



## HAWSONS IRON LIMITED (ACN 095 117 981)

### PROSPECTUS

An offer of:

- (a) up to 30,303,030 Shares at an issue price of \$0.033 per Share (**Shareholder Shares**), together with one free attaching Option for every Offer Share issued, exercisable at \$0.05 each on or before 30 May 2026 (**Shareholder Options**) to Eligible Shareholders to raise up to \$1,000,000 (**Shareholder Offer**);
- (b) up to 7,575,758 Shares at an issue price of \$0.033 per Share (**Director Shares**) together with one free attaching Option for every Director Share issued, exercisable at \$0.05 each on or before 30 May 2026 (**Director Options**) to Directors to raise up to \$250,000 (**Director Offer**). The Director Offer is conditional upon the Company obtaining Shareholder approval to the issue of the Director Shares and Director Options at a general meeting of the Company; and
- (c) Shares at an issue price of \$0.033 per Share (**Shortfall Shares**), together with one free attaching Option for every Shortfall Share issued, exercisable at \$0.05 each on or before 30 May 2026 (**Shortfall Options**), to make up the shortfall under the Shareholder Offer (**Shortfall Offer**),

(together, the **Offers**).

#### OFFER INFORMATION

The Shareholder Offer is scheduled to close at 5:00 p.m. (AEST) on 24 May 2024. Valid applications must be received by then. The Application Form accompanying this Prospectus details how to apply for securities.

#### IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus, you have any questions about the Securities being offered under this Prospectus or any other related matter, then you should consult your professional advisers without delay.

**This is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act 2001 (Cth).**

**This Prospectus has also been prepared for the purposes of section 708(11) of the Corporations Act 2001 (Cth) to facilitate the secondary trading of the Placement Options and Broker Options (as defined in this Prospectus).**

The Securities offered by this Prospectus should be considered highly speculative.

## Important Information

This Prospectus is dated 6 May 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Applications for Securities offered pursuant to this Prospectus can only be made using an original Application Form.

### Disclosure

This Prospectus is a transaction specific prospectus for an offer of convertible securities to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain certain information in relation to the effect of the issue of the Securities by the Company, and the rights and liabilities attaching to the Securities and the Shares which will be issued upon the exercise of the Options. The Prospectus does not need to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

### Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the

Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market, which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should, therefore, have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Please refer to Section 7.1 for further details.

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Forward-looking statements

This Prospectus contains forward- looking statements which are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions and on a number of assumptions regarding future events and actions that are expected to occur as of the date of this Prospectus.

Such forward-looking statements are not guarantees of future performance and involve

known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

### **Electronic Prospectus**

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional copy of this Prospectus (free of charge) by contacting the Company. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **Company Website**

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

### **Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 (0)409 334 366.

## Corporate Directory

<b>Directors</b>	<b>Share Registry*</b>
Jeremy Kirkwood Non-Executive Chair	Link Market Services Limited Level 21, 10 Eagle Street Brisbane, Queensland 4000
Bryan Granzien Managing Director	Telephone (within and outside Australia): 1300 554 474
Paul Cholakos Non-Executive Director	email: <a href="mailto:registrars@linkmarketservices.com.au">registrars@linkmarketservices.com.au</a>
Anthony McGrady Non-Executive Director	
<b>Company Secretary</b>	<b>Legal Advisers</b>
Michael Harvey	GRT Lawyers Level 27, 111 Eagle Street Brisbane QLD 4000
<b>Registered office</b>	<b>Auditor*</b>
Level 21, 12 Creek Street Brisbane QLD 4000	BDO Level 10, 12 Creek Street Brisbane QLD 4000
Telephone: +61 7 3220 2022 Email: <a href="mailto:engage@hawsons.com.au">engage@hawsons.com.au</a> Website: <a href="http://www.hawsons.com.au">www.hawsons.com.au</a>	

\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in the Prospectus.

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## 1 KEY OFFER INFORMATION

### 1.1 Shareholder Offer Timetable

Event	Date*
Record Date for Shareholder Offer	19 April 2024
Lodgement of Prospectus with ASIC Lodgement of Prospectus with ASX	6 May 2024
Offer opening date as at 9:00am	7 May 2024
Offer Closing Date as at 5:00pm**	24 May 2024
Issue of Shareholder Shares and Shareholder Options Lodgement of Appendix 2A with ASX	29 May 2024
Quotation of Shareholder Shares Issue holding statements	30 May 2024

\*These dates are indicative only and subject to change. Subject to the Corporations Act and Listing Rules, the Directors reserve the right to vary these dates.

### 1.2 Shortfall Offer

The Shortfall Offer will remain open for up to three months from the date of this Prospectus and may be closed at any time by the Directors in their sole direction.

### 1.3 About the offer – summary

The following summary provides only a limited overview of the Offer being made by the Company. Further detail is set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding the Offers.

Question	Answer	Reference
What is the purpose of this Prospectus?	<p>The purpose of this Prospectus is to:</p> <ul style="list-style-type: none"><li>• facilitate the secondary trading of the Placement Options and Broker Options (defined in section 2.1); and</li><li>• to raise up to \$1,000,000 (<b>Maximum Subscription</b>) from Eligible Shareholders under the Shareholder Offer and from persons invited by</li></ul>	See Section 2 for further information.

	the Company under the Shortfall Offer.	
What is the Shareholder Offer?	An offer of up to 30,303,030 Shares ( <b>Shareholder Shares</b> ), together with one free attaching Option for every Shareholder Share issued to Eligible Shareholders. The gross proceeds of the Shareholder Offer are capped at \$1,000,000.	See Section 3.1 for further information.
What is the Shortfall Offer?	An offer of Shares at an issue price of \$0.033 per Share together with one free attaching Option for each Shortfall Share issued on the same terms as the Shareholder Options to make up any shortfall from the Maximum Subscription. The Shortfall Offer is available to persons invited by the Company to apply.	See Section 3.3 for further information.
What is the Director Offer?	<p>The Director Offer is an offer to the Directors to issue 7,575,758 Director Shares at an issue price of \$0.033 per Share together with a free attaching Option exercisable at \$0.05 on or before 30 May 2026.</p> <p>The issue of the Director Shares and Director Options will be subject to Shareholder approval under ASX Listing Rule 10.11 at a general meeting of the Company.</p>	See Section 3.2 for further information.
What are the terms of all the Options issued under this Prospectus?	<p>Each Option has an exercise price of \$0.05 (the <b>Exercise Price</b>), expiry date of 30 May 2026 (the <b>Expiry Date</b>) and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company (<b>Share</b>).</p> <p>Full terms of the Options are set out in Section 5.2.</p>	See Section 3.1 for further information.
What is the purpose of the Offer?	<p>The purpose of the Offers is to raise funds that will be applied to:</p> <ul style="list-style-type: none"> <li>• Pre-BFS activities to continue progress on the</li> </ul>	See Section 4.1 for further information.

	<p>development of the Project;</p> <ul style="list-style-type: none"> <li>• costs related to the strategic investor process to raise BFS funding; and</li> <li>• working capital and costs of the offer.</li> </ul>	
Is the Offer underwritten?	No, the Offer is not underwritten.	See Section 3.4 for further information.
Are there any risks associated with investments in the company?	There are risks associated with investment in the Company. These include risks relating to the Shareholder Shares and Shareholder Options, risks relating to the Company and risks associated with financial investment generally. Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters that have or may be referred to in the Company's ASX announcements before deciding to apply for or acquire Shareholder Shares or Shareholder Options or otherwise making an investment in the Company.	See Section 1.4 and Section 5 for further information.
How and when will I know if my application is successful?	Holding statements confirming the issue of Shareholder Shares and Shareholder Options (if any) are anticipated to be dispatched on or about 30 May 2024.	See Section 3.5 for further information.
Are there any taxation implications of participating in the offer?	Taxation implications will vary depending upon the specific circumstances of the investor. You should obtain professional advice as to the taxation treatment applicable to you.	See Section 6.4(c) for further information.
Where can I find more information about the company?	For more information on the Company please see the Company's website ( <a href="http://www.hawsons.com.au">www.hawsons.com.au</a> ) or refer to the Company's ASX announcements (available on the ASX's website <a href="http://www2.asx.com.au">www2.asx.com.au</a> , search code "HIO").	See the <b>Important Information</b> section above for further information.



What if I have any further questions about the Offer or how to apply?	You may contact the Company Secretary at +61 (0)409 334 366.	See the <b>Important Information</b> section above for further information.
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## 1.4 Key Risk Factors

Prospective investors should be aware that subscribing to securities issued by the Company involves a number of risks, and an investment in the Company should be considered highly speculative. The future performance of the Company and the value of any securities issued may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 6.

## 2 BACKGROUND TO THE OFFERS

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- 2.1 On 24 April 2024, the Company announced a proposed \$3.22 million capital raising to be undertaken via the completion of:
- (a) a placement of 67,127,273 Shares (**Placement Shares**) to sophisticated investors, at an issue price of \$0.033 per Placement Share to raise a total of \$2.22 million (before costs), together with one free attaching Option (**Placement Options**) for every Placement Share issued, exercisable at \$0.05 each on or before 30 May 2026 (**Placement**); and
  - (b) an issue of up to 30,303,030 Shares (**Shareholder Shares**) to participating Eligible Shareholders (**Shareholder Participants**) at an issue price of \$0.033 per Offer Share (**Offer Price**), to raise up to \$1,000,000 (before costs), together with one free attaching Option (**Shareholder Options**) to be issued on the basis of one Offer Option for every Offer Share issued to the Shareholder Participants (**Shareholder Offer**).
- 2.2 In the event that less than \$1,000,000 is applied for under the Shareholder Offer by Eligible Shareholders, the Directors may seek to place any shortfall at an issue price of \$0.033 per Shortfall Share under the Shortfall Offer.
- 2.3 Subject to obtaining Shareholder approval at a general meeting of the Company, this Prospectus also includes a separate offer of 7,575,758 Director Shares and Director Options on the same terms as the Shareholder Offer. The Director Shares and Director Options are included in the number of Placement Shares and Placement Options stated above.
- 2.4 The Placement Shares and Placement Options, excluding the Director Shares and Director Options (the issue of which is subject to shareholder approval), were issued on 2 May 2024.
- 2.5 In addition to the above, and in consideration for facilitating the capital raise detailed above in section 2.1, the Company issued 4,809,600 Options and 200,400 Options (**Broker Options**) to Evolution Capital Pty Ltd ACN 652 397 263 (**Evolution**) and MP Capital Pty Ltd ACN 648 853 383 (**MP Capital**) respectively.
- 2.6 The Company intends to apply the funds raised under the Placement and the Offers to fund the following activities:
- (a) pre-BFS activities to continue progress on the development of the Project;
  - (b) costs relating to the strategic investor process to raise BFS funding; and
  - (c) working capital and costs of the Offer.

### 3 DETAILS OF THE OFFER

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#### 3.1 The Shareholder Offer

Hawsons Iron Limited (ACN 095 117 981) (**HIO** or the **Company**) offers up to 30,303,030 Shareholder Shares at \$0.033 each with one free attaching Option for every Shareholder Share issued, exercisable at \$0.05 each on or before 30 May 2026 to raise up to \$1,000,000 (**Offer**).

In the event of oversubscriptions by the Closing Date, the Company will scale back applications on a pro-rata basis. Participation in the Shareholder Offer is optional and is subject to the terms and conditions set out in this Prospectus.

All of the Shares offered under the Offers pursuant to this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 5.1 for further information regarding the rights and liabilities attached to the Shares.

The Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Securities offered under the Offer.

No funds will be raised from the issue of the Placement Options, Shareholder Options or Broker Options.

The full terms of the Placement Options, Shareholder Options and Broker Options are set out in Section 5.2.

#### 3.2 Director Offer

Subject to obtaining Shareholder approval at a general meeting of the Company, this Prospectus also includes a separate offer of 7,575,758 Director Shares at \$0.033 each with one free attaching Option for every Director Share issued, exercisable at \$0.05 each on or before 30 May 2026.

The terms of the Director Shares and Director Options are the same as the terms for the Shareholder Offer.

Allocations under the Director Offer will be as follows:

Jeremy Kirkwood:	3,030,304 Shares and 3,030,304 Options
Anthony McGrady:	2,272,727 Shares and 2,272,727 Options
Paul Cholakos:	2,272,727 Shares and 2,272,727 Options

The issue of the Director Shares will raise \$250,000 for the Company. The issue of the Director Options will not raise any funds as they are free attaching Options.

The issue of the Director Shares and Director Options is conditional upon the Company obtaining Shareholder approval at a general meeting of the Company under ASX Listing Rule 10.11.

If Shareholder approval is not received, no Director Shares or Director Options will be issued to the Directors under the Director Offer.

Only the Directors (or their nominee) may accept the Director Offer. A personalised Application Form in relation to the Director Offer will be issued to the Directors together with a copy of this Prospectus.

### **3.3 Shortfall Offer**

The Shortfall Offer is an offer of Shares at an issue price of \$0.033 per Share (**Shortfall Share**), together with one free attaching Option for every Shortfall Share issued on the same terms as the Shareholder Options to make up any shortfall from the Maximum Subscription under the Shareholder Offer.

Allocation of the Shortfall Shares will be at the discretion of the Directors.

### **3.4 No underwriting**

The Offer is not underwritten.

### **3.5 How to accept the Offer**

#### Shareholder Offer

Applications for the Shareholder Shares may only be made by Eligible Shareholders.

Eligible Shareholders for the purposes of the Shareholder Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address is in Australia or New Zealand.

Shareholders can request their personalised Application Form at:

<https://events.miracle.com/hio-offer/>

Please note all funds must be received and cleared no later than 24 May 2024.

#### **BPAY®**

In order to participate, the only action required is to BPAY® the funds for the amount you would like to invest in this Shareholder offer, using your unique Reference number. The action of BPAY® means the funds will constitute your acceptance of the Shareholder offer, and there is no need for you to return the paper Application Form enclosed. Your unique BPAY® details can be found in the bottom left corner of your personalised Application Form.

#### Shortfall Offer

The Shortfall Shares and Shortfall Options will be placed to parties identified by the Directors. Application forms for the Shortfall Offer will be provided to parties identified by the Directors.

Completed Application Forms under the Shortfall Offer must be returned to:

Hawsons Iron Limited  
PO Box 10919  
Brisbane QLD 4000

with sufficient time to be received by or on behalf of by no later than the date specified by the Company when providing Shortfall Offer applicants with a copy of this Prospectus and an Application Form.

### **3.6 Minimum subscription**

The minimum subscription amount is \$500.00.

### **3.7 Issue of Securities**

Securities issued under the Offers will be issued in accordance with the ASX Listing Rules and the timetable set out at the commencement of this Prospectus. Application monies will be held in a separate subscription account until the Securities are issued. This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application money will be for the benefit of the Company and will be retained by the Company irrespective of whether any securities are issued, and each applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Securities and/or the number of Securities issued under the Offer in accordance with this Prospectus. The Directors reserve the right to reject any application or to allocate any applicant fewer Securities than the number applied for.

Where the number of Securities issued is less than the number applied for, the surplus money will be returned by direct credit to your nominated bank account or cheque as soon as practicable after the Closing Date. Where no issue of Securities is made, the amount tendered on application will be returned in full by direct credit to your nominated bank account or cheque as soon as practicable after the Closing Date. Interest will not be paid on refunded money.

### **3.8 ASX Listing**

Application for Official Quotation of the Shareholder Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in section 1.1.

If ASX does not grant Official Quotation of the Shareholder Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application money for the Shares offered under this Prospectus within the time prescribed by the Corporations Act, without interest.

### **3.9 Removal of trading restrictions**

Section 707(3) of the Corporations Act requires a prospectus to be given to prospective investors to enable a person issued securities without disclosure under Chapter 6D to then on-sell the securities within 12 months of issuance.

Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;  
and
- (b) either:
  - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Accordingly, this Prospectus has also been prepared for the purpose of removing any trading restrictions that may have attached to Placement Options and Broker Options issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the closing date of the Offers, pursuant to section 708A(11)(b)(i) of the Corporations Act.

### **3.10 Restrictions on the distribution of the Prospectus**

The Offer does not and is not intended to constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offer is not being extended, and Securities will not be issued to investors with a registered address which is outside Australia or New Zealand.

Residents outside of Australia and New Zealand should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

#### ***New Zealand***

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes differs under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amount in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in those markets, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## **4 PURPOSE AND EFFECT OF THE OFFER**

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### **4.1 Purpose of the offer**

The Company is seeking to raise up to \$1,000,000 from Eligible Shareholders under the Offer.

### **4.2 Use of funds**

It is currently intended that any funds raised from the Placement and Offer will be applied towards:

- (a) Pre-BFS activities to continue progress on the development of the Project;
- (b) costs related to the strategic investor process to raise BFS funding; and
- (c) working capital and costs of the Offer.

No funds will be raised from the issue of the Placement Options, Shareholder Options or Broker Options pursuant to this Prospectus as they are issued as either free attaching or for nil consideration (as the case may be).

The Company will receive \$0.05 for each Placement Option, Shareholder Option or Broker Option exercised. If all Placement Options, Shareholder Options and Broker Options are issued and exercised, the Company will receive approximately \$5,122,000 (before costs). There is no certainty that any of the Options will be exercised.

### **4.3 Effect of the Offer**

The principal effect of the Offer, assuming the Company issues the maximum number of Securities, will be to:

- (a) increase the cash reserves by \$1,000,000 (before deducting the estimated expenses of the Offers) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 919,071,059 to 1,016,501,362 following completion of the Offer and Placement; and
- (c) increase the number of Options on issue from 106,000,000 to 208,440,303 following completion of the Offer, Placement and Broker Offer.

In the event that an amount less than \$1,000,000 is raised from the Shareholder Offer, the Board is satisfied that the Company will have sufficient working capital to fund the present objectives of the Company.

#### 4.4 Effect on capital structure

##### Shares and Convertible Securities before the Offer

The effect of the Offers on the Company's capital structure is set out below.

Shares	Number
Shares currently on issue*	919,071,059
Shares to be issued under the Offer	30,303,030
Shares issued or to be issued under the Placement and Director Offer	67,127,273
<b>Total Shares on issue on completion of the Offer and Placement</b>	<b>1,016,501,362</b>

\* The rights and liabilities attaching to the Shares are summarised in section 5.1.

Options	Number
Options currently on issue*	106,000,000
Options to be issued under the Offer	30,303,030
Options issued under the Broker Offer	5,010,000
Options issued under the Placement	67,127,273
<b>Total Options on issue on completion of the Offer and Placement</b>	<b>208,440,303</b>

\* Comprising 106,000,000 Option Expiring Various Dates and Various Exercise Prices.

##### Unlisted Options

	Number
Options currently on issue:	
HIOAA: Option Expiring Various Dates Ex Various Prices	106,000,000
<b>Total Options on Issue</b>	<b>106,000,000</b>

#### 4.5 Dilutionary effect of the Offer, and effect on control

Shareholders who do not participate in the Offer will have their holdings diluted. As the Company is conducting the Placement alongside the Shareholder Offer, the holdings of Eligible Shareholders will be diluted as a result of the issue of the Placement Shares, regardless of the number of Shares issued to each Eligible Shareholder under the Shareholder Offer.

The following table shows the proposed issue of Securities under the Offers as a percentage of the total shares on issue after completion of the Offers:

Shares	Number	Percentage
--------	--------	------------

Shares on issue before the Placement		
Shares issued in the Placement		
Shares to be issued under the Shareholder Offer*	30,303,030	2.98%
Shares to be issued under the Director Offer	7,575,758	0.75%
<b>Total Shares on issue on completion of the Offer</b>	<b>1,016,501,362</b>	<b>100%</b>

*Note: the above table does not consider the potential exercise of the options issued under the Offers.*

*\* This is assuming the Shareholder Offer and/or the Shortfall Offer is fully subscribed up to the Maximum Subscription.*

#### **4.6 Pro-forma balance sheet**

The reviewed balance sheet as at 31 December 2023 and the pro-forma balance sheet as at 31 December 2023 shown below have been prepared on the basis of accounting policies normally adopted by the Company and reflect changes to its financial position.

The pro-forma balance sheet has been prepared assuming the maximum number of securities under this Prospectus are issued (i.e. \$1,000,000 is raised under the Offer), no existing Options are exercised and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted above. The historical and pro-forma financial information is presented in abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.



## Historical and Pro-Forma Financial Information

	Historical Balance Sheet 31 December 2023	Placement	Shareholder Placement	Director Offer	Consolidated Pro-Forma Balance Sheet
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	3,191,641	1,802,091	894,161	240,540	6,128,433
Trade and other receivables	168,098	-	-	-	168,098
Other current assets	102,921	-	-	-	102,921
Financial assets	624,874	-	-	-	624,874
<b>TOTAL CURRENT ASSETS</b>	<b>4,087,534</b>	<b>1,802,091</b>	<b>894,161</b>	<b>240,540</b>	<b>7,024,326</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	381,474	-	-	-	381,474
Plant and equipment	114,653	-	-	-	114,653
Exploration and evaluation assets	57,596,450	-	-	-	57,596,450
Right of use assets	144,898	-	-	-	144,898
Other non-current assets	63,182	-	-	-	63,182
Financial assets	539,052	-	-	-	539,052
<b>TOTAL NON-CURRENT ASSETS</b>	<b>58,839,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,839,709</b>
<b>TOTAL ASSETS</b>	<b>62,927,243</b>	<b>1,802,091</b>	<b>894,161</b>	<b>240,540</b>	<b>65,864,035</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	457,617	-	-	-	457,617
Short-term provisions	95,412	-	-	-	95,412
Borrowings	80,071	-	-	-	80,071
Lease liabilities	121,972	-	-	-	121,972
Financial liabilities	2,717,144	-	-	-	2,717,144
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,472,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,472,216</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	34,190	-	-	-	34,190
<b>TOTAL LIABILITIES</b>	<b>3,506,406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,506,406</b>
<b>NET ASSETS</b>	<b>59,420,837</b>	<b>1,802,091</b>	<b>894,161</b>	<b>240,540</b>	<b>62,357,629</b>
<b>EQUITY</b>					
Share capital	96,992,716	1,692,204	894,161	240,540	99,736,932
Reserves	3,401,937	109,887	-	-	3,511,824
Accumulated losses	(40,973,816)	-	-	-	(40,973,816)
<b>TOTAL EQUITY</b>	<b>59,420,837</b>	<b>1,802,091</b>	<b>894,161</b>	<b>240,540</b>	<b>62,357,629</b>

## Notes to the Pro-forma Consolidated Balance Sheet

### Note 1

#### Reconciliation of movements in Pro-forma Share Capital

	Number of shares	Share Capital
	#	\$
Audit reviewed Balance Sheet 31 December 2023	919,071,059	96,992,716
Issue of shares via the Placement	59,551,515	1,965,200
Issue of shares via the Shareholder Placement	30,303,030	1,000,000
Issue of shares via the Director Offer	7,575,758	250,000
Total costs expected to be incurred in connection with the offers offer offset against share capital	-	(388,295)
<b>Pro-forma Balance Sheet 31 December 2023</b>	<b>1,016,501,362</b>	<b>99,819,621</b>

### Note 2

#### Reconciliation of movements in Pro-forma Cash and Cash equivalents

	Cash and cash equivalents
	\$
Audit reviewed Balance Sheet 31 December 2023	3,191,641
Issue of shares via the Placement	1,965,200
Issue of shares via the Shareholder Placement	1,000,000
Issue of shares via the Director Offer	250,000
Total cash costs expected to be incurred in connection with the offers offer offset against share capital	(278,408)
<b>Pro-forma Balance Sheet 31 December 2023</b>	<b>6,128,433</b>

### Note 3

#### Reconciliation of movements in Pro-forma Reserves

	Reserves
	\$
Audit reviewed Balance Sheet 31 December 2023	3,401,937
Options issued to the Lead Managers and Underwriter in connection with the offers offer offset against share capital	221,728
<b>Pro-forma Balance Sheet 30 31 December 2023</b>	<b>3,623,665</b>

## **5 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

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The following is a summary of the more significant rights and liabilities attaching to the Options and Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Securityholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **5.1 Rights and liabilities attaching to Shares**

#### **(a) General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or be proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the Corporations Act and the Company's Constitution, the Directors may pay interim, special or final dividends as, in their judgment, the financial position of the Company justifies.

Subject to the rights of the holders of any shares with special rights to dividends, all dividends in respect of a Share must be paid in the proportion that the amount paid (not credited) on the Share bears to the total amounts paid and payable (excluding amounts credited) on the Share.

No dividend carries interest against the Company and the declaration of the Directors as to the amount to be distributed is conclusive.

The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(d) **Winding-up**

If the Company is wound up, the liquidator may with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Shareholder liability**

As the Shareholder Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or a failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## **5.2 Terms and conditions of the Options**

The following are the terms of the Shareholder Options being offered pursuant to this Prospectus. For the purposes of sections 5.2 and 5.3, references to "Options" means Placement Options, Shareholder Options, Director Options and Shortfall Options, as the case may be, unless the context requires otherwise.

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Subscription price**

The Options will be issued for nil consideration.

(c) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(d) **Expiry Date**

Each Option will expire at 5:00 pm (AEST) on 30 May 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified by the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Restrictions**

The number of Options that may be exercised at one time must be not less than 10,000, unless the holder of the Options (**Option Holder**) holds less than 10,000 Options in which case all Options must be exercised at one time.

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(i) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options as the case may be.

If a notice delivered under (9)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

(k) **Reconstruction of capital**

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- (i) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the Option holders are not conferred on Shareholders; and
- (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.

(l) **Pro Rata Issue**

If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O_n = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

$O_n$  = the new exercise price of the Option;

$O$  = the old exercise price of the Option;

$E$  = the number of underlying securities into which one Option is exercisable;

$P$  = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex-right date or the ex-entitlements date;

$S$  = the subscription price for a security under the pro rata issue;

$D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

$N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(m) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(n) **Dividends**

Option Holders do not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.

(o) **Bonus Issue**

If there is a bonus issue to the Shareholders of the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.

(p) **Change of Option Terms**

The terms of the Options shall only be changed if the Shareholders (whose votes are not to be disregarded) of the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for the exercise of the Options.

(q) **Transferability**

The Options are transferable.

### **5.3 General**

The Offer and any application concerning the issue of Options under this Prospectus, shall be governed and construed in accordance with the laws in the State of Queensland.

## **6 RISK FACTORS**

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### **6.1 Introduction**

The Securities offered under this Prospectus should be considered speculative. There are risks and uncertainties, both specific to the Company and of a general nature, which may affect the future operating, financial performance, financial position or prospects of the Company, its tenements, and the value of the Securities. Many of the circumstances giving rise to these risks are beyond the control of the Company, its Directors and management and cannot be mitigated.

This Section describes certain specific areas that the Company believes to be the key risks associated with an investment in the Company. Investors should specifically consider the factors contained in this Section in light of their own investment objectives and financial circumstances, and should consider seeking professional advice from their accountant, stockbroker, lawyer or other professional advisors before deciding whether to invest in the Company. None of the Securities carry any guarantee with respect to the payment of dividends, the return of capital or the market value of those Securities.

Prospective investors should note that this Section is not an exhaustive list of the risks associated with an investment in the Company and it should be considered in conjunction with other information disclosed in this Prospectus. Additional risks and uncertainties that the Company is unaware of, or that it currently does not consider to be material, may also become important

factors that may have an adverse effect on the Company's future financial performance, financial position and prospects.

There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements will be realised.

## **6.2 Specific risks relating to the Company and its operations**

### **(a) Future capital requirements**

At the date of this prospectus, the Company has no income-producing assets and will generate losses in the foreseeable future.

There is no guarantee that the Company will be able to raise the additional funds either at all or on commercial terms and conditions or on conditions that do not result in material dilution of the interests of the then existing Shareholders. If the Company is unable to raise adequate funds, it may need to suspend or terminate its operations and may not be able to continue as a going concern.

The Company is presently undertaking a process to seek strategic investors to fund the bankable feasibility study of the Company's Hawsons Iron Project, and to participate in the development of the project. There is no guarantee that this process will be successful. If this process is not successful, the Company will need to pursue other sources of funding to fund the bankable feasibility study. There is no guarantee that the Company will be able to raise sufficient funds to advance the bankable feasibility study.

## **6.3 Specific risks related to the industry**

### **(a) Reliance on key personnel**

The Company's future depends, in part, on its ability to attract and retain key personnel. The Company's future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, any inability of the Company to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

### **(b) Exploration risk**

The exploration for mineral deposits is speculative and involves significant inherent risk that is present despite careful evaluation, experience and knowledge. There is no assurance that any discovery will be made and even if made that it will be economic or can be commercially exploited.

The current and future operations of the Company, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including:

- (i) geological conditions including the particular attributes of the deposit, such as size, quality and proximity to infrastructure;
- (ii) limitations on activities due to seasonal or adverse weather patterns;
- (iii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;



- (iv) to complete exploration and metallurgical test work;
- (v) quality of geological data collected and recognition of quality of data;
- (vi) mechanical failure of operating plant and equipment, industrial and environmental accidents;
- (vii) industrial action, disputation or disruptions;
- (viii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;
- (ix) unavailability of suitable laboratory facilities to complete metallurgical test work investigations;
- (x) failure of metallurgical testing to determine a commercially viable product;
- (xi) shortages or unavailability of labour or appropriately skilled labour;
- (xii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (xiii) prevention or restriction of access by reason of inability to obtain consents or approvals;
- (xiv) commodity prices which are highly cyclical;
- (xv) government regulations, including regulations relating to prices, taxes, royalties, land tenure, ability to explore, land use, importing and exporting of minerals and environmental protection; and
- (xvi) a pandemic that restricts economic activity and travel.

The exact effect of these factors cannot be accurately predicted, but one or more or a combination of these factors may result in the Company not receiving an adequate, or any, return on invested capital for any exploration activities that may be undertaken in the future.

The Company's exploration costs are also based on certain assumptions with respect to the method and timing of exploration. These estimates and assumptions are subject to uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. There is no guarantee that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the prospects of the Company's business and operations.

(c) **Estimation of mineral resources**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Accordingly, resource estimates are inherently imprecise and depend to some extent on interpretations and geological assumptions, the application of sampling techniques, estimates of commodity prices, cost assumptions, and statistical inferences which may ultimately prove to have been unreliable.

Resource estimates are subject to change based on new information. Furthermore, should the Company encounter mineralisation or formations different from those

predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted in a way that could adversely affect the Company's operations.

(d) **Development risk**

If the Company proceeds with developing any of its tenements to the production stage, the process of developing and constructing the mine will be subject to additional risks.

While the Company would make a decision to proceed to production upon the completion of the BFS, there will remain a risk that economic and technical estimates and assumptions will prove to be inaccurate, and unforeseen factors will result in outcomes that are materially less favourable than those estimated or assumed in any feasibility study.

There are many uncertainties that are inherent in developing a mining project, including:

- (i) availability of capital to finance construction and development activities;
- (ii) timing and cost of constructing mining and processing facilities and related infrastructure;
- (iii) availability and cost of skilled labour, power, water and transport; and
- (iv) obtaining necessary governmental permits and the timing of those permits.

As with any mining project, the Company may experience unexpected problems and delays during development, construction and mine start-up.

(e) **Title risk**

Title to exploration rights and mineral property rights held by the Company is one of the core assets of the business. Mining tenements are subject to periodic renewal.

(f) **Licences and permits**

The Company is required under applicable laws and regulations to seek governmental concessions, permits, authorisations, licenses and other approvals, including in connection with its exploration and development activities. Obtaining, retaining or renewing the necessary governmental concessions, permits, authorisations, licenses and approvals can be a complex and time-consuming process and may involve substantial costs or the imposition of unfavourable conditions. There can be considerable delay in obtaining the necessary permits and other authorisations, including as a result of third-party objections or litigation and in certain cases the relevant government agency may be unable to issue a required permit or other authorisation in a timely manner.

The duration and success of permit applications are contingent on many factors that are outside the Company's control. Accordingly, there is no assurance that such permit applications or renewals will be given at all, or without being subject to onerous conditions.

(g) **Local communities and landowners**

Gaining the support of the community and landowners is critical to the ongoing viability and success of the Company's activities. Stakeholder engagement will be important. Assessing the relevant interests, issues and concerns of the community and landowners will be important. How the Company manages, and acts on, any feedback will be critical.

(h) **First Nations heritage**

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate First Nations claims exist. If First Nations rights do exist, the Company's ability to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Company will closely monitor the potential effect of First Nation claims involving tenements in which the Company has or may have an interest.

Exploration for mineral activities also carries with it the potential for unintended damage to cultural heritage sites.

(i) **Insurance**

The Company has insured its operations in accordance with industry practice. However, insurance of all risks associated with exploration and mining operations is not always available and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs.

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme weather conditions, cyclones, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(j) **Commodity prices**

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply, physical and investment demand for the specific commodity, prevailing commodity trading terms, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration or project development plans and activities, together with the ability to fund those plans and activities.

(k) **Currency volatility**

International prices of various commodities, including iron ore, are denominated in United States dollars. Consequently, the Company is exposed to fluctuations and volatility in the rate of exchange between the United States dollar and the Australian dollar as determined by the international markets.

(l) **Environmental matters**

There is a risk that owners' rights and environmental requirements may restrict or prevent the Company from carrying out its exploration and development activities. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. However, there are certain risks inherent in the Company's activities which could subject the Company to environmental liability.

(m) **Climate change**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company including new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation, changes to local or international compliance regulations related to climate change, increased severity and incidence of weather patterns and extreme weather events, longer-term physical risks such as shifting climate patterns, and adverse weather events which may disrupt field work and exploration activities. While the Company will endeavour to manage these risks where possible and limit any impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

(n) **Health and safety**

The Company's operations have inherent risks and liabilities associated with the health and safety of employees and contractors. The occurrence of any industrial accidents, workplace injuries or fatalities may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions.

(o) **Regulatory and legislative changes**

Laws and government policies are subject to review and changes from time to time. Such changes may be beyond the control of the Company and have an effect on industry profitability and the Company's capacity to explore, mine and engage in production activities.

## **6.4 General risks**

(a) **Stock market fluctuations and economic conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook in both Australia and internationally;
- (ii) introduction of tax reform or other new legislation, regulation, or policy;
- (iii) changes in exchange rates, interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sections;

- (v) the demand for, and supply of, capital; and
- (vi) the global security situation and the possibility of terrorist disturbances or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) **Legal proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. Legal proceedings brought by third parties including but not limited to customers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance.

(c) **Tax**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on each investor's individual financial affairs. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint.

(d) **Wars, terrorism, political and environmental events**

Events may occur within or outside Australia that could impact upon the world economy, commodity prices, the operations of the Company and the price of the Securities. These events include war, acts of terrorism, civil disturbance, political intervention and natural events such as earthquakes, cyclones, floods, landslides, fires and poor weather affecting roadways, mining and processing of minerals. The Company has only a limited ability to insure against some of these risks.

(e) **Speculative investment**

Potential investors should consider an investment in the Company as speculative and should consult their professional advisers before deciding whether to apply for the Securities under this Prospectus.

The risks set out in this Section 6 are not to be taken as an exhaustive list of the risks faced by the Company. There may be other risks of which the Directors are unaware at the time of issuing this Prospectus which may impact on the Company and its operations, and on the valuation and performance of the Company's Securities.

## **7 ADDITIONAL INFORMATION**

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### **7.1 Continuous disclosure obligations**

As set out in the **Important Information** at the beginning of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC; and
  - (ii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

<b>Date</b>	<b>ASX Announcement</b>
6 May 2024	Retirement of Managing Director
30 April 2024	Quarterly Activities / Appendix 5B Cash Flow Report
24 April 2024	Proposed issue of securities – HIO
24 April 2024	Hawsons Capital Placement
22 April 2024	Trading Halt
16 April 2024	Hawsons Iron Project Update
29 February 2024	Confirmation and definition drilling program update
28 February 2024	Half year accounts
14 February 2024	Company Secretary Appointment / Resignation
24 January 2024	Quarterly Activities / Appendix 5B Cash Flow Report
18 December 2023	Confirmation and definition drilling program update
11 December 2023	Notification of cessation of securities – HIO
6 December 2023	Notification of cessation of securities – HIO
5 December 2023	Change of Director's Interest Notice
28 November 2023	Results of Meeting
28 November 2023	Chair's and MD's Addresses to Shareholders

31 October 2023	Quarterly Activities / Appendix 5B Cash Flow Report
27 October 2023	Notice of Annual General Meeting / Proxy Form 2023
18 October 2023	Exploration Drilling Program Update
16 October 2023	Appointment of New Chair
27 September 2023	AGM and closing date for Director nominations
27 September 2023	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

## 7.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	0.042	18 April 2024
Lowest	0.031	3 May 2024
Last	0.031	3 May 2024

## 7.3 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, no Shareholder (together with their associates) have a relevant interest in 5% or more of the Shares on issue in the Company.

The Company confirms that no existing Shareholder will increase its Shareholding above 19.9% as a result of the Offer.

## 7.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or

- (c) the Offer,  
and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:
- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
- (i) the formation or promotion of the Company; or
- (ii) the Offer.

### **Director's Security holdings**

The relevant interest of each of the Directors in the Company's securities as at the date of this Prospectus, together with their respective Securities issued under the Placement or this Prospectus, is:

<b>Director/Shareholder (and/or associate(s))</b>	<b>Shares</b>	<b>Performance Rights</b>
Bryan Granzien	2,000,000	6,000,000
Paul Cholakos	2,822,042	5,000,000
Jeremy Kirkwood	1,933,877	5,000,000
Tony McGrady	-	5,000,000

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

<b>Director</b>	<b>FY ended 30 June 2023 (A\$)</b>
Bryan Granzien	\$443,681
Paul Cholakos	\$96,407
Jeremy Kirkwood	\$12,366
Tony McGrady	\$49,678



## 7.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

GRT Lawyers has acted as the solicitors to the Company in relation to the Offer. GRT Lawyers will be paid approximately \$35,000 for professional services in relation to the Offers.

## 7.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and

(c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

GRT Lawyers has given its written consent to be named the solicitors of the Company in this Prospectus.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named. Each of the Directors has not withdrawn their consent before the lodgement of this Prospectus with ASIC.

#### 7.7 Estimated expenses of the Offer

The total expense of the Offers is estimated to be approximately \$278,408 as follows:

<b>Expense</b>	<b>\$</b>
ASIC Fees	5,000
ASX Fees	12,344
Legal Fees	35,000
Share Registry Fees	29,000
Miscellaneous, printing and other expenses	5,000
Lead manager and selling fees	192,064
Total	278,408

#### 7.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement Pty Limited, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

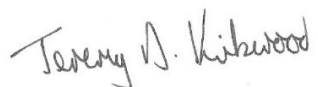
The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after issue.

Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's share registry (for security holders who elect to hold their Securities on the issuer-sponsored sub-register). The statements will set out the number of Securities issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

## **7.9 Directors' Authorisation**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Jeremy Kirkwood**

**Chairman on behalf of**

**Hawsons Iron Limited**

**\$** means the lawful currency of the Commonwealth of Australia.

**AEST** means Australian Eastern Standard Time.

**Application Form** means an Offer Application Form.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**BFS** means bankable feasibility study.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at Section 1 (unless extended).

**Company** means Hawsons Iron Limited (ACN 095 117 981).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Convertible Securities** has the meaning given to it in Section 4.5.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** are Shareholders with a registered address in Australia or New Zealand who were registered holders of Shares on the Record Date.

**Exercise Price** means the exercise price of the Options being \$0.05.

**Mandate Letter** means the mandate letter entered into between the Joint Lead Managers and the Company dated 21 April 2024.

**Option** means an Option issued on the terms set out in Section 5.2.

**Offer** means the offer to issue the Securities as set out in Section 3 of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share and includes Shareholder Options and Broker Options.

**Option Holder** means a holder of an Option.

**Project** means the Hawsons Iron Project located 60kms south-west of Broken Hill, New South Wales.

**Prospectus** means this prospectus.

**Quotation** means quotation of the class of securities in accordance with Chapter 2 of the ASX Listing Rules.

**Record Date** means the date specified in the timetable set out in Section 1.1.

**Registry** means Link Market Services Limited.

**Related Party** has the meaning given to the term under the Corporations Act.

**Securities** mean Shares and/or Options as the context requires.

**Section** means a numbered section of this Prospectus.

**Share** has the meaning given to it in Section 1.3.

**Shareholder** means a holder of a Share.