



HAWSONS IRON: COMPANY UPDATE

28 November 2023

The Companies Officer
Australian Securities Exchange Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Madam or Sir

PRESENTATION – ANNUAL GENERAL MEETING 2023

Hawsons Iron Ltd (ASX: HIO) advises that Non-Executive Chairman, Jeremy Kirkwood and Managing Director, Bryan Granzien are addressing shareholders at the Annual General Meeting (AGM) at 11.00am AEST today.

The AGM will be webcast at <https://meetings.linkgroup.com/HIO23> and a copy of the Chairmans and Managing Directors Address, along with the presentation, is attached.

Yours sincerely

Hawsons Iron Ltd

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Authorised by Richard Stephens, Company Secretary

Released by authority of the Board
Hawsons Iron Limited



**HAWSONS IRON LIMITED
ANNUAL GENERAL MEETING
OF SHAREHOLDERS
Tuesday, 28 November 2023 at 11:00am**

CHAIRMAN'S ADDRESS:

By Non-Executive Chairman, Mr Jeremy Kirkwood

Good morning fellow Shareholders and thank you for your attendance today, both in person and online. I would like to acknowledge that we are meeting on the traditional lands of the Turrbal and Yuggera peoples and that our deposit is located on the traditional lands of the Wilyakari people. I wish to pay my respects to their elders, past and present, and welcome any Aboriginal or Torres Strait Islands people here today.

Magnetite, Steel Production and Carbon

Steel producers account for around eight per cent of global carbon emissions. They are moving to phase out high-carbon-emitting blast furnaces and replace them with Direct Reduction Iron (DRI) and Electric Arc Furnaces (EAFs), powered by renewable energy, among other technologies. This marks a major shift in capital allocation and will require significant investment and risk management.

Hawsons Iron, together with others in the Braemar Region, is an emerging Australian producer of one of the world's highest-grade iron ore concentrate products, crucial for reducing the carbon footprint of steel manufacturing. Our magnetite is low grade in-situ, but after processing becomes a very high-grade product - Hawsons Supergrade®. It is also, importantly, low in impurities.

Wood Mackenzie, in its base case "Metamorphosis Analysis", expect the steel industry will face a global shortage of around 200 million tonnes (Mt) of high-grade ore by 2050. Iron ore accounts for around half the total production cost of DRI, so access to sufficient tonnage of high-grade feedstock is becoming more pressing.

Hawsons Supergrade® (~70% Fe) will be one of the world's highest-grade iron ore concentrate products and will attract premium prices. Hawsons has non-binding Letters of Intent from the global steel sector,

predominantly from Asian and Middle East producers, for the offtake of more than 60 million tonnes per annum (Mtpa) of concentrate.

We, together with our future partners, will need to make substantial capital investments to bring this concentrate to market. Hawsons anticipates there will be a realignment of the commercial linkages between steel producers, iron ore producers and trading house intermediaries to meet this challenge of significant capital investment and risk allocation in the steel industry.

These new alignments may include: joint ventures; long-term offtake contracts; fixed or formula-based pricing; or other commercial, risk sharing structures. Such change will likely be reflected in a sustained premium price for very high-grade, low-impurity iron concentrate in our view.

Development of the Hawsons Iron Project

In 2009 Hawsons (as Carpentaria Exploration Limited) first reported discovery of the Hawsons Magnetite Prospect and exploration work has continued since that date. In 2014, Hawsons announced it was moving from being an explorer to a producer and commenced a Prefeasibility Study. I think it would be fair to say – and I acknowledge I have the benefit of hindsight - that the Company did not sufficiently understand its resource then and was not ready to pursue such an ambition given its corporate and project ownership structure.

After effecting the necessary ownership changes to gain majority control of the project and an open share register, Hawsons commenced a Bankable Feasibility Study (BFS) in the December half of 2021. The project design scope was then expanded in February 2022 from 10 Mtpa to assess a larger scale 20 Mtpa option.

The BFS was paused in October 2022 in the light of significant cost pressures and risk aversion by construction contractors, and a Strategic Review was commenced seeking to address several issues:

- the need to redesign the processing plant to reduce construction and operating costs;
- a requirement for further exploration drilling in the southern Fold and Limb zones to confirm earlier access to higher grade ore in the first 150 metres from surface, so as to enhance project economics and financing by accelerating cash flow; and,
- a requirement to replace Port Pirie as the preferred export port, and necessity to complete a detailed assessment of two alternatives:
 - building a slurry pipeline to a new export facility to be established at Myponie Point or,
 - building a slurry pipeline or railway from the mine site to Broken Hill and then railing the concentrate to one of a number of existing export ports.

The Strategic Review assessed the risks of timely delivery for greenfield sites, versus enhancement / connection to existing infrastructure and the optimal production profile given the prohibitive expense of developing a 20 Mtpa project in the prevailing economic environment.

Hawsons subsequently updated the market on:

- the decision that a modified BFS should assess a scalable 11 Mtpa project;
- a redesigned mineral processing circuit by global engineering leader Stantec; and

- further exploratory drilling undertaken in the southern Fold Zone and initial results.

These initiatives have all had positive impacts on the project's economics. As reported in the September Quarter Report, Watson Drilling has commenced a follow-up drilling program, involving one Diamond Drill core hole and 20 Reverse Circulation holes for a total of 3,150 metres, with a budgeted cost of \$1.3 million.

We have redirected this drilling to focus on improving the confidence level of the earlier work undertaken in anticipation of strategic investor expectations. This drilling is proceeding well and Bryan will provide more details in his presentation. I cannot emphasise enough how critical the drilling program completed in July has been to the project's economics and therefore why we want to see the results of this current program.

In addition to completing the follow-on work from the Strategic Review, Hawsons has commenced detailed BFS planning, including the timeline and proposed budget.

We envisage we will complete this planning process in the first half of 2024. The BFS will commence once Hawsons has secured the necessary funding. Current indications are that the BFS, resource drilling and other program work required to reach a Financial Investment Decision will then take up to 18-24 months to complete.

Funding the BFS

As previously advised, Hawsons intends to introduce strategic partners to the Hawsons Iron Project. We believe that in this emerging green steel world, Hawsons' extensive magnetite deposit (remember we have an exploration target of some 18 billion tonnes of ore in addition to our existing stated resource)¹, will be of immense strategic interest.

Accordingly, we consider it best to invite strategic parties to partner with us and assist with funding the BFS. However, it is imperative that we do so fully prepared and confident in the development scenario we present. It may be that strategic partners will request further additional drilling, prior to funding the BFS. Hence the need to have largely completed our current drilling program and include the most recent inputs to our analysis of the route to market.

Commencing in early December, Hawsons will conduct market soundings with potential strategic investors in which we will present an outline of the Project and our selection process. Feedback from these soundings will be essential to determining the interest of potential strategic investors to proceed with the BFS and finalising the structure of the process. This should coincide with receipt of the December 2023 drilling results in the Fold Zone.

Subject to feedback, we will then enter a Strategic Investor Process with a smaller group of 'qualified investors' in the March Quarter of 2024. These parties will be provided with a comprehensive, confidential Information Memorandum. We will then select our preferred partners. This group, with whom we aim to negotiate final agreements, will be given full due diligence access. We anticipate this process will take up to six months overall, with a targeted completion in the June Quarter of 2024.

I know you are all wanting more specific details about the Project economics, including capital expenditure, operating expenditure, life of the mine, Net Present Value (NPV) and the Internal Rate of

¹ ASX Announcement dated 26 July 2022: Mineral Resource Upgrade

Return (IRR). Unfortunately, ASX guidelines prevent me from doing so without also providing significant supporting material, which the Company is not presently able to do given the ongoing and evolving nature of this work.

What I can say to you, however, is that the Hawsons Iron Project is a very large project that will require some billions of dollars to build.

The Project will require a market for its high-grade product that pays a significant, but appropriate, premium and have an expected life of many decades. Our current preferred development scenario has an attractive NPV and IRR that supports our decision to approach strategic investors.

The Board has closely examined our expenditures and funding needs in the light of the process and timeline outlined above. Clearly there are many moving parts. However, we have sufficient funds and resources available to enable the Company to reach the point at which we have received substantive feedback from prospective strategic investors and the results from our current drilling program. At this point we will be in a more informed position to determine the Company's funding requirement.

Conclusion

Fellow Shareholders, I know it has been a frustrating past year for us as we have grappled with the impact of the post pandemic world dynamics of higher costs, risk aversion and weaker capital markets.

I do believe, however, that we are close to finalising the right scope and economics for this substantial project, enabling us to approach strategic investors with confidence to fund the BFS.

One very important aspect of this project that has become more favourable over the past year has been the intensifying focus on green steel and the need for high grade iron product to feed a lower-risk pathway for steel producers to meet their carbon reduction targets.

In my view this will continue despite the more difficult economic outlook as the politics of pausing or going backwards on carbon reduction targets are just too difficult.

I therefore ask that you stay with us on this journey of bringing the Hawsons magnetite deposit to market. We are approaching the final phase of determining the strategic value of the project and I look forward to reporting to you over the foreseeable future as we progress its development.

Our Managing Director, Bryan Granzien, will provide you with a more detailed summary of how the Hawsons Iron Project has evolved over the past year after the formal business of the meeting.

Before I close, I want to address shareholder concerns raised through the vote at last year's AGM on the Company's Remuneration Report. I can assure you that the Board takes your concerns very seriously and we are committed to engaging constructively with you to ensure our Remuneration Policy is aligned with your expectations. Your confidence in our governance and accountability is paramount to our success and, as Chair, I have prime responsibility in securing it.

I am happy to take questions now, but there will be ample opportunity after Bryan's presentation.

Thank you.

MANAGING DIRECTOR'S ADDRESS:

By Mr Bryan Granzien

Thank you Jeremy, and welcome to all our Shareholders here today and online.

Ladies and gentlemen, we have come a very long way since this time last year.

When we met at the Annual General Meeting of 2022, we had just paused work to preserve cash after receiving significantly increased capital cost estimates.

Your Company swiftly responded with a Strategic Review to examine all scaling and transport options.

A year of action

In February this year, following a concerted three-month program of work, Hawsons announced the initial outcomes of the review as endorsed by the Board.

The review recommended:

- an action plan to further improve the project's economics, including additional value engineering analysis to further reduce capital and operating costs;
- a three-stage resource analysis program targeting higher grade ore greater than 9 per cent Davis Tube Recovery above a depth of 150 metres, to help accelerate start-up cash flow; and
- that Hawsons foster collaboration by industry, government and communities to support development of projects using shared resources and infrastructure in the Braemar mineral province of South Australia.

In June your Company announced that significant potential capital and operating cost savings in mineral processing had been achieved.

At the same time we announced that prospective, near-surface magnetite mineralisation at targeted grades had been discovered in an area called the Fold Zone to the south of our main deposit.

And we announced that Stantec, a global leader in sustainable design and engineering, had developed a new mineral processing circuit.

In August, Hawsons confirmed the presence of mineable widths of targeted-grade mineralisation above the base of oxidation in the southern Fold Zone.

This confirmation supported a change in mining strategy which will greatly shorten the project's ramp-up period to full production.

In September, Hawsons announced that a pilot test work program by ALS metallurgy laboratory in Perth had validated and de-risked the Phase 1 mineral processing design developed by Stantec.

ALS found that comminution energy use was reduced up to 30 per cent at no additional capital cost.

This proof-of-concept test work program also generated valuable data to enable Stantec to further improve their flowsheets to potentially reduce capital and operating costs further.

And only last month, Hawsons announced the start of a follow-up drilling program to further define the extent, tonnage and grade of shallow magnetite mineralisation discovered in the Fold Zone.

The Company had also considered expanding the exploration focus to include a mineralised Limb Zone which continues to the south and south-west. However, further analysis demonstrated that focusing instead on the Fold Zone would provide greater certainty to investors and reduce the drilling costs required to complete the Bankable Feasibility Study (BFS).

This 21-hole drilling program has the potential to further improve our project's cash flow during the first few years of production and extend the mine's expected 40-year+ production life.

Building the business case

Together, these actions essentially completed implementation of the three-pronged Strategic Review action plan to strengthen the business case for developing the project.

They have substantially enhanced the business case required to support restarting work on a modified BFS and progressing development of our world class iron ore asset.

As Jeremy said earlier, our work continues to build the business case, with activities including:

- completion of the drilling program, scheduled by the end of the year weather permitting, with receipt of assay results and analysis to follow;
- preparation of a more comprehensive Stage 3 drilling campaign designed to upgrade our 481 million tonne Resource estimate;
- additional value engineering analysis to further reduce capital and operating costs;
- engagement with equipment manufacturers on technology advances that may be beneficial;
- targeting further capital and operating cost savings relating to other project areas, including site services; and
- continuing engagement with state governments and other stakeholders on power, water, transport and port options.

Disciplined fiscal approach

Ladies and gentlemen, responsible fiscal management and transparency has been, and will continue to be, a guiding principle of planning and development for the Hawsons Iron Project.

The work during the studies in 2021 and 2022 has been critical to reaching robust decisions over the last year. The BFS-level engineering information derived through that work, including the detailed cost information, was critical in our analysis of scale conducted as part of our Strategic Review. It has given us a high level of confidence in the decision to target production of 11 million tonnes per annum.

All drilling data and site work remains important information and work to support the new BFS. Baseline studies, in particular for environmental, groundwater elements, also have ongoing value for the product's development.

The \$10 million acquisition of Starlight Investment Company Pty Ltd's joint venture interest in the Hawson's project clearly remains a value-adding spend.

The reality is that some study work will be redone in the new BFS. This will be necessary due to our different scale and processing design, engineering consultants (who will take on liability for the work), focus on capital cost reduction in project infrastructure, the passage of time, and the introduction of new partners.

In 2023 a further allocation of funds has been required for the development, refinement and de-risking of the new mineral processing circuit design. These studies have delivered promising results, including a saving of up to 30 per cent in comminution energy and further reductions in capital and operating costs.

Significant additional drilling has been necessary to develop a much greater understanding of our magnetite resource. Resource analysis exploration drilling has confirmed the presence of prospective, near-surface hosting magnetite mineralisation at targeted grades. These results support a change in mining strategy to greatly shorten the project's ramp-up period to full production.

As a result of this extensive work, we are now in a strengthened position to take this project forward.

Board and personnel changes

Ladies and gentlemen, the composition of your Board of Directors changed markedly during the year, resulting in my election to serve again as Executive Chair following the resignation of Dave Woodall in April for personal reasons.

Underpinned by a firm commitment to good corporate governance, Dave provided the Company with exemplary leadership during particularly difficult and challenging economic times.

We are fortunate to have attracted a non-executive Director of Jeremy's calibre to fill the resulting vacancy.

Similarly, we were pleased to be able to appoint the Honourable Tony McGrady to replace long-serving director Jon Parker when he retired in October 2022.

On behalf of the Board, I would like to thank those former directors, all members of the Hawsons management team, our employees, partners, consultants, and contractors for their continuing dedication and hard work.

Thanks to the success of our people and specialist consultants in driving down the targeted capital and operating costs, Hawsons is now well placed to regain lost momentum during the year ahead.

I, too, thank you, our Shareholders, for your continued support as we pursue our goal of progressing the world-class Hawsons Iron Project into production.

There have been plenty of challenges over the past year. Megaprojects by their nature face adversity.

But we have significantly enhanced the understanding of our project and reshaped key project components to better align with the world and economic factors impacting upon this large-scale magnetite project.

Therefore, we have started the 2024 financial year confident about attracting the world-class strategic investors required to fund our BFS.

And we can be confident about restarting the BFS as soon as funding has been secured.

ENDS

Hawsons Iron (ASX: HIO)

Annual General Meeting

28 November 2023



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WORLD'S
BEST IRON ORE
PRODUCT

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Chairman's review: Jeremy Kirkwood



Steelmakers under pressure to secure high-grade feedstock

- ✓ Steel producers account for ~8% of global carbon emissions
- ✓ Transition from blast furnaces to direct reduced iron (DRI) processes
- ✓ Steel industry faces global shortage of ~200Mt of high-grade ore by 2050
- ✓ Iron ore represents half production cost of DRI – access increasingly pressing





Hawsons Supergrade® a premium product

- ✓ One of the world's highest-grade iron concentrate products
- ✓ Non-binding letters of intent for more than 60 Mtpa
- ✓ Substantial capital investment required to bring to market
- ✓ Sustained premium price for high-grade, low-impurity iron concentrate

~70% Fe



ALS pilot test concentrate



Strategic Review enhances Hawsons Iron Project economics



Work is under way to secure strategic investors to fund the BFS





Thank you to our Shareholders

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Hawsons Iron





Managing Director's review: Bryan Granzien



Strategic Review recommendations

- ✓ Value engineering analysis to further reduce capital and operating costs
- ✓ Three-stage resource analysis program targeting higher grade ore at <150m depth to accelerate start-up cash flow
- ✓ Collaboration to support development of shared resources and infrastructure in Braemar



A year of action that improved project economics

Strategic Review launched

| October | | | | | | |
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Action plan endorsed

| February | | | | | | |
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Plan's positive outcomes

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Successful exploration

| August | | | | | | |
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| | | | | | | |

Process circuit validated

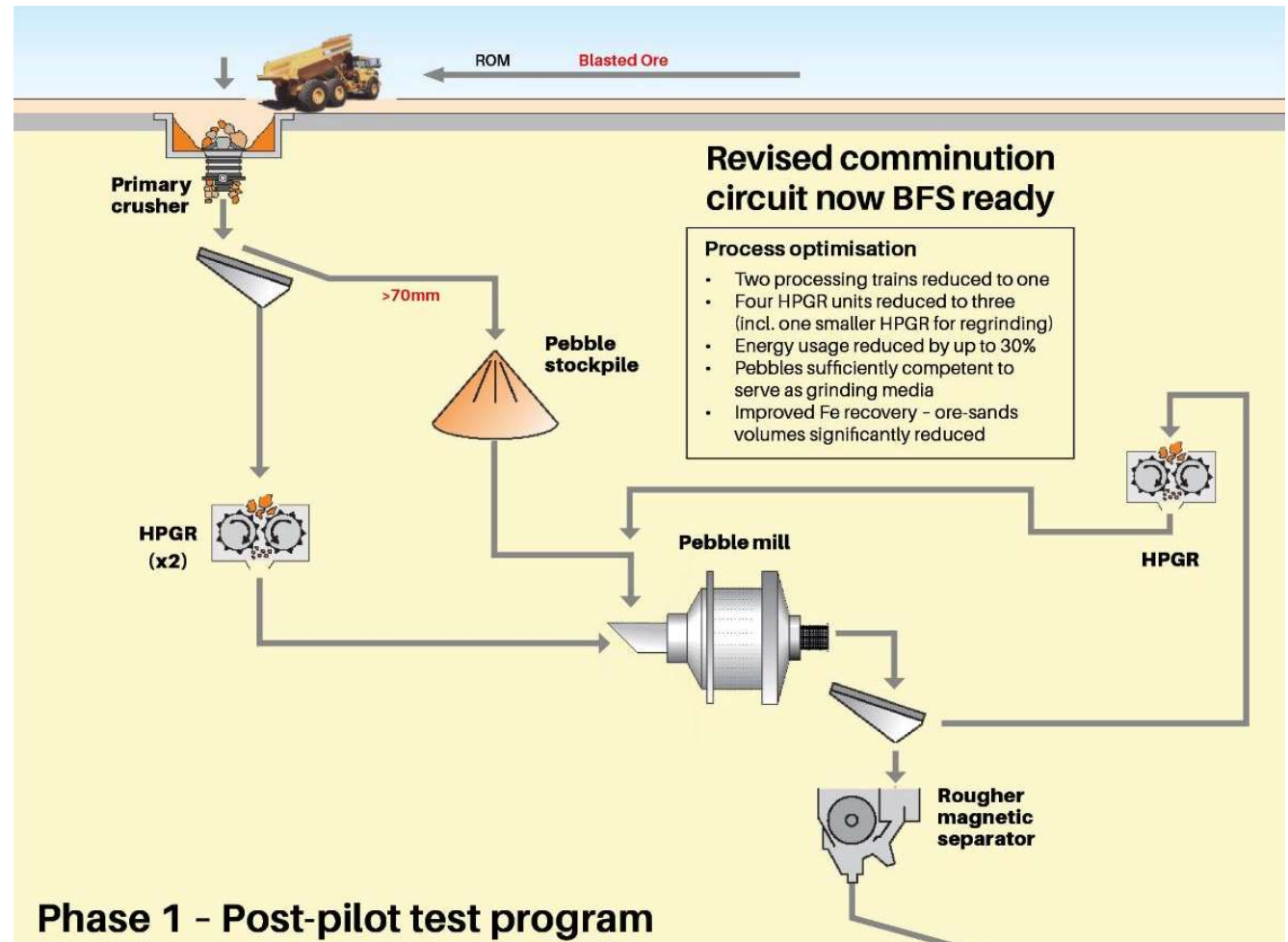
| September | | | | | | |
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Exploration update

| October | | | | | | |
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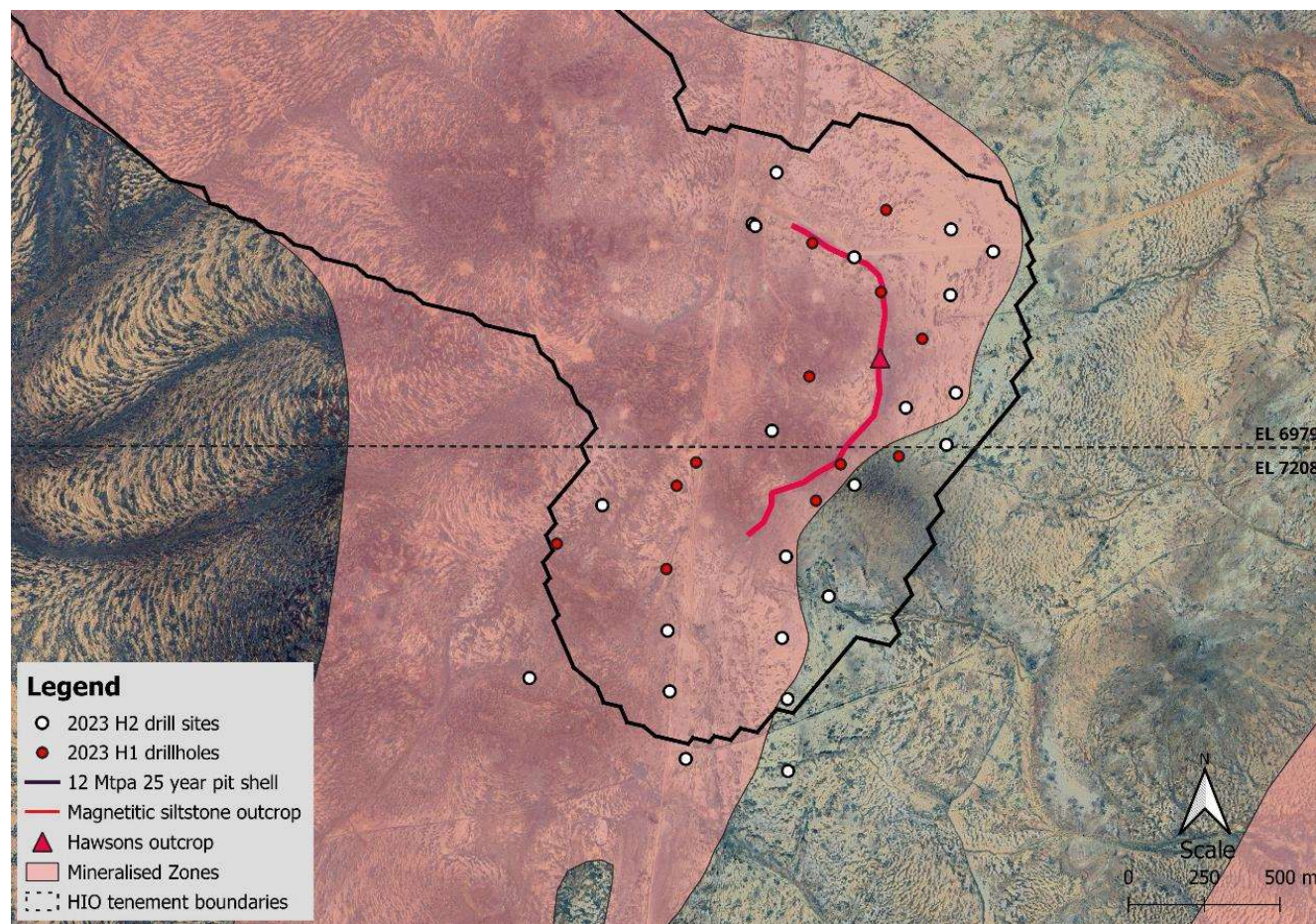
Value engineering reduces costs

- ✓ Significant potential capex and opex savings identified
- ✓ New mineral processing circuit
- ✓ Design validated by pilot test work
- ✓ Comminution energy reduced <30% with no increase in capital cost
- ✓ Potential for secondary revenues from sale of ore-sands
- ✓ Further possible capex and opex reductions



Resource analysis program accelerates cash-flow

- ✓ Prospective near-surface magnetite at targeted grades discovered in Fold Zone
- ✓ Mineable widths of targeted-grade mineralisation above base of oxidation
- ✓ Support for change of mining strategy
- ✓ Ramp-up to full production shortened
- ✓ Follow-up exploration drilling to further define Fold Zone extent, grade



Broad program to build the business case

- ✓ Completion of the current drilling program
- ✓ Drilling to upgrade our Resource estimate
- ✓ Additional value engineering analysis
- ✓ Engaging manufacturers on technology advances
- ✓ Targeting further cost savings in other project areas
- ✓ Undertaking market soundings on ore-sand products
- ✓ Advocacy on power, water, transport and ports





A disciplined fiscal approach



Strategic allocation of funds has enabled exploration drilling and de-risking of the new mineral process design



Thank you to all our stakeholders

Thank you to all our stakeholders

Hawsons Iron



Cautionary Statement

This presentation should be read together with Hawsons Iron Limited's (HIO) other announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

This presentation has been prepared by the management of HIO for the benefit of shareholders, analysts, brokers and investors and not as specific financial advice to any particular party or persons. The information is based on publicly available information, internally developed data and other sources. Where an opinion is expressed in this presentation, it is based on the assumptions and limitations mentioned in this cautionary statement and is an expression of the opinion of HIO as at the date of this presentation.

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In this presentation, HIO may make a number of statements which constitute 'forward looking statements'. Forward-looking statements are based on assumptions regarding HIO's present and future business strategies and the future conditions in which HIO expects to operate.

Where HIO expresses or implies an expectation or belief as to the success of future exploration and the economic viability of future project evaluations, such expectation or belief is expressed in good faith and is believed to have reasonable basis. However, such expected outcomes are subject to risks, uncertainties and other factors which could cause actual results to differ materially from expected future results.

Such risks includes, but are not limited to, exploration success, metal price volatility, changes to current mineral resource estimates or targets, changes to assumptions for capital and operating costs as well as political and operational risks and governmental regulation outcomes.

Such information is predictive in character and may be affected by inaccurate assumptions or by known or unknown risks and uncertainties. This may cause any information provided to be materially different from the results that are ultimately achieved.

HIO does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forecast to update such forecast. The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates continue to apply and have not materially changed since reported on 26 July 2022.

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