

Hawsons holds Letters of Intent for up to 58 Mtpa of high-grade concentrate

Key points

- Letters of Intent reflect strong global steel industry offtake demand for up to 58 Mtpa of high-grade Hawsons Supergrade® product
- Domestic, Asian and Middle Eastern Steel Mills account for 22 Mtpa and commodity traders make up the balance of demand
- Signals sufficient potential demand to support scale up of Hawsons Iron Project to 20 Mtpa

Hawsons Iron Ltd (**Hawsons** or the **Company**) has agreed non-binding Letters of Intent (**LOIs**) for the offtake of up to 58 million tonnes per annum (**Mtpa**) of high-grade Hawsons Supergrade® concentrate from the global steel sector as pressure on the industry rises to decarbonise production.

Managing Director Mr Bryan Granzien said the current list of 18 potential off-takers, predominantly targeting Asia and the Middle East, included 12 steel mill operators and six commodity trading houses. Demand also exists from Mining Companies for discussion on offtake when a Bankable Feasibility Study (**BFS**) is completed or nearing completion.

“Significantly, we have been in discussion with representatives from several parties, including global mining groups, steel mill operators and commodity traders, who have also expressed investment interest to support development of our world class Hawsons Iron Project near Broken Hill, when BFS information is more advanced,” Mr Granzien said.

“This level of investment interest in the project and robust offtake demand is clearly a strong demonstration that making the transition to producing zero-emission ‘Green Steel’ is front and centre on the global steel industry’s planning horizon and that Australia is a preferred supplier of high-grade magnetite concentrate.”

Mr Granzien noted the potential demand was almost three times the project’s envisaged 20 Mtpa production rate before work on the BFS was slowed while a strategic review on scaling options could be undertaken in response to escalating capital expenditure costs. *(See ASX Announcement dated 17 October 2022: Bankable Feasibility Study Activity Slowed)*

“The strategic review work is narrowing the tonnage start-up and transport pathway options we have identified and the LOIs we now have in hand provide additional confidence that there is more than sufficient market demand to support a modular expansion plan to 20 Mtpa,” he said.

Hawsons is unable to name all the parties due to Commercial-in-Confidence considerations and therefore aggregated the identified demand. LOIs from steel mill operators account for 22 Mtpa of the total and marketers account for the 36 Mtpa balance. Steel mill operators include existing operations and greenfield Direct Reduced Iron (**DRI**) steel mills being considered.

Table 1: Breakdown of signed LOIs

Classification	Letters Of Intent				Letters of Intent - Location			Total
	Previous LOIs	No Longer Operating	Additional LOIs in hand	Total LOIs	Domestic	Middle East & Asia	Global	Tonnage Mtpa
Steel Mills	6	-1	7	12	3	9	-	22
Marketers	1	-	5	6	-	2	4	36
Total	7	-1	12	18	3	11	4	58

Released by authority of the Board

Hawsons Iron Limited

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About Hawsons Iron Ltd

Hawsons Iron Ltd (ASX: HIO) is an iron ore developer and producer listed on the Australian Securities Exchange. The company is focused on developing its flagship Hawsons Iron Project near Broken Hill into a premium provider of high-quality iron ore products for the global steel industry.

The Hawsons Iron Project is situated 60km southwest of Broken Hill, New South Wales, Australia in the emerging Braemar Iron Province. Prefeasibility Study (PFS) results for the Project, which was completed in 2017, showed that it is capable of producing the world's highest-grade iron product (70% Fe), making it among the world's leading undeveloped high-quality iron ore concentrate and pellet feed projects. Leading research firm Wood Mackenzie in Q2 FY 2019 rated the project one of the world's best high-grade iron ore development projects, excluding replacement or expansion projects owned by the established miners.

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