

31 October 2024

## Highlights

- **Process optimisation study commenced identifying the potential for energy savings, water savings and reduced capital costs.**
- **Investigations commenced into potential recovery of saleable by-products from the tailings stream.**
- **Ongoing Strategic Investor process to assist in funding engineering, further Resource definition drilling and other activities to deliver a Definitive Feasibility Study.**

### Process Optimisation Study

During the quarter Hawsons Iron in conjunction with independent engineering firm Stantec Australia (“Stantec”) commenced a detailed review of the current process plant design and supporting infrastructure with the goals of:

- Reducing the water quantity required and minimising the need for desalinated water in the production of Hawsons high-grade magnetite concentrate;
- Decreasing the power requirement for the production of concentrate; and
- Reducing development risk by ensuring equipment choices reflect the scale of operations while minimising water and energy usage.

As announced in the mid-October update<sup>1</sup>, the study has identified:

- potential to reduce energy consumption within the comminution circuit by in excess of 30%;
- Early (gangue) material rejection of around 20% may be possible using a preliminary magnetic separation stage; and
- Potential exists to reduce water requirements for the Project by 25% utilising this alternative approach to comminution.

Stantec is now progressing with the second phase of the optimisation works which will focus on developing CAPEX / OPEX implications and preliminary planning to pilot the alternate process route to confirm the full potential of energy and water savings.

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<sup>1</sup> <https://hawsons.com.au/wp-content/uploads/2024/10/20241015-ASX-Announcement-Optimisation-Works-Update.pdf>



Figure 1: Magnetic Separation work undertaken on Hawsons' material at ALS Perth

### Saleable by-products investigations

The Company continues to investigate the potential to viably extract byproducts from the tailings stream prior to deposit into the tailings storage facility. In addition to the targeted power and water savings discussed above, the new process flowsheet would also reject coarse- and fine-grained silica sand, early in the process, offering the opportunity to potentially produce a sand-based by-product for sale into the sand and construction industry.

This work is likely to continue until the end of the year and has the potential to materially improve the Project's financial return.



Figure 2: Minus 1mm Non-Magnetic Tailings Containing Silica Sand Material

## Strategic Investor Process

Stage 2 of the Strategic Investor process, which involves detailed technical data room reviews, is now underway. As part of the ongoing engagement with the Strategic Investors, Hawsons is providing regular briefings on its progress with Process Optimisation Study and investigations into secondary by-products.

Further updates on the strategic investor process will be announced as soon as the Company is able to do so.

## Financial Position

At 30 September 2024, Hawsons Iron had cash reserves of \$2.4M. Operating cash outflows were \$0.92M, inclusive of \$0.24M termination benefits for the former managing director and \$0.25M cash settlement for the Pure Metals legal claim. Both of these items are non-recurring in nature.

Investing cash outflows were \$0.37M, attributable to the operational activities outlined below, offset by the \$0.18M FY2023 R&D tax incentive benefit received during the quarter.

Further details of financial activities during the September 2024 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this report.

## Operational Activities

During the quarter, activities focused on:

- Process optimisation and by-product studies;
- Local stakeholder engagement with landowners and Broken Hill officials;
- Meetings with rail providers and port authorities;
- Discussions with Government representatives; and
- Resource variography modelling and interpretation.

There were no mining production and development activities during the quarter.



Figure 3: Hawsons Iron meeting with the Mayor (far left) and Deputy Mayor (far right) of Broken Hill

## Related Party Payments

During the quarter, Hawsons Iron paid a total of \$50,375 of director wages and fees. There were no other related party transactions.

## Capital Structure

As at the date of this report, the Company had the following shares and options on issue:

- 1,016,501,368 shares on issue (inclusive of 3,569,857 non-recourse employee shares)
- 207,940,309 options on issue, being:
  - 102,440,309 options exercisable at \$0.050, expiring 30 May 2026
  - 71,500,000 LDA options exercisable at \$0.055, expiring 21 December 2026
  - 34,000,000 Director and employee incentive options with various vesting milestones, exercise prices and expiry dates.

## Tenement Schedules

Licence	Notes	Name	Grant	Expiry	Equity	Units	Area
EL6979	1	Redan	11/12/2007	11/12/2026	100%	62	180
EL7208		Burta	22/09/2008	22/09/2025	100%	100	290
EL7504		Little Peak	08/04/2010	08/04/2029	100%	14	41
EL9620		Wonga	05/12/2023	05/12/2029	100%	41	41
MLA461	2	Hawsons Iron	18/12/2023	18/12/2025	100%	NA	287

1 1.5% NSR royalty to Perilya Broken Hill Pty Ltd.

2 MLA made on 18 December 2013. Tenement application subject to unspecified grant date and conditions.

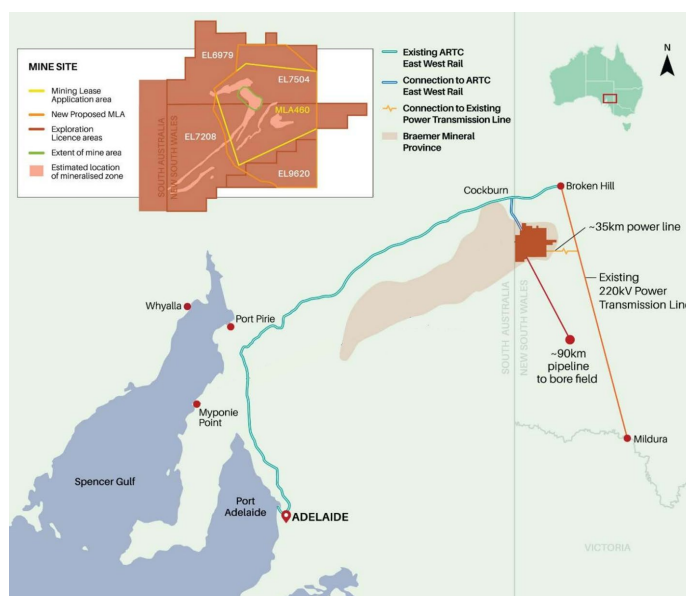


Figure 4: Hawsons Iron Project and Tenement Map

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This announcement is authorised by the Board.

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