

24 August 2017

The ASX Limited
Market Announcement Office



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COMPANY ANNOUNCEMENT

Dear Sirs

re: **Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) as amended by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84**

This notice is given by Hawthorn Resources Limited ACN 009 157 439 (**Hawthorn**) under section 708AA(2)(f) of the *Corporations Act 2001 (Cth) (Corporations Act)* as amended by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*.

Hawthorn announced on Thursday, 24 August 2017 an accelerated non-renounceable entitlement offer (**Entitlement Offer**) of approximately 150,000,000 new fully paid ordinary shares (**New Shares**), at an issue price of A\$0.04 per share, to raise approximately A\$6 million before costs.

The Entitlement Offer gives eligible shareholders the opportunity to participate on the basis of 1 New Share for every 1.141757626 fully paid ordinary shares held as at 7.00pm (AEST) on Monday, 28 August 2017, by shareholders with a registered address in Australia and New Zealand (and any other jurisdiction as determined by Hawthorn).

Hawthorn states that:

- 1 it will offer for issue the New Shares to be issued under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Corporations Act;
- 2 this notice is being given under section 708AA(2)(f) of the Corporations Act;
- 3 as at the date of this notice, Hawthorn has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to Hawthorn; and
 - (b) Section 674 of the Corporations Act; and
- 4 the potential effect that the Entitlements Offer will have on the control of Hawthorn and the consequences of that effect are set out in section of the 'Additional Information' section of the retail offer document in relation to the Entitlement Offer (**Offer Booklet**), which will be sent to eligible shareholders on Thursday, 31 August 2017. This section provides as follows:

If all Entitlements are accepted by Shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of Hawthorn.

If all Entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating Shareholders will be diluted.

Yours faithfully
Hawthorn Resources Limited



per Mourice Garbutt
Company Secretary
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