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# Hawthorn Resources Limited

ABN 44 009 157 439

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## FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

**THIS REPORT SHOULD BE READ IN CONJUNCTION WITH  
THE JUNE 2023 ANNUAL FINANCIAL REPORT AND  
THE SEPTEMBER AND DECEMBER 2023 QUARTERLY ACTIVITY STATEMENTS**

These reports can be viewed on the Company's website at:  
[www.hawthornresources.com](http://www.hawthornresources.com)

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Hawthorn Resources Limited

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# Hawthorn Resources Limited

## Corporate Directory

### Directors

Mr Li, Yijie (Chairman and Non-Executive Director)  
Mr Brian F Thornton (Managing Director and CEO)  
Mr Liu, Zhensheng (Non-Executive Director)  
Mr Joseph D Corrigan (Non-Executive Director)

### Company Secretary

Glenn Fowles

### Chief Financial Officer

Tony Amato

### Registered Office

Level 23, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 Australia  
Telephone: +61 425 703 805  
E-mail: [cosec@hawthornresources.com](mailto:cosec@hawthornresources.com)  
Internet: <http://www.hawthornresources.com>

### Legal Form

A public company - Liability Limited by Shares

### Country of Incorporation

Australia

### Share Registry

Link Market Services Ltd,  
Collins Square Tower Four, 727 Collins Street, Melbourne Victoria 3008, Australia  
Telephone: +61 1300 554 474 (toll free within Australia)

### Auditors

Connect National Audit Pty Ltd  
Level 14, 333 Collins Street  
Melbourne VIC 3000

### Australian Securities Exchange Listing Code

HAW Ordinary shares

### Bankers

National Australia Bank Limited  
Level 1, 99 Bell Street  
Preston Victoria 3072 Australia

### Solicitors

Thomson Geer  
Rialto Towers, 525 Collins Street  
Melbourne Victoria 3000, Australia

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# Hawthorn Resources Limited

## Directors' Report

The Directors of Hawthorn Resources Limited present their report for the half year ended 31 December 2023.

### 1 DIRECTORATE

The Directors of the Company in office since 1 July 2023 and up to the date of this Report are:

Mr Li, Yijie	Chairman and Non-Executive Director
Mr Brian F Thornton	Managing Director and CEO (formerly NED)
Mr Liao, Yongzhong (resigned 9 November 2023)	Non-Executive Director
Mr Liu, Zhensheng	Non-Executive Director
Mr Joseph D Corrigan	Non-Executive Director

### 2 REVIEW AND RESULTS OF OPERATIONS

#### 2.1 Objectives

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

#### 2.2 Results

During the half year the Company recorded revenue of \$292,021 (2022: \$66,485) and generated a consolidated total comprehensive loss from continuing operations of \$203,749 for the half-year ended 31 December 2023 (2022: loss of \$760,122).

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

Consolidated comprehensive loss for the half year amounted to \$203,749 (2022: \$760,122 loss). Exploration and evaluation expenditure written off during the half year amounted to \$96,060 (2022: \$162,944).

##### **Statement of Financial Position**

At 31 December 2023, the consolidated entity had cash and cash equivalents on hand of \$13,399,128 (30 June 2023: \$14,071,071) and trade and other receivables of \$45,158 (30 June 2023: \$2,986), with net current assets of \$11,867,114 (30 June 2023: \$12,277,326). Total net assets amount to \$14,222,532 (30 June 2023: \$14,430,943), including exploration and evaluation assets of \$2,355,418 (30 June 2023: \$2,153,617).

##### **Cash Flow**

During the half-year, the consolidated entity's cash and cash equivalents decreased by \$671,943 (31 December 2022: \$1,055,610) with operations expenditure of \$318,826 (2022: \$517,653). Payments for exploration and development expenditure amounted to \$353,117 (2022: \$537,957).

#### 2.3 Corporate Activities

##### **Funding**

##### **Issued Securities**

##### **2.3.1 ASX Quoted Ordinary fully paid shares:**

As at 31 December 2023, the number of ordinary shares on issue is represented by 335,015,613 ordinary fully paid shares (30 June 2023: 335,015,613). At the date of this report the number of shares on issue is 335,015,613.

##### **Net Asset Backing per Share**

As at 31 December the Net Asset Backing per one ordinary fully paid share:

December 2023	\$0.042
June 2023	\$0.043

#### 2.4 Dividends

The Company has not paid a dividend during the period nor has proposed a dividend.

Hawthorn Resources Limited  
Directors' Report

**2.5 Earnings per Share**

	Dec 2023	Dec 2022
Basic (loss) / earnings per share	(\$0.00062)	(\$0.00229)
Diluted (loss) / earnings per share	(\$0.00062)	(\$0.00229)

**2.6 Exploration and Mining Operations**

The Company provided updates and information about its exploration and mining operations that have occurred up to the date of this report by way of ASX releases on the following dates:

- 21 July 2023 - Quarterly Activities Report - Jun23
- 18 October 2023 – Drilling program at Anglo-Saxon
- 30 October 2023 - Quarterly Activities Report - Sep23
- 30 January 2024 - Quarterly Activities Report - Dec23

Other than the information contained in these there is no other material information for these operations.

**2.7 Subsequent Events**

There have not been any matters or circumstances, other than those referred to in the financial statements or referred to elsewhere in this Directors' Report, that have arisen since the end of the financial half-year, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**2.8 Environmental Regulation**

The Company, as an exploration / mining entity, is subject to both State and Federal legislation – in particular the Mining Act WA 1978, as amended 2010, covering Environmental; Hydrological; Geotechnical and O H & S matters as referred to under the Act.

The Company is not aware of any material breaches of any of these environmental related regulations.

**2.9 Health & Safety**

The Board, CEO and senior management team are committed to creating a positive environment for the health and wellbeing of the Company's employees and anyone affected by our operations, including contractors and visitors.

**3 AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is attached to this Report.

Signed in accordance with a resolution of the Board of Directors at Melbourne this 14<sup>th</sup> day of March 2024.



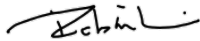
Mr Brian F Thornton  
Managing Director and CEO

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

As lead auditor for the review of Hawthorn Resources Limited and its controlled entities for the half-year ended 31 December 2023, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Hawthorn Resources Limited.



**ROBIN KING HENG LI CA RCA**  
**DIRECTOR**  
**CONNECT NATIONAL AUDIT PTY LTD**  
Authorised Audit Company No. 521888  
14 March 2024

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# Hawthorn Resources Limited

ABN 44 009 157 439

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## **FINANCIAL REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

THIS REPORT SHOULD BE READ IN CONJUNCTION WITH  
THE 2023 ANNUAL FINANCIAL REPORT

Hawthorn Resources Limited  
Statement of Profit or Loss and Other Comprehensive Income  
For the Half-Year Ended 31 December 2023

	<u>Note</u>	<b>Consolidated</b>	
		<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
		<b>\$</b>	<b>\$</b>
Revenue	3	292,021	66,485
Exploration expenditure impaired		(96,060)	(160,321)
Exploration expenditure expensed		-	(2,623)
Mining costs expensed		-	-
Administration expense		(399,710)	(663,663)
<b>Loss before income tax</b>		<b>(203,749)</b>	<b>(760,122)</b>
Income tax expense		-	-
<b>Loss for the period from continuing operations after income tax</b>		<b>(203,749)</b>	<b>(760,122)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(203,749)</b>	<b>(760,122)</b>
Total comprehensive loss for the period is attributable to:			
Owners of Hawthorn Resources Limited		(208,412)	(763,000)
Non-controlling interest		4,663	2,878
		<b>(203,749)</b>	<b>(760,122)</b>
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic loss per share for the period attributable to ordinary equity holders	7	(0.062)	(0.229)
Diluted loss per share for the period attributable to ordinary equity holders	7	(0.062)	(0.229)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes to the financial statements.



Hawthorn Resources Limited  
Statement of Financial Position as at 31 December 2023

	<u>Note</u>	<b>Consolidated</b>	
		<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		13,399,128	14,071,071
Trade and other receivables		45,158	2,986
Prepayments		33,150	-
<b>Total Current Assets</b>		<b>13,477,436</b>	<b>14,074,057</b>
<b>Non-Current Assets</b>			
Exploration expenditure	4	2,355,418	2,153,617
<b>Total Non-Current Assets</b>		<b>2,355,418</b>	<b>2,153,617</b>
<b>TOTAL ASSETS</b>		<b>15,832,854</b>	<b>16,227,674</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		496,341	669,283
Provisions		1,113,981	1,127,448
<b>Total Current Liabilities</b>		<b>1,610,322</b>	<b>1,796,731</b>
<b>TOTAL LIABILITIES</b>		<b>1,610,322</b>	<b>1,796,731</b>
<b>NET ASSETS</b>		<b>14,222,532</b>	<b>14,430,943</b>
<b>EQUITY</b>			
Contributed equity	5	54,219,505	54,219,505
Accumulated losses		(39,996,973)	(39,788,562)
<b>TOTAL EQUITY</b>		<b>14,222,532</b>	<b>14,430,943</b>

The statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

Hawthorn Resources Limited  
Statement of Cash Flows for the Half-Year Ended 31 December 2023

	<b>Consolidated</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments in the course of operations	(610,847)	(584,138)
Interest received	292,021	66,485
<b>Net cash used in operating activities</b>	<b>(318,826)</b>	<b>(517,653)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration expenditure	(353,117)	(537,957)
<b>Net cash used in investing activities</b>	<b>(353,117)</b>	<b>(537,957)</b>
Net decrease in cash and cash equivalents	(671,943)	(1,055,610)
Cash and cash equivalents at beginning of period	14,071,071	13,775,136
<b>Cash and cash equivalents at end of period</b>	<b>13,399,128</b>	<b>12,719,526</b>

The statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.

Hawthorn Resources Limited  
Statement of Changes in Equity for the Half-Year Ended  
31 December 2023

	Contributed Equity	Accumulated Losses	Non- controlling interest	Total Equity
	\$	\$	\$	\$
<b>CONSOLIDATED</b>				
<b>At 1 July 2022</b>	54,084,505	(39,873,513)	-	14,210,992
Loss for the period from continuing operations after income tax		(763,000)	2,878	(760,122)
<b>Total comprehensive income for the year</b>		(763,000)	2,878	(760,122)
<b>At 31 December 2022</b>	54,084,505	(40,636,513)	2,878	13,450,870
<b>At 1 July 2023</b>	54,219,505	(39,788,561)	-	14,430,944
Loss for the period from continuing operations after income tax		(208,412)	4,663	(203,749)
<b>Total comprehensive income for the year</b>		(208,412)	4,663	(203,749)
Contribution to exploration expenditure	-	-	(4,663)	(4,663)
<b>At 31 December 2023</b>	54,219,505	(39,996,973)	-	14,222,532

The statement of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

Hawthorn Resources Limited  
Notes to the Financial Statements  
For the Half-Year Ended 31 December 2023

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**(a) Reporting Entity**

Hawthorn Resources Limited (the “Company”) is a company domiciled in Australia. This financial report as at, and for the half-year ended, 31 December 2023 is for the consolidated entity which consists of Hawthorn Resources Limited and its controlled entities.

**(b) Basis of Preparation**

The half-year financial report is a general purpose financial report for the half-year ended 31 December 2023, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 “Interim Financial Reporting”.

The half-year financial report does not include all the information required for a full annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the June financial report. It is recommended this half year financial report be read in conjunction with the annual financial report of Hawthorn Resources Limited as at, and for the year ended, 30 June 2023.

It is also recommended that the half-year financial report be considered together with any public announcements made by Hawthorn Resources Limited during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The half-year financial report was approved by the Board of Directors on 14<sup>th</sup> March 2024.

**(c) Summary of material accounting policies**

The Accounting Standards, estimation methods and measurement bases used in this report are the same as those used in the Hawthorn Resources Limited 2023 Annual Report, with the exception of the below.

**(d) New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**2. SEGMENT INFORMATION**

*Identification of reportable operating segments*

Hawthorn Resources Limited operates in the mineral exploration and mining industry in Australia. The Group has adopted *AASB 8 Operating Segments* whereby segment information is presented using a ‘management approach’, i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors. At regular intervals, the board is provided with management information at a group level for the Group’s cash position, the carrying values of exploration permits and a group cash forecast for the next twelve months of operation. On this basis, no segment information is included in these financial statements.

**3. REVENUE**

	31 Dec 2023 \$	31 Dec 2022 \$
Interest	292,021	66,485

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Hawthorn Resources Limited  
Notes to the Financial Statements  
For the Half-Year Ended 31 December 2023

4. **EXPLORATION EXPENDITURE**

**(a) Reconciliation of movements during period**

	31 Dec 2023 \$	30 June 2023 \$
Opening balance	2,153,617	2,018,317
Costs incurred during the period	293,198	683,099
Non-controlling interest contribution	4,663	10,021
Exploration expenditure written off during the year	-	(6,209)
Exploration expenditure impaired during the year (c)	(96,060)	(282,861)
Farm-out arrangement	-	(268,750)
Closing balance	2,355,418	2,153,617

**(b) Critical Judgements**

The ultimate recoupment of capitalised expenditure in relation to each area of interest is dependent on the successful development and commercial exploitation or, alternatively, sale of the respective areas the results of which are still uncertain.

**(c) Impairment**

At 31 December 2023 the Company continued to review its projects and its available resources.

5. **CONTRIBUTED EQUITY**

	Consolidated			
	31 December 2023		30 June 2023	
	No. of shares	\$	No. of shares	\$
Ordinary shares	335,015,613	54,219,505	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.

6. **DIVIDENDS**

No dividends were proposed or paid during the period.

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Hawthorn Resources Limited  
Notes to the Financial Statements  
For the Half-Year Ended 31 December 2023

**7. EARNINGS PER SHARE**

**Basic and diluted earnings per share**

Basic and diluted (loss) / earnings per share is calculated as follows  
(Loss) / Profit for the half year attributable to members

Consolidated	
2023 \$	2022 \$
(208,412)	(763,000)

Weighted average number of ordinary shares at the end of the financial period  
Basic (Loss) / Profit Per Share (cents)  
Weighted average number of ordinary shares at the end of the financial period  
Diluted (Loss) / Profit Per Share (cents)

Consolidated	
2023 Number of Shares	2022 Number of shares
335,015,613	333,515,613
(0.062)	(0.229)
335,015,613	333,515,613
(0.062)	(0.229)

*Options*

There were no outstanding options at 31 December 2023 or 31 December 2022.

*Performance rights*

There are no outstanding performance rights at 31 December 2023.

**8. CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual report date.

**9. EVENTS AFTER BALANCE DATE**

There have not been any matters or circumstances, other than those referred to in the financial statements or referred to elsewhere in this Directors' Report, that have arisen since the end of the financial half-year, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

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Hawthorn Resources Limited  
Director's Declaration  
For the Half-Year Ended 31 December 2023

**DIRECTOR'S DECLARATION  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

In the opinion of the directors of Hawthorn Resources Limited:

1. the financial statements and notes to the financial statements, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2023 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting and the Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 14<sup>th</sup> day of March 2024.

Signed in accordance with a resolution of the directors:



Mr Brian F Thornton  
Managing Director and CEO

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## Independent Auditor's Review Report

To the members of Hawthorn Resources Limited and its controlled entities

### Report on the Half-year Financial Report

#### **Conclusion**

We have reviewed the accompanying Half-year Financial Report of Hawthorn Resources Limited and its controlled entities.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Hawthorn Resources Limited and its controlled entities is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### **The Half-year Financial Report comprises:**

- Statement of financial position as at 31 December 2023;
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the Half-year ended on that date;
- Notes 1 to 9 comprising a summary of material accounting policies and other explanatory information; and
- The Directors' Declaration.

#### **Responsibilities of the Directors for the Half-year Financial Report**

The Directors of the Company are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

#### **Other Information**

The directors are responsible for the other information Hawthorn Resources Limited. The other information comprises the information included in the Group's financial report for the year ended 31 December 2023, 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 review report relates to the financial report of Hawthorn Resources Limited for the half year ended 31 December 2023 included on Hawthorn Resources Limited web site. The directors are responsible for the integrity of the Hawthorn Resources Limited web site. We have not been engaged to report on the integrity of the Hawthorn Resources Limited web site. The review report refers only to the statements named below. 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 reviewed financial report to confirm the information included in the reviewed financial report resented on this web site.

***Auditor's responsibility for the review of the Half-year Financial Report***

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Hawthorn Resources Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

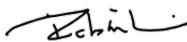
A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

*Connect National Audit*

**CONNECT NATIONAL AUDIT PTY LTD**

Authorised Audit Company No. 521888



**ROBIN KING HENG LI CA RCA**

**DIRECTOR**

14 March 2024