

## Successful Institutional Placement and Shareholder Placement to raise up to approximately \$3.25 million

### Key points

- Hawsons is raising up to approximately \$3.25 million via an approximately \$2.25 million single tranche Placement (the Placement) and a \$1 million Shareholder Placement (the Shareholder Placement).
- Firm commitments of at least \$2.25 million from sophisticated investors and institutional investors.
- The Placement will consist of approximately 69 million ordinary new fully paid shares at \$0.033 per share.
- Each Placement share will have a free attaching option exercisable at \$0.05 and an expiry date of 30 May 2026 (Placement Option)
- The issue price of \$0.033 represents a 13.2% discount to the closing price of Hawsons shares of \$0.038 cents on 19 April 2024.
- Shareholders will be able to participate in a Shareholder Placement on the same terms to raise up to an additional \$1.0 million.
- Hawsons Directors have committed \$0.25 million to the placement subject to shareholder approval.
- Evolution Capital and MP Capital have acted as Joint Lead Managers to the Placement.
- Placement proceeds will be used to fund the strategic investor process, pre-Bankable Feasibility Study (BFS) activities and working capital.

### Approximately \$2.25 Million Placement

Hawsons Iron Ltd (**Hawsons** or the **Company**) is pleased to announce the successful completion of an approximately \$2.25 million Placement via the issue of around 69 million shares at \$0.033 per share.

The Placement offer price of \$0.033 per fully paid ordinary Hawsons share (the **Offer Price**), represents a 13.2% discount to the last traded price of Hawsons shares on 19 April 2024 of \$0.038 per share, and a 27.4% discount to the 5-day volume-weighted average price (VWAP) per share up to the close of trade on 19 April 2024.

Hawsons Directors have committed \$0.25 million to the Placement which is subject to shareholder approval. The Company anticipates holding a shareholder meeting in the first half of June to approve the issue of securities to the Directors.

The terms of the options to be issued are set out in Annexure A to this announcement.

### \$1.0 Million Shareholder Placement

A Shareholder Placement offer will follow the Placement with eligible Hawsons Shareholders in Australia and New Zealand offered the opportunity to acquire additional fully-paid ordinary shares in Hawsons. New Shares under the Shareholder Placement are to be issued at the Placement Offer Price of \$0.033 per Share.

Each Share issued under the Shareholder Offer will have a free option attached on the same terms as the Placement Options.

Shareholders on the Hawsons register at 7:00pm (Sydney time) on 19 April 2024 (the **Record Date**) with a registered address in Australia or New Zealand will be entitled to subscribe for Hawsons shares, free of transaction and brokerage costs, through the Shareholder Placement, subject to eligibility criteria and other terms and conditions of the Shareholder Placement which will be set out in the Prospectus and dispatched to eligible shareholders on or around 3 May 2024.

The Shareholder Placement is capped at \$1.0 million. In the event subscriptions received under the Shareholder Placement exceed \$1.0 million, the Board reserves the right to either scale back allotments or close the offer when that amount is reached.

### **Use of Placement Funds**

Funds raised via the Placement and Shareholder will be used for the following key activities in the months ahead;

- Strategic Investor Process
- Pre-BFS activities
- Working capital
- Costs of the Placement and the Shareholder Placement

### **Comments from Hawsons Chair and Managing Director**

Managing Director Mr Bryan Granzien said the Placement and Shareholder Placement would provide over 12 months funding for Hawsons and enable it to conclude the strategic investor process and continue to progress pre-BFS activities.

“The Strategic Investor process is progressing well with 7 parties currently reviewing due diligence materials. We expect this to conclude in the September quarter and provide funding for the BFS which would start as soon as possible. It is important that Hawsons maintains a prudent level of funding to see through the strategic investor process and cover corporate and listing costs in the interim”, Mr Granzien said. “There are also a number of pre-BFS activities we can continue with on the project to ensure the BFS runs expediently once we obtain funding from the strategic investors.

Hawsons Chair Mr Jeremy Kirkwood said: “The Board has approved this Placement and Shareholder Placement to ensure Hawsons is well funded and in a strong position to negotiate appropriate terms with strategic investors going forward. The Board is pleased with how the project is shaping up following reconfigurations over the last 12 months and encouraged by the interest we are receiving from major strategic companies in the global steel industry.”

Mr Kirkwood said the Shareholder Placement provides Eligible Shareholders with an opportunity to subscribe for additional shares on the same terms as the Placement to support the Company.



## Utilisation of placement capacity under Listing Rules 7.1 and 7.1A

	7.1 Capacity	7.1A Capacity
Available capacity	137,860,659	91,907,106
Ordinary shares issued through the Placement (excluding Director shares) <sup>1</sup>	(8,353,030)	(61,383,333)
Options issued through the Placement (excluding Director options) <sup>1</sup>	(53,030,303)	-
Ordinary shares issued through the Shareholder Placement	(30,303,030)	-
Options issued through the Shareholder Placement	(30,303,030)	-
Lead Manager options <sup>2</sup>	(5,511,000)	-
<b>Remaining capacity</b>	<b>10,360,265</b>	<b>30,523,773</b>

- 1 Hawsons Directors have committed \$0.25 million to the Placement, being 7,575,758 shares and 7,575,758 free attached options. The issue of these shares and options will be subject to shareholder approval and therefore are not included in the above capacity utilisation amounts.
- 2 Options (exercisable at \$0.05, expiry date of 30 May 2026) to be issued to Evolution Capital and MP Capital as part consideration for Lead Manager fees.



## Timetable\*

Placement	Date
Announcement of Placement	24 April 2024
Settlement of New Shares under the Placement	2 May 2024
Normal trading of new shares under the Placement	3 May 2024
Shareholder Placement	Date
Record date for determining eligibility under the Shareholder Placement	19 April 2024
Shareholder Placement opens	6 May 2024
Shareholder Placement closes	24 May 2024
Normal trading of new shares under the Shareholder Placement	30 May 2024

\* Dates are indicative and subject to change.

## Released by authority of the Board

Hawsons Iron Limited

24 April 2024

## For further information:

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## Disclaimer

This announcement contains “forward-looking information” that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to this project update, the Company’s business strategy, plan, development, objectives, performance, outlook, projections, targets and expectations. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as, 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are predictions, and that the Company’s actual future results or performance may be materially different.

The Company considers the forward-looking information in this announcement is based on reasonable grounds. The Company does not make or give any representation, assurance or guarantee that expected outcomes in this announcement will ultimately be achieved.

The forward-looking information in this announcement is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks include, but are not limited to, future prices and demand for iron and other metals; foreign exchange rates; availability of funding; results of further activities (including further studies, exploration and metallurgical work); changes in project parameters as plans continue to be optimised; failure of plant; equipment or processes to operate as anticipated; possible variations of ore grade or recovery rates; accident, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities and general business, economic, competitive, political and social uncertainties.

These risks are not exhaustive of the factors that may affect or impact future results. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information.



### **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 60 km southwest of Broken Hill, New South Wales, Australia in the emerging Braemar Iron Province. It is potentially 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.

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

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For Hawsons' electronic media kit: <https://bit.ly/HIO-Media-Kit> -ENDS-



## Annexure A – Terms and conditions of the Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of Hawsons Iron Limited (**Share**) upon exercise of the Option.

(b) **Subscription price**

The Options will be issued for nil consideration.

(c) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(d) **Expiry Date**

Each Option will expire at 5:00 pm (AEDT) on 30 May 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified by the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Restrictions**

The number of Options that may be exercised at one time must be not less than 10,000, unless the holder of the Options (**Option Holder**) holds less than 10,000 Options in which case all Options must be exercised at one time.

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(i) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and



- (iii) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options as the case may be.

If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

(k) **Reconstruction of capital**

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- (i) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the Option holders are not conferred on Shareholders; and
- (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.

(l) **Pro Rata Issue**

If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O_n = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

$O_n$  = the new exercise price of the Option;

$O$  = the old exercise price of the Option;

$E$  = the number of underlying securities into which one Option is exercisable;

$P$  = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex-right date or the ex-entitlements date;

$S$  = the subscription price for a security under the pro rata issue;

$D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

$N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.





(m) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(n) **Dividends**

Option Holders do not participate in any dividends unless the Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.

(o) **Bonus Issue**

If there is a bonus issue to the Shareholders of the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.

(p) **Change of Option Terms**

The terms of the Options shall only be changed if the Shareholders (whose votes are not to be disregarded) of the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for the exercise of the Options.

(q) **Transferability**

The Options are transferable.

