

Hawsons and Flinders Ports sign binding agreement

Key points

- **Hawsons and Flinders Ports sign binding agreement to co-operate on the design, construction and operation of a greenfield port at Myponie Point on South Australia's eastern Spencer Gulf**
- **Formalises the terms of an earlier non-binding Memorandum of Understanding**
- **Scope expanded to accommodate initial scaling of project production and export**
- **Hawsons and Flinders Ports collaborating to determine optimal port option**

Hawsons Iron Ltd (**Hawsons** or the **Company**) has signed a legally binding Agreement (**Agreement**) with Flinders Ports Pty Ltd (**Flinders Ports**) to co-operate on the potential development and operation of a greenfield port at Myponie Point Port on South Australia's eastern Spencer Gulf.

The scope of the Agreement, formalising the terms of an earlier non-binding Memorandum of Understanding, has been expanded to include evaluation of lower tonnage options using existing rail and port infrastructure and possibly scaling production and export options over time. (*See ASX Announcement dated 16 June 2022: 20 Mtpa BFS and MOU with Flinders Ports*)

Hawsons Managing Director Mr Bryan Granzien said the terms of the Agreement reflected the Board's decision to slow the pace of work on the 20 million tonne per annum (Mtpa) Bankable Feasibility Study (BFS). (*See ASX Announcement dated 17 October 2022: Bankable Feasibility Study activity slowed*)

"Importantly, this Agreement will enable us to collaboratively assess and agree on the optimum achievable port to support a revised BFS if required, including consideration of potential short and long-term solutions for our preferred site at Myponie Point," he said.

"Flinders Ports fully understands our decision to consider scaling up the project's production output and using existing rail and port infrastructure initially to reduce capital costs, and they could not be any more supportive."

Mr Granzien said options for Myponie Point included using the existing rail network and the construction of initial port infrastructure to support a barging operation during the first stage of the project's development.

"This approach at Myponie Point could deliver the best of both worlds through a lower output start-up operation at a lower capital cost and a clear pathway forward to expand production to 20 Mtpa using the direct to port underground slurry pipeline," he said.

Under the terms of the Agreement and subject to further agreement in final transaction documents, Flinders Ports would construct, own and operate the proposed Myponie Point Port – reducing the Hawsons Iron Project's capital requirements, while enabling the Company to participate in future growth as the port's 'cornerstone' customer.

Mr Granzien said Flinders Ports was equally committed to meeting environmental, social and governance (ESG) standards and embedding ESG considerations in business processes and decision-making wherever possible.

“This milestone Agreement with an operator of Flinders Ports’ calibre is an important step to our goal of meeting demand for high-grade products so essential for decarbonising steel making,” he said.

Flinders Port Holdings Chief Executive Officer, Mr Stewart Lammin said: “This Agreement with Hawsons reflects our ongoing commitment to facilitating large-scale export projects from South Australia by leveraging existing infrastructure and exploring the development of new ports where necessary.”

“The Hawsons project is an exciting prospect and aligns with our Sustainability Plan and aim to develop sustainable supply chains that meet the growing expectations of the market.”

Released by authority of the Board

Hawsons Iron Limited

11 November 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 focussed 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 the world’s leading undeveloped high-quality iron ore concentrate and pellet feed project. 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.



For more information go to <https://hawsons.com.au>

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About Flinders Port Holdings

Flinders Port Holdings (FPH) own and operate Flinders Adelaide Container Terminal as well as the port of Port Adelaide and the six key regional ports of Port Giles, Port Lincoln, Wallaroo, Port Pirie, Klein Point and Thevenard.

It also provides integrated supply chain solutions through Flinders Logistics and Flinders Warehousing and Distribution. Beyond ports and logistics, the company delivers hydrographic survey services through HydroSurvey Australia.

Flinders Port Holdings is ranked as one of South Australia's top 10 companies, with an annual turnover of more than \$240 million. It employs over 700 people and indirectly supports 6000 jobs in South Australia.

Through its operations FPH facilitates over \$25 billion dollars in international trade annually and is the key platform for South Australian two-way trade in goods.

The company is proud of its role in the economic development of the state and the wellbeing of its port communities.

For more information go to: <https://www.flindersportholdings.com.au>

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