities		
Trade and other payables	43,000	59,000
Total Liabilities	43,000	59,000

Included in the Group commitments (Note 7) are the following commitments in relation to the joint operations:

	<b>2025</b>	<b>2024</b>
	\$	\$
Exploration		
Not later than 1 year	189,210	189,210
Later than one year but not later than five years	651,840	686,840
More than five years	255,850	410,060
Total	1,096,900	1,286,110

***Accounting policy***

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

**7. COMMITMENTS**

**(a) Exploration**

The Group must perform minimum exploration work and expend minimum amounts of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Group's tenement portfolio management through expenditure exemption approvals and expenditure reductions through relinquishment of parts or the whole of tenements deemed non prospective.

## Hawthorn Resources Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2025

Should the Group wish to preserve interests in its current tenements the amount which may be required to be expended is as follows:

	<b>2025</b> \$	<b>2024</b> \$
Not later than one year	289,210	302,810
Later than one year but not later than five years	751,840	741,240
More than five years	255,850	437,260
Total commitments	1,296,900	1,481,310

The terms and conditions under which the Group has title to its various mining tenements oblige it to meet tenement rentals and minimum levels of exploration expenditure as gazetted by the Department of Industry and Resources of Western Australia, as well as Local Government rates and taxes.

The "More than five years" component represents commitments of up to sixteen years in respect of mining licences which are granted for a period of twenty-one years, but in common with prospecting licences and exploration licences they may be relinquished or sold by the Group before the expiry of the full term of the licence.

*(b) Operating Leases*

The Company leases office space on a month-to-month basis with no fixed term.

**8. TRADE AND OTHER PAYABLES**

	<b>2025</b> \$	<b>2024</b> \$
Trade and other payables	446,261	519,974

**9. PROVISIONS**

	<b>2025</b> \$	<b>2024</b> \$
Employee entitlements	30,208	37,490
Land rehabilitation	1,081,683	1,081,683
Provisions	1,111,891	1,119,173

*Reconciliation of Land Rehabilitation provision*

	<b>2025</b> \$	<b>2024</b> \$
Opening balance	1,081,683	1,087,404
Costs incurred during the year	-	(5,721)
Closing balance	1,081,683	1,081,683

***Key estimates and judgements***

*Land rehabilitation*

The Group makes provision for the rehabilitation of the land used in its mining operations. The provision is required to estimate the costs that the Group will incur to rehabilitate the land in the future. The quantum of the rehabilitation work is uncertain, and therefore the estimates are subject to a number of factors that can vary. These factors include of the costs of performing the work, the area of land to be rehabilitated, regulatory changes, technological changes and discounting factors. Expenses incurred on land rehabilitation are offset against the provision and the outstanding costs estimated to complete the land rehabilitation are re-assessed.

**Hawthorn Resources Limited**  
**Notes to the Consolidated Financial Statements for the year ended 30 June 2025**

**10. CONTRIBUTED EQUITY**

	<b>2025</b>	<b>2024</b>
	<b>No. of shares</b>	<b>\$</b>
Ordinary shares	335,015,613	54,219,505

The reconciliation of opening and closing equity is as follows:

	<b>No. of shares</b>	<b>\$</b>
At 30 June 2023	335,015,613	54,219,505
At 30 June 2024 and 2025	335,015,613	54,219,505

**Terms and Conditions of Issued Capital**

*Ordinary Shares (quoted): HAW*

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up of the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

*Accounting policy*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and options are shown in equity as a deduction, net of tax, from the proceeds.

*Capital Management*

The Company's policy in relation to capital management is for management to regularly and consistently monitor future cash flows against expected expenditures. The Board determines the Company's need for additional funding by way of either share placements or loan funds depending on market conditions at the time. Management defines working capital in such circumstances as its excess liquid funds over liabilities and defines capital as being the ordinary share capital of the Company.

There were no changes in the Company's approach to capital management during the year.

**11. DIVIDENDS**

No dividend was declared or paid during the year ended 30 June 2025 (2024: Nil).

**12. REVENUE**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Ore sales	544,314	-
Interest	566,238	673,582
Total revenue	1,110,552	673,582

*Material accounting Policy*

*Sale of goods*

Revenue from the sale of gold ore is recognised when the performance obligation is satisfied. The performance obligation is generally considered to be satisfied when the gold ore is physically transferred to the buyer.

Gold sales are recognised based on the quantity ore mined and despatched to the purchaser, with the amount paid based a fixed price per tonne of ore.

*Interest*

Interest revenue is recognised as the interest accrues.

## Hawthorn Resources Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2025

### **13. EXPENSES**

Profit before income tax expense includes the following expenses whose disclosure is relevant in explaining the performance of the Group:

	<b>2025</b> \$	<b>2024</b> \$
(i) Payroll expenses <sup>1</sup>		
Salaries and other employee costs	285,469	298,256
Superannuation	25,533	23,650
(ii) Profit attributable to Joint Venture Partner <sup>2</sup>	170,044	17,602

1. Payroll expenses are recorded under administration expenses
2. Profit attributable to Joint Venture Partner relates to 30% of the profits derived from the Anglo-Saxon mining operation. The Anglo-Saxon mining permit is subject to a Joint Venture agreement with Hawthorn holding a 70% interest in the operation and controlling the resources and activities of the operation as JV manager. Accordingly Hawthorn has recorded 100% of the revenues and expenses, and assets and liabilities of the mining operation. A total profit of \$566,814 (2024: \$58,673) was recorded in the mining operation for the current year. \$170,044 (2024: \$17,602) is attributable to the Joint Venture partner and has been recorded as an expense and was offset against the GEL contribution for the year.

### **14. TAXATION**

#### **(a) Income tax recognised in profit or loss tax expense comprises:**

	<b>2025</b> \$	<b>2024</b> \$
Current tax benefit	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-
Income tax expense	-	-

#### **(b) The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:**

	<b>2025</b> \$	<b>2024</b> \$
Loss from operations	(341,645)	(536,992)
Income tax (benefit) / expense at 25% (2024: 25%)	(85,411)	(134,248)
Non-deductible expenditure	443,385	403,436
Non-assessable income	-	(34,635)
Capital expenditure deduction	(179,703)	(132,908)
Allowable deductions	(263,361)	(312,226)
Tax base of assets disposed of	-	-
Tax and capital losses (utilised) /generated	85,090	210,581
Income tax expense	-	-

#### **(c) Deferred tax assets and liabilities**

	<b>2025</b> \$	<b>2024</b> \$
<b>Deferred tax liability comprises:</b>		
Exploration costs	304,148	270,891
Interest accrued	650	34,635
Amounts not recognised due to offset of deferred tax assets (detailed below)	(304,798)	(305,526)

**Hawthorn Resources Limited**  
**Notes to the Consolidated Financial Statements for the year ended 30 June 2025**

<b>Deferred tax asset comprises:</b>		
Accruals and payables	85,060	99,336
Employee entitlements	7,552	9,372
Provisions	270,421	270,421
	<hr/>	<hr/>
Deferred tax liabilities not recognised	363,033	379,129
Deferred tax assets offset against deferred tax liabilities	(58,235)	(73,603)
Unused tax losses for which no deferred tax asset has been recognised *	304,798	305,526
	<hr/>	<hr/>
Potential tax benefit at 25% (2024: 25%)	8,106,072	7,765,714
	<hr/>	<hr/>
	2,026,518	1,941,429

\*At 10 June 2008, the Company formed a tax consolidated group. These losses are subject to further review by the Company to determine if they satisfy the necessary legislative requirements under the income tax legislation for the carry forward and recoupment of tax losses. Additionally, a deferred tax asset has not been recognised in respect of these items because at this stage of the Company's development, it is not currently considered probable that future taxable profits will exceed the value of the gross value of the deferred tax assets available to the Company. This is due to the uncertainties and risks associated with estimating economic benefits arising from the Trouser Legs Mining Joint Venture, due to the risk factors discussed related to the Company's assets and operations.

Hawthorn Resources Limited (the 'head entity') and its wholly owned Australian entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

## 15. EARNINGS PER SHARE

### Basic and diluted earnings per share

Basic and diluted earnings per share is calculated as follows:

	<b>2025</b>	<b>2024</b>
	\$	\$
(Loss) / Profit for the year attributable to members	(341,645)	(536,992)
	<hr/>	<hr/>
Weighted average number of ordinary shares at the end of the financial year	Number of shares	Number of shares
	335,015,653	335,015,653
	<hr/>	<hr/>
Basic and Diluted (Loss) / Earnings Per Share (cents)	(0.1020)	(0.1603)

There were no outstanding options at the reporting date (30 June 2024: \$nil). There are no performance rights at the reporting date (30 June 2024: \$nil)

## 16. RELATED PARTIES

### (a) Key Management Personnel Disclosures

The key management personnel for the Company for all or part of the year are set out as follows: -

Directors

Li, Yijie	Non-Executive Chairman (re-elected at 2021 AGM)
Liu, Zhensheng	Non-Executive Director (re-elected at 2022 AGM)

## Hawthorn Resources Limited

Notes to the Consolidated Financial Statements for the year ended 30 June 2025

B F Thornton	Non-Executive Director until 24 November 2023; joint Managing Director from 25 November 2022 until 31 December 2022 and sole Managing Director thereafter
J D Corrigan	Non-Executive Director appointed at 2023 AGM on 24 November 2023

The key management personnel compensation is as follows:

	<b>2025</b>	<b>2024</b>
	\$	\$
Short-term employee benefits	282,030	290,000
Post-employment benefits	25,533	23,650
	<b>307,563</b>	<b>313,650</b>

At year end, no amounts were due to or from key management personnel (2024: \$nil).

### (b) Wholly Owned Group Transactions

During the year there were no transactions with controlled entities, other than movements in the respective inter-company loan accounts.

As at 30 June 2025, Hawthorn Resources Limited loan balances with its subsidiary companies were:

Payable to Ellendale Resources Pty Ltd	\$512,710 (2024: \$513,448)
Receivable from Northern Resources Australia Pty Ltd	\$263,676 (2024: \$263,356)
Receivable from Trouser Leg Mining Joint Venture	\$141,333 (2024: \$47,991)

As at 30 June 2025, Ellendale Resources Pty Ltd loan balances with its subsidiary companies were:

Payable to Sunderland Pty Ltd	\$475,954 (2024: \$476,275)
Receivable from Northern Resources Australia Pty Ltd	\$140,738 (2024: \$140,738)

All loan balances have been provided on an interest free basis and have no fixed repayment date.

Movements in loan account during the year relate to payment of expenses. Expenses paid and charged through the loan accounts during the year relate to exploration, tenement costs and Company administration expenses.

### 17. PARENT ENTITY INFORMATION

As at, and throughout the financial year ended 30 June 2025, the legal parent entity of the Group was Hawthorn Resources Limited.

	<b>2025</b>	<b>2024</b>
	\$	\$
Current assets	11,446,268	11,953,948
Non-current assets	2,645,548	2,513,580
Total assets	<b>14,091,816</b>	<b>14,467,528</b>
Current liabilities	305,477	323,485
Non-current liabilities	10,726,745	10,331,034
Total liabilities	<b>11,032,222</b>	<b>10,654,519</b>
Net assets	3,059,594	3,813,009
Issued capital	105,953,795	105,953,795
Reserves	(15,000)	-
Accumulated losses	(102,879,201)	(102,140,786)
Total equity	<b>3,059,594</b>	<b>3,813,009</b>

**Hawthorn Resources Limited**  
**Notes to the Consolidated Financial Statements for the year ended 30 June 2025**

(Loss) / Profit of the parent entity	(753,415)	(578,064)
Comprehensive (Loss) / Profit of the parent entity	(753,415)	(578,064)

The parent Company has not provided any guarantees for its subsidiaries, nor does it have any contingent liabilities or contractual commitments to purchase plant and equipment. This is consistent with prior years.

#### **18. CONSOLIDATED ENTITIES**

<b>Name</b>	<b>Country of Incorporation</b>	<b>Ordinary Share Consolidated Equity Interest</b>	
		<b>2025</b>	<b>2024</b>
<b>Parent entity</b>			
Hawthorn Resources Limited	Australia		
<b>Controlled entities</b>			
Ellendale Resources Pty Ltd	Australia	100%	100%
Sunderland Pty Ltd *	Australia	100%	100%
Northern Resources Australia Pty Ltd *	Australia	100%	100%
Trouser Leg Mining Joint Venture**	Australia	70%	70%

\* Sunderland Pty Ltd and Northern Resources Australia Pty Ltd are non-operating 100% owned subsidiaries of Ellendale Resources Pty Ltd.

\*\* Trouser Legs Mining Joint Venture is a contractual arrangement set up upon a decision to mine within exploration tenements previously subject to farm-out arrangements.

#### **19. FINANCIAL RISK MANAGEMENT**

The Group's operations expose it to various financial risks including market, credit, liquidity and price risks. Financial risk management is carried out by the Board on an informal basis using a variety of methods as deemed appropriate, including performance analysis, cash flow and operating/capital expenditure forecasts, to manage market, credit, liquidity and price risk.

##### **(a) Market Risk**

###### **Foreign Exchange Risk**

Foreign currency risk is the risk of exposure to transactions that are denominated in a currency other than the Australian dollar.

The Group's operations are currently solely within Australia, and therefore are not exposed to any material foreign exchange risk.

###### **Interest Rate Risk**

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. Fluctuations in interest rates will not have any material risk exposure to the cash held in bank deposits at variable rates.

The Group's exposure to market interest rates relates primarily to the Group's short-term cash deposits held.

###### **Sensitivity Analysis on Cash and Cash Equivalents**

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the average monthly closing balances. A 100-basis point increase or decrease is used when reporting interest rate risk internally and represents Management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 100 basis points higher or lower and all other variables held constant, the Group's net result and net assets would increase by \$129,079 (2024: \$134,782) and decrease by \$129,079 (2024: \$134,782). This is mainly attributable to the Group's exposure to interest rates on its cash and cash equivalents.

##### **(b) Credit Risk**

## Hawthorn Resources Limited

### Notes to the Consolidated Financial Statements for the year ended 30 June 2025

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions. For banks and financial institutions, only major Australian banking institutions are used. For customers, individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets (refer Notes 2 and 3). The Group's cash assets are held with large Australian banks. The Group's receivables are mainly from the Australian Tax Office. Accordingly the directors are satisfied there is no significant credit risk in relation to current financial assets.

#### (c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group does not have any committed credit lines. As at the reporting date, the Group has no significant liquidity risk, as available cash assets significantly exceed amounts payable.

#### (d) Price Risk

The Group's price risk is linked to its investment in listed shares, currently valued at \$93,000. This represents the maximum exposure to price risk. The investment was received as proceeds in the disposal of exploration assets during the year. The amount received amounted to a fair value of \$108,000. At the year end the value of the investment had decreased by \$15,000 (13.9%).

#### (e) Maturities of Financial Liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### Group – 30 June 2025

	Less than 3 months	3 months to 1 year	1 - 5 years	5 + Years	Total
	\$	\$	\$	\$	\$
Non-Interest Bearing	(446,261)	-	-	-	(446,261)

#### Group - 30 June 2024

	Less than 3 months	3 months to 1 year	1 - 5 years	5 + Years	Total
	\$	\$	\$	\$	\$
Non-Interest Bearing	(519,974)	-	-	-	(519,974)

#### Net Fair Values

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value at the reporting date of financial assets and financial liabilities, such as receivables and payables, are assumed to approximate fair values due to their short-term nature. For other financial assets, such as financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset.

The financial instruments recognised at fair value in the Consolidated Statement of Financial Position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets and liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3)

The Group's financial assets held at fair value comprise the investment in ordinary shares of a listed entity. These have been valued using Level 1 inputs. The risk related to these assets are considered minimal based on the low level of resources invested.

#### Accounting policy

The Group's principal financial instruments comprise receivables, payables, cash and term deposits. These instruments expose the Group to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk.

Management manages the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate risk and by being aware of market forecasts for interest rate and

# Hawthorn Resources Limited

## Notes to the Consolidated Financial Statements for the year ended 30 June 2025

commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through general business budgets and forecasts.

### 20. EVENTS AFTER THE BALANCE DATE

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

### 21. REMUNERATION OF AUDITORS

The auditor of Hawthorn Resources Limited is Connect National Audit Pty Ltd.

	2025 \$	2024 \$
<b>Statutory audit</b>		
Auditors of the Company – Connect (2024: Connect)		
- Audit and review of financial reports – Connect	48,000	45,000
Other Services – Connect (2024: Connect/Connect)		
- Other non-audit services – Connect	-	-
<b>Total fees</b>	<b>48,000</b>	<b>45,000</b>

### 22. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As stated in note 9, the expected cost for land rehabilitation work is uncertain, accordingly, the actual costs incurred might be higher/lower than the amount provided for at 30 June 2025 of \$1,081,683.

There were no other contingent liabilities and contingent assets in existence at 30 June 2025 and 30 June 2024.

### 23. OPERATING SEGMENTS

The Group has adopted AASB 8 Operating Segments whereby segment information is presented using a "management approach". Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Makers, in the Group's case being the Board of Directors, that are used to make strategic decisions. The Group operates predominately in one geographical location. The Group does not have any operating segments with discrete financial information. The Group does not have any customers outside Australia, and all the Group's assets and liabilities are located within Australia.

The Board of Directors review internal management reports at regular intervals that are consistent with the information provided in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. As a result, no reconciliation is required because the information as presented is what is used by the Board of Directors to make strategic decision including assessing performance and in determining the allocation of resources.

### 24. IMPACT OF ADOPTING NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

#### (a) New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the year.

#### (b) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Hawthorn Resources Limited**  
**Consolidated entity disclosure statement as at 30 June 2025**

**Basis of preparation**

This consolidated entity disclosure statement has been prepared in accordance with s295(3A)(a) of the *Corporations Act 2001* and includes the required information for Lightning Minerals Limited and the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

**Tax residency**

S295(3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

*Australian Tax Residency*

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

*Foreign Tax Residency*

Where appropriate, independent tax advisors have been engaged to assist in the determination of the tax residency to ensure applicable foreign tax legislation has been complied with.

Name of entity	Entity Type	Trustee, partner or participant in a Joint Venture	Country of incorporation	Ownership interest	Australian or foreign tax resident	Foreign Jurisdiction of foreign residents
Hawthorn Resources Ltd	Body Corporate	Partner	Australia	N/A	Australian	N/A
Ellendale Resources Pty Ltd	Body Corporate	N/A	Australia	100.00%	Australian	N/A
Sunderland Pty Ltd	Body Corporate	N/A	Australia	100.00%	Australian	N/A
Northern Resources Australia Pty Ltd	Body Corporate	N/A	Australia	100.00%	Australian	N/A
Trouser Leg Mining Joint Venture	Joint Venture	N/A	Australia	70.00%	Australian	N/A
Mt Bevan Other Minerals	Joint Venture	N/A	Australia	34%	Australian	N/A

Hawthorn Resources Limited  
Directors Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 28 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1 (c);
- (d) the information disclosed in the consolidated entity disclosure statement is true and correct; and
- (e) the audited Remuneration Report set out on pages 9 to 12 of the Directors' Report is in accordance with the *Corporations Act 2001*.

The directors have been given declarations, as required by section 295A of the *Corporations Act 2001*, by the chief executive officer and the chief financial officer for the financial year ended 30 June 2025.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 17th day of September 2025.



Brian F Thornton  
Managing Director and CEO

**Independent Auditor's Report  
To the Members of Hawthorn Resources Limited  
Report on the Audit of the Financial Report**

**Opinion**

We have audited the accompanying financial report of Hawthorn Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the company as set out on page 30.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<b>Capitalisation of Exploration and Evaluation Assets</b>	
As disclosed in Note 5, as at 30 June 2025, the carrying amount of the Exploration expenditure of \$2,396,515 represents a significant asset of the Group.	We carried out the following work in accordance with the guidance set out in AASB 6 Exploration for and Evaluation of Mineral Resources:
We focus on the capitalisation of exploration and evaluation asset as this represents a significant asset of the Group and that the	We reviewed the Group's accounting policy specifying which expenditures are recognised as exploration and evaluation assets and its

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<p>capitalisation of this amount is significantly affected by management's judgement</p> <p>The Group has incurred significant exploration and evaluation expenditures. The accounting treatment of these expenditures (whether as capital or expense) can have a significant impact on the financial report. This is particularly relevant as this Group is in an exploration stage with no production activities. As such it is necessary to assess whether the facts and circumstances existed to suggest that these expenditures were properly capitalised in accordance with the relevant accounting standards.</p>	<p>consistent application of the policy. We tested a sample of capitalised expenditures to ensure that these expenditures are associated with finding specific mineral resources</p> <p>We obtained evidence that the rights to tenure of the area of interest are current and that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditures by reviewing supporting documents of a sample of the Group's tenement holdings</p> <p>We evaluated whether the exploration and evaluation expenditures are expected to be recouped, either through successful development and exploitation or through sale</p> <p>We enquired with management and evaluated whether exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.</p> <p>We enquired with those charged with governance whether they monitor that these expenses are capitalised as per AASB6</p> <p>We have obtained sufficient appropriate audit evidence with regards to the capitalised amount as disclosed in the note to financial statements.</p> <p>We also considered the appropriateness of the related disclosure in Notes 5 and 7 to the financial statements.</p>
<p><b>Assessment of Carrying Value of Exploration and Evaluation Assets</b></p> <p>As disclosed in Note 5, as at 30 June 2025, the carrying amount of the Exploration expenditure of \$2,396,515 represents a significant asset of the Group.</p> <p>We focus on the assessment of the carrying value of the exploration and evaluation asset as this represents a significant asset of the Group. We need to assess whether the facts and circumstances existed to suggest that the carrying value of this asset may exceed its</p>	<p>We ensured the Group has tested at the level of area of interest where the following indicators are present: (a) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned (c) exploration for and evaluation of mineral</p>

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<p>recoverable amount. Significant judgement is involved in considering if there was impairment indicator and estimating the value of the asset and the potential material impact on the financial report.</p> <p>As part of their annual impairment review management prepared a list of all its exploration and evaluation assets and reviewed these against their list of impairment indicators. Where impairment indicators existed, management performed an impairment review in accordance with AASB 136 Impairment of Assets. Impairment issues were identified by the management in certain tenements and subsequently \$159,741 was written off during this year in respect of areas of exploration in the exploration and evaluation assets. A further \$316,157 was impaired during this year in respect of areas of exploration in the exploration and evaluation assets.</p>	<p>resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.</p> <p>We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's areas of interest were planned.</p> <p>We enquired with management, reviewed announcements made and reviewed minutes of the directors' meetings to ensure that the Group had not decided to discontinue activities in any of its areas of interest.</p> <p>We evaluated management's assessment of impairment indicators including the conclusion reached.</p> <p>We also considered the appropriateness of the related disclosure in Notes 5 and 7 to the financial statements.</p>
<p><b>Assessment of the provision for rehabilitation of the land used in mining operation</b></p> <p>As disclosed in Note 9, as at 30 June 2025, the carrying amount of the provision for land rehabilitation of \$1,081,683 represents a significant liability of the Group.</p> <p>We focus on the assessment of the provision for rehabilitation of the land used in mining operation as this represents a significant liability of the Group and the quantum of the rehabilitation work is uncertain.</p> <p>The Group makes provision for the rehabilitation of the land used in its mining operations. The provision is required to estimate the costs that the Group will incur to rehabilitate the land in the future. The estimates are subject to a number of factors that can vary. These factors include of the costs of performing the work, the area of land</p>	<p>We assessed the reasonableness of the rehabilitation earthworks cost estimate for the land used in mining operations.</p> <p>Additionally, we reviewed the appropriateness of the related disclosures in Notes 9 and 22 of the financial statements.</p>

to be rehabilitated, regulatory changes, technological changes and discounting factors.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This audit report relates to the financial report of Hawthorn Resources Limited for the year ended 30 June 2025 included on Hawthorn Resources Limited's web site. The directors are responsible for the integrity of the Hawthorn Resources Limited's web site. We have not been engaged to report on the integrity of the Hawthorn Resources Limited's web site. The audit report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report resent on this web site.

### **Responsibilities of the directors for the financial report**

The directors of the consolidated entity are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

For such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In the basis of preparation, the directors also state that the financial statements have been prepared in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

### Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 9 of the directors' report for the financial year ended 30 June 2025.

In our opinion the Remuneration Report of Hawthorn Resources Limited for the financial year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Connect National Audit*

### CONNECT NATIONAL AUDIT PTY LIMITED

Authorised Audit Company No. 521888



**ROBIN KING HENG LI RCA  
DIRECTOR**

Date 17 September 2025

# HAWTHORN RESOURCES LIMITED

## Additional Information for Shareholders

ASX Listing Rule 4.10 at 18 September 2025

### 1. 20 Largest Shareholders – HAW ordinary shares

Registered holder	Holding	%	Rank
FENG HUA MINING INVESTMENT HOLDING (HK) LIMITED	120,788,101	36.05	1
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	54,694,572	16.33	2
LEGACY IRON ORE LIMITED	12,575,000	3.75	3
MR M KERR & MRS L KERR <LINDMARK STAFF S/F A/C>	11,854,088	3.54	4
CITICORP NOMINEES PTY LIMITED	6,817,972	2.04	5
MR BRIAN THORNTON	5,761,879	1.72	6
BAGBO PTY LTD	5,117,099	1.53	7
DR MARK THEO BLOCH	4,418,938	1.32	8
MR VICTOR LORUSSO	4,320,492	1.29	9
YELRIF INVESTMENTS PTY LTD <YELRIF INV P/L P/FUND A/C>	4,000,000	1.19	10
NEWMEK INVESTMENTS PTY LTD	3,215,224	0.96	11
MR MICHAEL ROBERT WELLARD	2,500,000	0.75	12
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,468,589	0.74	13
AUSTIC ENTERPRISES PTY LTD	2,250,000	0.67	14
MR M MITCHELL & MRS L MITCHELL <M & L MITCHELL S/F A/C>	1,800,000	0.54	15
MR DONG BO <HWEI WYNN FAMILY A/C>	1,770,000	0.53	16
BERKELEY CONSULTANTS PTY LTD <THE BERKELEY A/C>	1,500,000	0.45	17
MR BRENDAN PHYLAND	1,382,537	0.41	18
MS JANET ELIZABETH WELLARD	1,328,319	0.40	19
KRISHNAJIPITALE PTY LTD <KRISHNAJI PITALE S/F A/C>	1,326,112	0.40	20
<b>Total – 20 largest holders</b>	<b>249,888,922</b>	<b>74.59</b>	<b>20</b>
<b>Total – all others</b>	<b>85,126,691</b>	<b>25.41</b>	<b>1,519</b>
<b>TOTAL</b>	<b>335,015,613</b>	<b>100.00</b>	<b>1,539</b>

### 2. Range of Shareholdings – HAW ordinary shares

Range	Holding	%	No. of holders	%
100,001 and over	307,191,445	91.69	191	12.41
10,001 to 100,000	24,360,465	7.27	664	43.14
5,001 to 10,000	2,373,582	0.71	304	19.75
1,001 to 5,000	1,064,980	0.32	264	17.15
1 to 1,000	25,141	0.01	116	7.54
<b>Total</b>	<b>335,015,613</b>	<b>100.00</b>	<b>1,539</b>	<b>100.00</b>

### **3. Marketable Parcels**

There were 566 holders with less than a marketable parcel (market value less than \$500) of the Company's ordinary shares (being 8,333 shares at the closing market price of \$0.060 per share on 18 September 2025). These holdings totalled 2,326,605 shares or 0.69% of all shares on issue.

### **4. Buy-Back**

The Company has not undertaken any buy-back during or since the end of the period under review.

### **5. Substantial Shareholdings**

At 18 September 2025, the following substantial shareholdings have been declared to the Company:

<b>Declared entity</b>	<b>No. of shares</b>	<b>%</b>
Feng Hua Mining Investment Holding (HK) Ltd	120,788,101	36.05
Li, Yijie (indirect)	120,788,101	36.05
Christopher D Corrigan	54,694,572	16.33

### **6. Other Securities**

At 18 September 2025, HAW has no options, performance rights, or other securities on issue.

### **7. Corporate Governance**

The Board of Directors of Hawthorn Resources Limited are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period.

The Corporate Governance Statement and the Appendix 4G statement have been released to the ASX and can be found on the Company's website at [www.hawthornresources.com](http://www.hawthornresources.com)

# HAWTHORN RESOURCES LIMITED

## Table of Interests in Mining Tenements

Project/Tenement	Interest at 30-Jun-25	Interest at 30-Jun-24	Joint Venture Partner / Farm-In/Out Partner
<b>Pinjin East</b>			
E 31/782	100%	100%	
E 31/1050	100%	100%	
<b>Edjudina-Triumph</b>			
M 31/481	0%	100%	
<b>Mt Bevan JV</b>			
E 29/510 (magnetite)	0%*	28%	Legacy Iron Ore Limited & Hancock Magnetite Holdings Pty Ltd
* 1% FOB Royalty			
E 29/510 (lithium)	34%	37%	Legacy Iron Ore Limited & Hancock Magnetite Holdings Pty Ltd
<b>Trouser Legs JV</b>			
E 31/1094	70%	70%	GEL Resources
G 31/4	70%	70%	GEL Resources
L 31/32	70%	70%	GEL Resources
L 31/65	70%	70%	GEL Resources
L 31/66	70%	70%	GEL Resources
L 31/68	70%	70%	GEL Resources
L 31/69 (A)	0%	0%	GEL Resources
M 31/78	70%	70%	GEL Resources
M 31/79	70%	70%	GEL Resources
M 31/88	70%	70%	GEL Resources
M 31/113	70%	70%	GEL Resources
M 31/284	70%	70%	GEL Resources
<b>Edjudina – Pinjin JV</b>			
E 31/789	0%	80%	Karora Resources Pty Ltd
<b>Teutonic Bore Royalty **</b>			
E 37/902	0%	0%	Round Oak Jaguar Pty Ltd
** Royalty up to \$1m subject to conditions			

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*Optimisation drilling at Anglo Saxon Project*