

Hawsons endorses 20 Mtpa project and signs MOU with Flinders Ports

Key points

- **Bankable Feasibility Study (BFS) to focus solely on development of a 20 Mtpa project due to expected superior economic, ESG outcomes and investment appeal relative to a 10 Mtpa project**
- **Memorandum of Understanding (MOU) signed with Flinders Ports Pty Limited (Flinders Ports) to co-operate on the design, construction and operation of a greenfield Myponie Point Port for the export of 20 Mtpa of magnetite concentrate**
- **Project's 20 Mtpa focus and milestone Flinders Ports MOU advance Hawsons closer to their goal of meeting demand for high-grade products, essential for decarbonising steel-making**

Hawsons Iron Ltd (**Hawsons** or the **Company**) advises that the Board has endorsed the **BFS** for the high-grade Hawsons Iron Project, to focus solely on the development of a 20 million tonne per annum (**Mtpa**) project due to its expected superior economics and investment appeal relative to a 10 Mtpa project.

The decision to extend the scope of the BFS had been made based on the strength of preliminary investigations undertaken after the Company announced a Mineral Resource upgrade to 400 million tonnes on 19 October 2021.

A deep dive analysis by Hawsons' BFS team has confirmed the expected superiority of the 20 Mtpa project's potential Environmental, Social and Governance (ESG) outcomes and project economics despite the increased expected capital cost, while the strength of customer and capital market feedback has highlighted its enhanced investment appeal.

Chairman Mr Dave Woodall said the development of a 20 Mtpa magnetite mine near Broken Hill in NSW would necessitate a review of the project's schedule to allow for detailed design, approval and construction of a dedicated underground slurry pipeline to a deep-water port export facility at Myponie Point on South Australia's Eastern Spencer Gulf.

However, he said the Company's target remains December 2022 for the BFS and H2 2024 for the first production at this stage.

"The team of leading global partners and specialists we've engaged to complete the BFS now have the additional information required to undertake detailed engineering design and update the project's estimated delivery timetable which we will release once completed," Mr Woodall said.

Memorandum of Understanding (MOU) with Flinders Ports

Underpinning the 20 Mtpa project decision was the successful execution of a non-binding MOU with Flinders Ports which documents plans to co-operate on the potential development and operation of the Myponie Point Port for the export of 20 Mtpa of magnetite concentrate.

Hawsons Managing Director Mr Bryan Granzien said the MOU envisaged that Flinders Ports would finance, construct, own and operate the Myponie Point Port, therefore reducing the Hawsons Iron project's capital requirements.

"There is also an exciting opportunity for Hawsons to participate in the future growth of the Port as its 'cornerstone' customer," Mr Granzien said.

"Myponie Port is expected to be ready to start exporting Hawsons' unique 70 per cent Fe Hawsons Supergrade® magnetite concentrate by the second half of 2024.

Mr Granzien said Flinders Ports was equally committed to adopting, enhancing, and living up to their ESG credentials and ensuring that as far as appropriately possible, ESG considerations would be embedded into their respective business processes and decision-making.

"Our decision to focus the BFS solely on development of a 20 Mtpa project and this milestone MOU with an operator of Flinders Ports' calibre have advanced Hawsons closer toward achieving our goal of meeting demand for high-grade products so essential for decarbonising steel making," he said.

CEO of Flinders Port Holdings, Mr Stewart Lammin said: "The MOU with Hawsons is another example of our commitment to facilitating large-scale export projects from South Australia, including exploring the development of new ports where necessary. The Hawsons project in itself is an exciting prospect and aligns with our Sustainability Plan and our aim to develop sustainable supply chains that meet the growing expectations of the market."

Definitive arrangements between the parties are subject to negotiation and finalisation of formal documents.

Released by authority of the Board

Hawsons Iron Limited

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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 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 own and operate Flinders Adelaide Container Terminal as well as 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 \$200 million. It employs 700 people and indirectly supports 6000 jobs in South Australia.

Through its operations it 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>

