

Bankable Feasibility Study activity slowed

Key points

- **Escalating global costs and deteriorating economic conditions have necessitated a slowdown decision for the Hawsons Iron Project Bankable Feasibility Study**
- **BFS will not be completed by the end of December 2022**
- **Prudent response to preserve capital while examining all options to progress the project**
- **AGM resolutions put to reset equity raising placement capacity**

Hawsons Iron Ltd (**Hawsons** or the **Company**) advises that the Board has decided to slow the pace of work on the Hawsons Iron Project Bankable Feasibility Study (BFS) to examine escalating capital expenditure costs and all options to progress the project.

Chairman, Mr Dave Woodall said the inflationary impact of the pandemic on the global economy, combined with the interest rate policy responses of central banks around the world and the Russian invasion of Ukraine, had generated strong market headwinds.

"We, like many companies, are being challenged by the current economic climate, falling Australian dollar, supply chain cost escalations and restricted access to equity markets which are beyond our control," Mr Woodall said.

"A project slow-down is the most sensible and prudent response to preserve capital, given global cost pressures and will allow a focus on optimising pathways in the best interests of shareholders which are reflective of deteriorating world conditions," he said.

Mr Woodall said that the Company's capacity to raise additional capital during the next 12 months would be contingent on the passage of resolutions to be put to Shareholders at the forthcoming AGM on 15 November 2022.

"The passage of these resolutions will significantly enhance the Company's equity funding capacity and options to fund the required BFS activities," he said.

"We absolutely believe in the value of our project as a source of high-grade magnetite concentrate and are fully committed to examining all options available to us."

Managing Director Mr Bryan Granzien said there would be a managed slowdown in all BFS activity, a thorough analysis of the capital and operating cost estimates presented to date and a strategic review of all options to progress the project, including scaling opportunities.

"This analysis and review process is going to take some time. The BFS will not be completed by the end of December 2022, but we have been left with no other choice given the current state of global capital markets and world economy," he said.

Hawsons will keep the market informed in accordance with its continuous disclosure obligations.

The AGM Notice of Meeting and Explanatory Memorandum was issued to Shareholders on 14 October 2022.

Work on the BFS for a 10 million tonne per annum (Mtpa) project commenced in 2021. However, as a consequence of the increased 400 million tonne (Mt) Mineral Resource estimate announced in October last year the BFS scope was expanded to investigate upscaling the project's production profile to 20 Mtpa using a direct-to-port slurry pipeline. (See ASX Announcement dated 21 February 2022: *HIO BFS Expansion*).

The Board subsequently endorsed a decision to focus the BFS solely on development of a 20 Mtpa project due to its expected superior economics, Environment, Social and Governance outcomes and investment appeal, relative to the 10 Mtpa project considered in the 2017 Preliminary Feasibility Study. (See ASX Announcement dated 16 June 2022: *20 Mtpa BFS and MOU with Flinders Ports*)

Hawsons has since announced completion of an upgraded Mineral Resource estimate of 481 Mt, including a maiden 54 Mt in the Measured category and 190 Mt in the Indicated category. (See ASX Announcement dated 30 September 2022: *Updated Mineral Resource Estimate*)

Released by authority of the Board

Hawsons Iron Limited
17 October 2022

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About Hawsons Iron Ltd

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

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

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