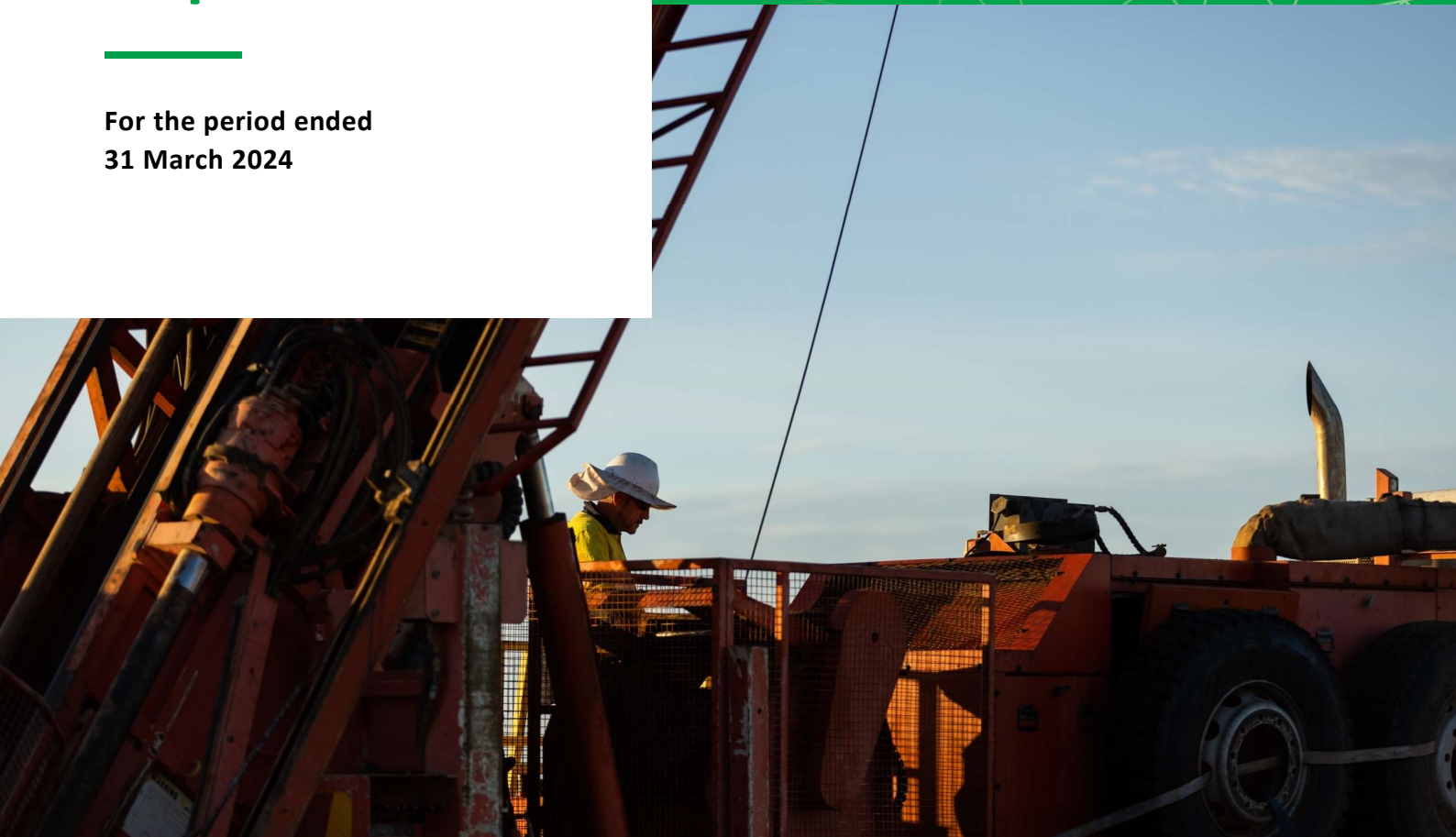


# Quarterly Report

For the period ended  
31 March 2024



**Updated Hawsons Iron Project attracts strong strategic investment  
interest from global steel industry participants**

[hawsons.com.au](http://hawsons.com.au)  
ASX: HIO

 **Hawsons  
IRON** | WORLD'S  
BEST IRON ORE  
PRODUCT

# Highlights

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## Hawsons Iron Project

- Follow-up drilling to further define shallow target-grade magnetite in the Fold Zone south and east of the existing mineral resource exceeded expectations.

### Subsequent to the end of the Quarter

- Subsequent to the end of the Quarter, a project update was announced on [16 April 2024](#).

## Corporate

- Information Memorandum and financial model provided confidentially to seven global steel sector participants in the ongoing process to fund the project's Bankable Feasibility Study.
- Mr Michael Harvey appointed Company Secretary and Chief Financial Officer (CFO).
- Cash outflows during the quarter were \$0.986 million, leaving cash reserves at the end of the quarter standing at \$2.206 million.

### Subsequent to the end of the Quarter

- On [24 April 2024](#), the Company announced completion of a successful Share Placement to sophisticated and institutional investors to raise approximately \$2.25 million before costs, and plans for a Placement to existing Hawsons Shareholders to raise up to an additional \$1.0 million before costs.



# Hawsons Iron Project

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As announced on [29 February 2024](#), results from follow-up drilling to further define the extent, tonnage and grade of shallow magnetite mineralisation in the Fold Zone south and east of the existing mineral resource exceeded expectations.

A total of 21 Reverse Circulation (RC) holes - one of which was abandoned due to ground instability - were drilled for 2,978 metres at an average vertical depth of 120 metres.

The program targeted additional magnetite from surface to 150 metres with a grade greater than 9 per cent recovered magnetic fraction via Davis Tube Recovery (DTR) to improve project cash flows during the first few years of operation and potentially extend the mine's projected life.

Despite weather interruptions, equipment issues and challenging ground conditions reflecting the structural complexity of the Fold Zone, 10 RC holes and one twin Diamond Drill (DD) calibration core hole were drilled in late 2023. Another 11 RC holes were then drilled during the reporting period.

Downhole laboratory analysis and DTR estimated grades indicated significant mineable intersections in 10 of the 11 holes drilled in late 2023 with DTR averages ranging from 9.3-19.7 per cent. Samples from some of the five-metre intervals in several holes were well above 20 per cent.

These assay results confirmed the presence of significant intersections of targeted mineralisation within 30 metres of surface in nine holes while a 10<sup>th</sup> hole intersected significant targeted mineralisation from 35 metres.

Samples from the 11 RC holes drilled this year have been submitted to Bureau Veritas in Adelaide for geochemical analysis and the results will be announced as soon as possible.

However, the DTR estimated grades derived from these holes using hand-held magnetic susceptibility data indicate consistency in tenor with results from the initial 11 holes drilled in 2023.

The confirmed presence of mineable widths of targeted-grade mineralisation above the base of oxidation supports a change in mining strategy to materially shorten the Hawsons Iron Project's ramp-up period to full production.

## **Subsequent to the end of the Quarter**

On 16 April 2024, the Company announced a project update following a comprehensive evaluation of all results to date from work programs recommended by the Strategic Review in [February 2023](#).

For more detail on the Project Update please see the ASX Announcement dated 16 April 2024: [Hawsons Iron Project Update](#).

## Corporate

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Hawsons is in discussions with potential strategic investors to assist in funding engineering, further Resource definition drilling and other activities to deliver a Bankable Feasibility Study (BFS) for the project.

During the quarter Hawsons completed the first stage of its Strategic Investor process and provided a copy of a circa 350-page Information Memorandum (IM), financial model and other associated documents to selected parties.

This IM provided thorough estimates of capital costs, operating costs, mine plan, processing design, infrastructure, transport and the BFS plan, together with all reports from the consulting work carried out over the past two or more years.

A group of seven major national and international steel makers, mining companies and trading houses have executed appropriate confidentiality agreements to facilitate the process and indicated a potential willingness to fund the BFS to progress the project, subject to further due diligence.

Corporate, investor and community stakeholder relations activities were maintained during the period, including meetings with state and local government representatives, industry participants and Shareholders.

### Subsequent to the end of the Quarter

On 24 April 2024, the Company announced the successful completion of a Share Placement to sophisticated and institutional investors to raise around \$2.25 million before costs.

The Company also announced plans for a Shareholder Placement to existing Hawsons Shareholders on the same terms to raise up to an additional \$1.0 million before costs.

Each new ordinary share will be issued at \$0.033 per share and come with a free attached option exercisable at \$0.05 with an expiry date of 30 May 2026.

Proceeds from the capital raising will provide funding for the Strategic Investor process, pre-BFS activities and ongoing working capital.

For more information please refer to the ASX Announcement dated 24 April 2024: [Hawsons Capital Placement](#).

## Cash Activities for the Quarter ending 31 March 2024

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Hawsons Iron Ltd held cash of \$2.206 million at the end of the March 2024 Quarter.

Expenditure was in line with planned operating and investing activities.

**Table 1: Quarterly summary of spending activities**

	Current quarter \$A'000	Year to date \$A'000
<b>1. Operating Activities</b>		
1.2 (d) - Staff Costs	(137)	(369)
1.2 (e) - Administration Costs	(442)	(903)
1.4 – Interest received	8	42
1.5 – Interest and other costs of finance paid	(2)	(4)
<b>Total Operating Activities</b>	<b>(573)</b>	<b>(1,234)</b>
<b>2. Investing Activities</b>		
2.1 (c) - Plant and Equipment	-	(9)
2.1 (d) - Exploration & Evaluation, made up of:		
- Employee costs	(171)	(617)
- Environment & approvals	(7)	(55)
- Resource drilling	(462)	(1,029)
- Project maintenance	(50)	(213)
- Marketing and economic studies	(42)	(122)
- Processing test work	(26)	(303)
- Additional asset purchase	-	-
- Power supply	-	(7)
- Engineering and design	(112)	(1,151)
- Community and landowners	(84)	(183)
- Port and transport	-	(6)
- R&D tax concession received	615	615
<b>Total Exploration &amp; Evaluation</b>	<b>(339)</b>	<b>(3,071)</b>
2.1 (f) – Security bonds	(21)	(31)
<b>Total Investing Activities</b>	<b>(360)</b>	<b>(3,111)</b>
<b>3. Financing Activities</b>		
3.1 - Proceeds from issue of equity securities	-	-
3.4 - Transaction costs	-	-
3.6 – Repayment of borrowings	(21)	(28)
3.9 – Lease principal repayments	(32)	(94)
<b>Total Financing Activities</b>	<b>(53)</b>	<b>(122)</b>

## Payments to related parties of the entity and their associates

65% of Bryan Granzien's gross wages and superannuation was charged and capitalised within the activities outlined in Table 1 at 2.1 (d).

The balance of remuneration remains at item 6.1 of the attached Appendix 5B for Bryan Granzien and 100 per cent for non-executive director fees, totalling \$84,556.

Bryan Granzien Gross Wages	\$34,996
Bryan Granzien Superannuation	\$2,397
Paul Cholakos Director Fee	\$12,500
Paul Cholakos Superannuation	\$1,375
Tony McGrady Director Fee	\$12,500
Tony McGrady Superannuation	\$1,375
Jeremy Kirkwood Director Fee	\$17,500
Jeremy Kirkwood Superannuation	\$1,923
<b>Total</b>	<b>\$84,556</b>

In relation to Listing Rule: 5.3.2 – There were no substantive mining production and development activities during the quarter. The statement of cash flows for the quarter and financial year to date are attached to this report at Appendix 5B.

## Overview and outlook

Hawsons is in the process of securing potential strategic partners prepared to invest in the Hawsons Iron Project and fund the BFS.

A group of seven major national and international steel makers, mining companies and trading houses have executed appropriate confidentiality agreements to facilitate the process and have indicated a potential willingness to fund the BFS to progress the project, subject to further due diligence.

Hawsons has distributed to these potential Strategic Investors a comprehensive Information Memorandum, financial model, market study by consultant AME Mineral Economics Pty Ltd and other associated documents.

The Company is now assisting these parties with their due diligence review of this material before engaging in discussions on investment terms which are expected to conclude in the June Quarter of 2024.

The number of Strategic Investors will then be reduced prior to entering the final stage when confirmatory due diligence will be completed, and definitive investment terms agreed upon.

This final stage is expected to conclude in the September Quarter of 2024 and Hawsons intends to then proceed immediately into the BFS.

Laboratory analysis of all drilling samples and incorporation of this outstanding data into the Company's geological model should also be completed during the current June Quarter - improving the geological information available to potential Strategic Investors and Shareholders.

# Hawsons Iron Ltd tenement schedule 31 March 2024

Licence	Notes	Name	Grant date	Expiry date	Equity	Units	Area – km2
EL6979	1,2	Redan	11/12/2007	11/12/2026	100%	62	180
EL7208	2	Burta	22/09/2008	22/09/2025	100%	100	290
EL7504	2	Little Peak	08/04/2010	08/04/2029	100%	14	41
EL9620	2	Wonga	05/12/2023	05/12/2029	100%	22	71
MLA641		Hawsons Iron	18/12/2023	18/12/2025	100%	n/a	287

- 1) 1.5% NSR royalty to Perilya Broken Hill Pty Ltd.
- 2) Title to 100% Hawsons Iron Ltd completed.
- 3) MLA submitted on 18 December 2023. Tenement application subject to unspecified grant date and conditions.

This report references Mineral Resource information released to the ASX on 26 July, 2022: *Hawsons delivers Mineral Resource upgrade*. This report references Mineral Resource information released to the ASX on 30 September, 2022: *Updated Mineral Resource Estimate*. The Company is not aware of any new information which would materially affect the outcome of the Mineral Resources reported on 26 July and 30 September 2022.

## Release authorised by the Board

Hawsons Iron Limited  
30 April 2024

## Corporate directory

### Business Office

Level 21 | 12 Creek St  
Brisbane QLD 4000, Australia  
Phone: +61 (0)7 3220 2022

### Postal address

PO Box 10919,  
Brisbane QLD 4000

Web: [www.hawsons.com.au](http://www.hawsons.com.au)  
Email: [info@hawsons.com.au](mailto:info@hawsons.com.au)  
ABN: 63 095 117 981  
ACN: 095 117 981

### Contact information

Managing Director - Bryan Granzien  
Phone: +61 (0)7 3220 2022  
Company Secretary & Chief Financial Officer  
Michael Harvey  
Phone: +61 (0)7 3220 2022

### Australian Securities Exchange Ltd

ASX Code: HIO Ordinary Shares

### Share Registry

Link Market Services Limited  
Level 21, 10 Eagle Street  
Brisbane, QLD, 4000  
Phone: 1300 737 760

### Disclosure

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information evaluated by Mr Simon Tear of H&S Consultants Pty Ltd who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

<b>HAWSONS IRON LIMITED</b>
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ABN

<b>63 095 117 981</b>
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Quarter ended ("current quarter")

<b>31 March 2024</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(137)	(506)
(e) administration and corporate costs	(442)	(1,345)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	50
1.5 Interest and other costs of finance paid	(2)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(573)</b>	<b>(1,807)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(9)
(d) exploration & evaluation	(954)	(3,686)
(e) investments	-	-
(f) other – security bonds	(21)	(31)



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	R&D tax concession received	615	615
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(360)</b>	<b>(3,111)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(21)	(28)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease principal repayments	(32)	(94)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(53)</b>	<b>(122)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	<b>3,192</b>	<b>7,246</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(573)	(1,807)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(360)	(3,111)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(53)	(122)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,206</b>	<b>2,206</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,206	3,192
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,206</b>	<b>3,192</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	85
6.2	Aggregate amount of payments to related parties and their associates included in item 2	69

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

**Item 6.1**

- Non-executive director fees \$47,175
- Executive director fees \$37,393 (35% of total fees for the quarter)

**Item 6.2**

- Executive director fees \$69,444 (65% of total fees for the quarter)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities – insurance premium funding	59	59
7.2	Credit standby arrangements	-	-
7.3	Other (Put Option Agreement)	9,188	-
7.4	<b>Total financing facilities</b>	9,247	59
7.5	<b>Unused financing facilities available at quarter end</b>		9,188
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <div style="border: 1px solid black; padding: 10px;"> <p><b>Insurance Premium Funding</b> Insurance premium funding facility provided by Hunter Premium Funding. The amount is unsecured, repayable in monthly instalments by October 2024 and bears interest at 13% per annum.</p> <p><b>LDA Capital</b> Hawsons Iron has entered into a Put Option Agreement with United States investment group LDA Capital Limited. The company may access equity capital over four years at its sole discretion.</p> <p>The Company can draw down funds during the term of the Agreement by issuing ordinary shares of the Company (Shares) for subscription to LDA Capital. The Company may issue call notices to LDA Capital with each call notice being a put option on LDA Capital to subscribe for and pay for those Shares. A Call Notice draws upon the Companies placement capacity which there must be available capacity to initiate a Call Notice on LDA Capital.</p> <p>The issue price of the Shares is calculated at the completion of the 30-Day pricing period, following the Capital Call Notice as the higher of 90% of the 30-day Volume Weighted Average Price (VWAP) after the issue of the Call Notice, and the 'minimum acceptable price' (as defined in the LDA facility) notified by Hawsons to LDA Capital, in each case subject to adjustments for various factors. Based on the historical trading volumes and the HIO share price at the end of the quarter ending 31 March 2024, Hawsons has estimated the total capital limit of the facility at 31 March 2024 at \$9,188,000 (refer 7.3).</p> <p>LDA has the right to reduce the Proposed Capital Call Shares (Subject to adjustments) by up to 50% or increase the number of Proposed Capital Call Shares by up to 100%. Except for option shares, LDA must not, on any Trading Day during the Pricing Period sell Collateral Shares representing more than 1/30<sup>th</sup> of the Shares specified in the Capital Call Notice.</p> <p>The Agreement includes unlisted share options under which HIO will issue 71,500,000 options to LDA Capital. The strike price of the options is \$0.055. Each option has an exercise period of four years.</p> <p>The Company paid an Option Premium Fee to LDA Capital of A\$4 million on 21 December 2022 – 50% (A\$2 million) in cash and 50% in shares (9,173,897 shares) based on 90% of the average VWAP of Shares in the 90-trading day period preceding the 12-month anniversary date from signing of the Agreement. HIO has paid AUD\$21,258 on 16<sup>th</sup> December 2021 to cover LDA Capital legal costs which were capped at US\$25,000, and AUD\$14,423 on 24<sup>th</sup> August 2022 for costs related to the Call Notice.</p> </div>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(573)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(954)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,527)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,206
8.5 Unused finance facilities available at quarter end (item 7.5)	9,188
8.6 Total available funding (item 8.4 + item 8.5)	11,394
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	7.46
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: The Board  
(Name of body or officer authorising release – see note 4)

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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.