



**Hawthorn Resources Corp.**

Condensed Interim Financial Statements  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

For the three months ended October 31, 2024

### **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**Hawthorn Resources Corp.**  
Condensed Interim Statement of Financial Position  
(Expressed in Canadian dollars - Unaudited)

As at	October 31, 2024	July 31, 2024
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 20,485	\$ 11,613
Receivables and prepaids (Note 3)	<u>1,673</u>	<u>-</u>
	22,158	11,613
<b>Exploration and evaluation asset (Note 4)</b>	<u>79,500</u>	<u>69,500</u>
	<u>\$ 101,658</u>	<u>\$ 81,113</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	<u>\$ 146,825</u>	<u>\$ 122,787</u>
<b>Shareholders' equity (deficit)</b>		
Share capital (Note 5)	665,016	665,016
Subscriptions received in advance (Note 11)	20,000	-
Reserves (Note 5)	18,804	18,804
Deficit	<u>(748,987)</u>	<u>(725,494)</u>
	<u>(45,167)</u>	<u>(41,674)</u>
	<u>\$ 101,658</u>	<u>\$ 81,113</u>

Nature and continuance of operations (Note 1)  
Subsequent events (Notes 4 and 11)

Approved on Behalf of the Board on December 18, 2024

"Daniel Joyce"  
Daniel Joyce - Director

"Samantha Shorter"  
Samantha Shorter - Director

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Hawthorn Resources Corp.****Condensed Interim Statement of Loss and Comprehensive Loss  
(Expressed in Canadian dollars - Unaudited)**

	For the three months ended October 31, 2024	For the three months ended October 31, 2023
<b>EXPENSES</b>		
Exploration expenses (Note 4)	\$ -	\$ 52,234
Management fees	-	12,000
Office and rent	485	3,188
Professional fees (Note 6)	13,395	25,963
Transfer agent, listing and filing fees	<u>9,613</u>	<u>4,678</u>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (23,493)</b>	<b>\$ (98,063)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>16,060,000</b>	<b>15,860,000</b>

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Hawthorn Resources Corp.**

## Condensed Interim Statement of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Subscriptions Received in Advance	Deficit	Total
<b>Balance, July 31, 2023</b>	15,860,000	\$ 655,016	\$ 18,804	\$ -	\$ (524,408)	\$ 149,412
Loss for the period	-	-	-	-	(98,063)	(98,063)
<b>Balance, October 31, 2023</b>	15,860,000	655,016	18,804	-	(622,471)	51,349
Shares issued as property acquisition costs	200,000	10,000	-	-	-	10,000
Loss for the period	-	-	-	-	(103,023)	(103,023)
<b>Balance, July 31, 2024</b>	16,060,000	665,016	18,804	-	(725,494)	(41,674)
Subscriptions received in advance	-	-	-	20,000	-	20,000
Loss for the period	-	-	-	-	(23,493)	(23,493)
<b>Balance, October 31, 2024</b>	16,060,000	\$ 665,016	\$ 18,804	\$ 20,000	\$ (748,987)	\$ (45,167)

*The accompanying notes are an integral part of these condensed interim financial statements.*

**Hawthorn Resources Corp.**  
Condensed Interim Statement of Cash Flows  
(Expressed in Canadian dollars - Unaudited)

For the three months ended,	October 31, 2024	October 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (23,493)	\$ (98,063)
Changes in non-cash working capital items:		
Receivables and prepaid expenses	(1,673)	(10,068)
Accounts payable and accrued liabilities	<u>24,038</u>	<u>67,835</u>
Net cash used in operating activities	<u>(1,128)</u>	<u>(40,296)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	<u>(10,000)</u>	<u>-</u>
Net cash used in investing activities	<u>(10,000)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Subscriptions received in advance	<u>20,000</u>	<u>-</u>
Net cash provided by financing activities	<u>20,000</u>	<u>-</u>
<b>Change in cash for the period</b>	8,872	(40,296)
<b>Cash, beginning of period</b>	<u>11,613</u>	<u>136,768</u>
<b>Cash, end of period</b>	<u>\$ 20,485</u>	<u>\$ 96,472</u>

Note 9 – Supplemental disclosures with respect to cash flows.

*The accompanying notes are an integral part of these condensed interim financial statements.*

## **1 NATURE AND CONTINUANCE OF OPERATIONS**

Hawthorn Resources Corp., (the “Company”) was incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on September 8, 2020.

The address of its head office is located at Suite 420-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6. The Company’s registered and records office is Suite 420-625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6.

The Company’s shares commenced trading on the Canadian Securities Exchange (the “CSE”) on February 22, 2023, under the symbol HWTN.

These condensed interim financial statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or achieve profitable operations. The Company has incurred losses since inception and has an accumulated deficit of \$748,987. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management may be required to curtail certain expenses. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. These condensed interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

## **2 BASIS OF PREPARATION**

### **Statement of compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”).

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited financial statements of the Company for the years ended July 31, 2024 and 2023.

### **Basis of presentation**

The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### **Use of judgments and estimates**

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

## 2 BASIS OF PREPARATION (cont'd...)

### *Use of judgments and Estimates* (Cont'd...)

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

The key areas of judgment applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise additional funding to cover its ongoing operating expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

- Valuation of exploration and evaluation assets

The recognition of exploration and evaluation assets requires judgment regarding future recoverability and carrying cost. The cost model is utilized and the value of the exploration and evaluation assets is based on the acquisition expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

## 3 RECEIVABLES AND PREPAID EXPENSES

	October 31, 2024	July 31, 2024
GST Receivable	\$ 1,655	\$ -
Prepaid expenses	18	-
	\$ 1,673	\$ -

## 4 EXPLORATION AND EVALUATION ASSETS

### *Broken Handle Property*

The Company entered into an option agreement (the "**Broken Handle Agreement**") with Origen Resources Inc. (the "**Optionor**") on December 15, 2020, subsequently amended, to acquire a 75% right, title and interest (the "**Acquired Interest**") to certain claims (the "**Broken Handle Project**") subject to a 1.5% net smelter return ("**NSR**") royalty on the Acquired Interest (the "**Optionor 1.5% NSR**").



**Hawthorn Resources Corp.**  
Notes to the Condensed Interim Financial Statements  
For the three-month period ended October 31, 2024  
(Expressed in Canadian dollars)

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**4 EXPLORATION AND EVALUATION ASSETS (cont'd...)**

*Broken Handle Property* (cont'd...)

- i. \$25,000 and issuing 150,000 shares within 15 days of acceptance of the National Instrument (“NI”) 43-101 report by a recognised Canadian Stock Exchange and approval to list the shares to trade (“Exchange Approval Date”)(paid and issued with a fair value of \$19,500);
  - ii. Issuing 200,000 shares on or before February 22, 2024 (issued with a fair value of \$10,000);
  - iii. \$10,000 on or before October 22, 2024 (paid);
  - iv. \$50,000 on or before November 15, 2024 (paid subsequent to period end);
  - v. \$70,000 and issuing 250,000 shares on or before February 22, 2025;
  - vi. \$80,000 and issuing 400,000 shares on or before February 22, 2026.
- b) incurring \$500,000 in exploration expenditures as follows:
- i. \$100,000 on or before February 22, 2024 (completed);
  - ii. \$400,000 on or before February 22, 2025.

The Company will have the right to purchase from Origen 1% of the Optionor 1.5% NSR within one year of commencement of commercial production, at a cost of \$1,000,000.

The Broken Handle Project is also subject to a 1% NSR (“**1% NSR**”) payable to an arm’s-length private company.

	<b>Broken Handle Project</b>
Acquisition costs, July 31, 2023	\$ 59,500
Additions – shares	<u>10,000</u>
Acquisition costs, July 31, 2024	69,500
Additions – cash	<u>10,000</u>
Acquisition costs, October 31, 2024	<u>\$ 79,500</u>

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**4 EXPLORATION AND EVALUATION ASSETS (cont'd...)**

*Broken Handle Property* (cont'd...)

During the three months ended October 31, 2024 and October 31, 2023 the Company incurred the following exploration expenses:

For the three-month period ended,	October 31, 2024	October 31, 2023
Camp costs	\$ -	\$ 5,296
Communication	-	449
Field equipment rental	-	4,305
Field supplies	-	529
Fuel	-	539
Geological consulting	-	38,342
Mobilization/demobilization	-	1,127
Vehicle rental	-	1,647
	\$ -	\$ 52,234

**5 SHARE CAPITAL**

**(a) Authorized**

Unlimited number of common shares without par value.

**(b) Issued and outstanding**

There were no shares issued during the period ended October 31, 2024.

During the year ended July 31, 2024, the Company issued 200,000 common shares with a fair value of \$10,000 as property acquisition costs (Note 4).

**(c) Escrowed shares**

As at October 31, 2024, the Company had 1,116,000 common shares subject to escrow release restrictions based on time such that 372,000 shares will be released on February 22, 2025 and every 6 months thereafter.

**(d) Stock options**

The Company has adopted an incentive stock option plan, which provides that the Company may grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. There are no stock options outstanding as of October 31, 2024.

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Notes to the Condensed Interim Financial Statements  
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**5 SHARE CAPITAL (cont'd...)**

**(e) Agent Options**

The following is a summary of the Company's agent options activity:

	Number of agent options	Weighted average exercise price \$
<b>Balance, July 31, 2023, July 31, 2024 and October 31, 2024</b>	<b>350,000</b>	<b>0.10</b>

As of October 31, 2024, the Company has agent options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise Price \$	Remaining life (years)	Number of options outstanding	Number of options exercisable
February 23, 2025	0.10	0.32	350,000	350,000

**6 RELATED PARTY TRANSACTIONS**

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

During the period ended October 31, 2024 the Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed interim financial statements:

	October 31, 2024	October 31, 2023
Professional fees	\$ 4,500	\$ 4,500

As at October 31, 2024, \$37,527 (July 31, 2024 - \$18,900) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to professional fees and reimbursement of expenses.

**7 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Financial instruments**

Cash and accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments.

*Credit risk*

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash in a major Canadian bank.

## **7 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

### **Financial instruments (cont'd...)**

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at October 31, 2024, the Company had a working capital deficit of \$124,667 (July 2024 – deficit of \$111,174). The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

#### *Interest rate risk*

The Company's financial asset exposed to interest rate risk consists of cash. As at October 31, 2024, the Company maintained all of its cash balance on deposit with a major Canadian bank. The Company does not have interest-bearing debt and does not rely on interest income for its operational forecast.

#### *Foreign currency risk*

The Company may at times be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at October 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

#### *Price risk*

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

## **8 CAPITAL MANAGEMENT**

The Company's capital management objective is to maintain financial capacity that is strong to sustain the future development of the business.

The Company's capital structure includes shareholders' equity. The Company manages its capital structure to maximize its financial flexibility to adjust to changes in economic conditions. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's management of capital for the period ended October 31, 2024.

## **9 SUPPLEMENT DISCLOSURES WITH RESPECT TO CASH FLOWS**

The Company did not have significant non-cash transactions during the period ended October 31, 2024 and October 31, 2023.

## **10 SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of resource properties in British Columbia, as described in Note 4.

## **11 SUBSEQUENT EVENTS**

Subsequent to the three-month period ended October 31, 2024, the Company:

- Closed a non-brokered private placement financing and issued 5,000,000 common shares at a price of \$0.10 per common share for aggregate gross proceeds of \$500,000. The Company paid \$22,800 as finders' fees.
- Issued 300,000 stock options at a price of \$0.13 per stock option. All stock options vested upon grant and expire five years after the grant date.