



**Hawsons IRON**

WORLD'S BEST IRON ORE PRODUCT

## Hawsons submits Call Notice to LDA Capital

### Key Points

- **Hawsons targeting \$10m draw down from LDA Capital's \$200m equity facility**
- **Funds will cover the costs of the Starlight Investment Company Pty Ltd buyout**
- **LDA facility offers strategic ongoing access to capital despite market conditions**

Hawsons Iron Ltd (**Hawsons** or **Company**) has submitted a capital Call Notice to LDA Capital Limited (**LDA Capital**) targeting a \$10 million equity draw-down under the terms of its strategic \$200 million Put Option Agreement (**Agreement or Facility**) with the US-based financier. *(See ASX Announcement dated 22 December, 2021: Hawsons secures A\$200m equity funding package).*

Managing Director Mr Bryan Granzien said the final pricing and amount to be raised would be determined in accordance with the terms and conditions of the Agreement over the next few weeks.

"We are targeting a capital injection of \$10 million to replenish the Bankable Feasibility Study (BFS) funds used to purchase Starlight Investment Company Pty Ltd's joint venture interest in the Hawsons Iron Project," he said. *(Refer ASX Announcement dated 24 March 2022: Hawsons secures 100% control of the Hawsons Iron Project).*

Mr Granzien said the LDA Capital Facility had been established specifically to ensure the Company had access to a reliable source of capital not wholly dependent on volatile, short term shifts in equity market sentiment.

"Our planning late last year as equity and debt markets were peaking has paid off, because we are now able to work with our US-based strategic financial partner and use their capital to keep advancing the Hawsons Iron Project," Mr Granzien said.

"We don't want anything to slow us down as we ramp up towards completion of our BFS, and then move into development and construction. Most importantly, having access to LDA Capital's \$200 million Facility gives us a significant advantage, particularly during such extremely challenging equity market conditions."

Hawsons has now issued a Call Notice on LDA Capital to draw down under this Facility to:

- Complete funding of Hawsons' acquisition of the 6.037% in the Hawsons Iron Project Joint Venture previously held by Starlight Investment Company Pty Ltd; and
- Reimburse Hawsons for \$8 million already paid to Starlight.

Hawsons intends to put up to 25 million Shares to LDA Capital.

Under the terms of the LDA Facility, Hawsons may, subject to certain conditions precedent, issue call notices to LDA Capital to subscribe for fully paid ordinary shares in Hawsons, up to a maximum of 10 times the average daily number of the Company's shares traded on the ASX during the 15 trading days before the issue of the Call Notice.

The issue price of the Shares will be calculated as the *higher of* 90% of the 30-day Volume Weighted Average Price (VWAP) after the issue of the Call Notice, *and* the 'minimum acceptable price' (as defined in the LDA facility) notified by Hawsons to LDA Capital, in each case subject to adjustments for various factors. Under the terms of the Facility, LDA Capital must subscribe for a minimum of 50% and a maximum of 200% of the Shares put to LDA Capital.

Hawsons has not previously accessed the LDA Facility.

However, Mr Granzien said LDA Capital had reaffirmed support as an international investment partner, providing Hawsons with a flexible and non-restrictive source of equity capital.

"Our target amount is \$10 million, but market volatility will be important during the pricing period over the next 30 trading days in determining final pricing and quantum," he said.

**Released by authority of the Board**

Hawsons Iron Limited  
12 July 2022

**For further information:**

Media contact:  
Kerry Bailey, Corporate Communications Lead

E: [kerry.bailey@hawsons.com.au](mailto:kerry.bailey@hawsons.com.au)  
P: +61 (0)419 024 721

Investor Relations contact:  
Mr Greg Khan, CFO and Company Secretary

E: [greg.khan@hawsons.com.au](mailto:greg.khan@hawsons.com.au)  
P: +61 (0)474 550 720

### **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.

### **About LDA Capital**

LDA Capital is a global investment group with expertise in complex, cross border transactions worldwide. Its team has dedicated their careers to international and cross border opportunities having collectively executed over 200 transactions in both the public and private markets across 42 countries with aggregate transaction values of over US\$10 billion.

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