For personal use only

HAWSONS IRON: COMPANY UPDATE

November 15, 2022

The Companies Officer
Australian Securities Exchange Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Madam or Sir

PRESENTATION – ANNUAL GENERAL MEETING 2022

Hawsons Iron Ltd (ASX: HIO) advises that Non-executive Chairman, David Woodall and Managing Director, Bryan Granzien are addressing shareholders at the Annual General Meeting (AGM) at 10am AEST today.

The AGM will be webcast at https://meetings.linkgroup.com/HIO22 and a copy of the Chairmans and Managing Directors Address, along with the presentation, is attached.

Yours sincerely

Hawsons Iron Ltd

Investor Contact
Greg Khan
E: greg.khan@hawsons.com.au
P: + 61 (0) 7 3220 2022

Authorised by Greg Khan Company Secretary

Released by authority of the Board
Hawsons Iron Limited

Hawsons IRON

WORLD'S BEST IRON ORE PRODUCT

For personal use only

HAWSONS IRON LIMITED
ANNUAL GENERAL MEETING
OF SHAREHOLDERS
Tuesday, 15 November 2022 at 10:00am

CHAIRMANS ADDRESS:

By Non-Executive Chairman, Mr David Woodall

Ladies and gentlemen,

Much has changed in the world and in the economy in the last 12 months.

Our Company has spoken about this recently, and with good reason.

The news is not welcome but it is real and we simply have to come to terms with it.

Your Board needs your support and encouragement as we take the decisions to face these global challenges together, to optimize the success of your investment.

Economic headwinds are affecting companies world-wide

The inflationary impact of the pandemic, combined with interest rate policy responses of central banks around the world and the world's geopolitical turbulence, have generated strong market headwinds.

In short, the cost of steel is up; the Aussie dollar is down significantly; the cost of energy is up; supply chains are more costly – if they are working at all – and lead times have blown out.

On top of that, raising capital at this time is extremely difficult and options are limited.

It's a perfect storm of current and emerging economic factors that will pass and is not uncommon in the mining industry.

I have no doubt that you will be hearing much more about how the upheaval in the global economy is affecting other companies in Australia and abroad.

No company is being spared.

Having been quick to recognise the challenges, in particular the more than three-fold increase in the cost of key capital components, the question for Hawsons was how to respond.

We could not ignore our immediate tasks: to validate the data on capital costs; to seek legal advice on our disclosure obligations; and to promptly act on our obligation to update the market.

The prudent response – the one clearly within our control and the one we took last month – was to slow development of our Bankable Feasibility Study, or BFS, and reassess the pathways available to deliver the Hawsons Iron Project.

This was just as promptly advised to the market via an ASX announcement.

We immediately began a strategic review with our high-quality partners to right-size our project for these dynamic conditions.

Ladies and gentlemen, I would like to make an important point.

This strategic review and the BFS are currently the priority focus of your Company's Board.

Our attention cannot, and will not, be diverted from completing this vital work.

Focusing only on the share price is short-term and in itself will not deliver the comprehensive BFS required to meet investors requirements for the long term.

We are focused on the longer term: charting a path to production that will create lasting value for our Shareholders.

In my experience, the path of a project study is never a straight line and my thanks go to the Shareholders staying with us on this journey.

Bryan will update you on the progress of the review shortly.

Magnetite remains key to steel industry decarbonisation

I would like to make it clear that while market conditions have changed significantly, what has not changed is the confidence we have in our world-class asset and the project, and the demand for our high-grade magnetite.

For personal use only

I have a strong belief in the quality of your Company's flagship project and its tremendous potential – not just to produce healthy profits for Shareholders, but to deliver significant social capital globally.

We have the opportunity from within Australia's great mining heartland of Broken Hill to deliver one of the world's best iron ore concentrate products and make a positive global impact as a leading enabler of the "green steel" pathway to lower emissions steel.

In short, the world needs Hawsons' high-grade magnetite concentrate and we intend to build the platform and pathway to provide it.

Steel accounts for around 7 per cent of annual global carbon dioxide emissions.

To reduce steel's carbon footprint, steel makers are expected to transition to new technology that requires a feedstock of high-grade, low-impurity iron ore concentrate.

High Demand for Hawsons Supergrade ®

The Hawsons Iron Project is capable of producing a 70 per cent iron concentrate that will be among the highest-grade iron ore products on the seaborne market.

Additionally, the quality of our product will demand a price premium despite iron ore spot pricing fluctuations.

Analysts expect that demand will be high.

And over the last twelve months, leading global companies have signed letters of intent with Hawsons Iron for offtake of approximately 50 million tonnes per annum of our Hawsons Supergrade® product.

We expect to be able to provide more detail on this significantly increased offtake demand in an upcoming ASX announcement, after gaining approval from these counter parties to provide their company names.

Summary – Thank You

Ladies and gentlemen, on behalf of the Board, I would like to thank our valued Shareholders – the owners of this company – for your support. Clearly the past month has been a concerning time for all of us.

I'd like to acknowledge your feedback and promise that we will continue to be transparent, open and responsive.

We have assembled a highly experienced and professional team who have consistently achieved key milestones in the 2022 financial year and who are now working very hard on our strategic review and pathway forward.

For personal use only

The Company's Board, management, staff and international team of leading global consultants are totally committed – totally committed – to delivering a fit-for-purpose BFS so we can successfully assemble the project financing package required to fund construction.

To all members of the Hawsons Board, management team, our employees, Advisory Committee, partners, consultants, contractors, and the communities we will operate in – I thank you too, for your commitment as we find ways to deliver on our stated objectives.

I'd like to now call on Bryan to make his remarks before taking questions.

Thank you.

MANAGING DIRECTORS ADDRESS:

By Managing Director, Mr Bryan Granzien

Thank you Dave.

And I like Dave welcome all our Shareholders here today and online.

I, too, am proud of our team of highly skilled people for their professionalism in the face of adversity including flooding on site, Covid impacts and, more recently, the economic challenges that Dave has just spoken about.

Let me start by making a few comments about what our talented team achieved last financial year.

At the start of July 2021, we bolstered market confidence and successfully raised $35.6 million to fund the Bankable Feasibility Study.

Advances made in FY22

We then set a demanding schedule of milestones, including a drilling program required to prove up our large orebody to the satisfaction of potential financiers.

This program, which commenced in October last year, was highly successful and resulted in a significant increase in the project's Mineral Resource estimate to 481 million tonnes of concentrate, reported in accordance with JORC 2012 Guidelines.

Importantly, this included a maiden 54 million tonnes of Measured and 190 million tonnes of Indicated Resources required to support future reserve estimation and project debt financing.

For personal use only

Around the end of the 2021 calendar year, we announced a $200 million equity funding package with LDA Capital Limited to ensure access to a flexible and available source of capital.

Subsequent to the end of the financial year and following the initial Capital Call Notice to draw down from the facility in July, we have worked with LDA to access their capital resources to keep advancing the Hawsons Iron Project.

In March we resolved the legacy joint venture ownership issue which had stalled our world-class Hawsons Iron Project for too long.

This was a significant milestone and a strategically important transaction that has opened all avenues for the Company to advance, including the future consideration of strategic joint venture partners.

And around the end of the financial year, we entered a non-binding Memorandum of Understanding with Flinders Ports, documenting plans to co-operate on the potential development and operation of a proposed new port at Myponie Point on South Australia's eastern Spencer Gulf.

I'm pleased to say that, as of last Friday, we now have a legally binding agreement with Flinders Ports that includes evaluation of lower start-up tonnage options using existing rail and port infrastructure, scaling production and export options over time.

This agreement is supported by an Option Agreement with landholders – announced in June this year – to acquire a suitable site for development of a deep-water export facility at Myponie Point.

Though I would like to note that there are also opportunities domestically for our Hawsons Supergrade®.

South Australia is focused on the production of green hydrogen essential for producing low carbon "green steel", using renewable solar and wind power.

Plans are also afoot to manufacture "green steel" at Whyalla using green hydrogen in conjunction with direct reduced iron technology, or DRI.

We may also be able to participate by supplying a portion of our 70 per cent iron Hawsons Supergrade® concentrate as feedstock for local DRI electric arc furnaces.

This is an appealing prospect that complements extensive demand from abroad.

As Dave mentioned, the steel industry increasingly recognises the need for our high-grade iron ore product to decarbonise.

Green steel production is fundamental to this.

Our Chairman has already detailed the deterioration in the economic climate.

For personal use only

Right-sizing for economic conditions

We were quick to recognise the challenges and actively sought to address them and to right-size our project for these dynamic conditions.

In tandem with our announcement last month that we were slowing the Bankable Feasibility Study to conserve working capital, we began a strategic review of our project with our high-quality partners.

The review is using important data from studies undertaken as part of the BFS to establish a base for more detailed investigation, where required.

We are focusing on examining options to scale production up in stages.

This includes potential to rely initially on existing rail and port infrastructure and a smaller processing plant to minimise upfront capital costs.

Using mine planning and cut-off grade optimisation techniques, we are evaluating a multi-stage mining operation with a lower initial production rate growing to the optimum output over time.

Alternative levels of production ranging from five million tonnes per annum and above, and material movement and ore feed volumes for these scaled options, are being examined with our current geological knowledge of the resource.

Right-sizing for economic conditions (Continued)

The strategic review has been endorsed by a variety of stakeholders as the right one at this time.

Rest assured that we are all firmly focused, and working very hard, with urgency on the best way to develop the project.

Immediate activities include narrowing the tonnage start-up and pathway options we have identified.

We are undertaking a considered review of capital costs, operating costs, conduct pit optimisation analyses and, with our partners, we will conduct workshops on port and transport logistics options.

All this work will lead to the potential reframing of the Bankable Feasibility Study.

We are approaching half-way through the strategic review and expect to have selected a prospective BFS base case, including a schedule and budget, by the end of December or early in the new year.

For personal use only

World-class opportunity

I'm pleased to say that we have made several important advances in the past week.

I have already mentioned the legally binding agreement with Flinders Ports.

We have also announced that the mineral process flow chart has been selected following completion of laboratory test works on ore samples to verify key equipment sizing, mass balance and final product specifications.

This is another important milestone, necessary for subsequent BFS activities.

Ladies and gentlemen, as we pursue further milestones, our priorities are clear: we remain focused on getting our world-class ore to market as soon as possible to optimise value for you, our investors. Nothing is more important than this.

The Hawsons Iron Project has been identified by independent analysts as one of the world's leading undeveloped high-quality iron ore concentrate and pellet-feed projects.

We have a world-class resource; strong long-term demand for our product; excellent partners; financial support; and investors who appreciate the size of the prize.

Thank you for your continuing support.

Together, we will deliver on this project's extraordinary promise.

ENDS

For personal use only

For personal use only

Hawsons Iron (ASX: HIO)

Annual General Meeting

15 November 2022

Hawsons IRON | WORLD'S BEST IRON ORE PRODUCT

hawsons.com.au

For personal use only

Chairman's review: Dave Woodall

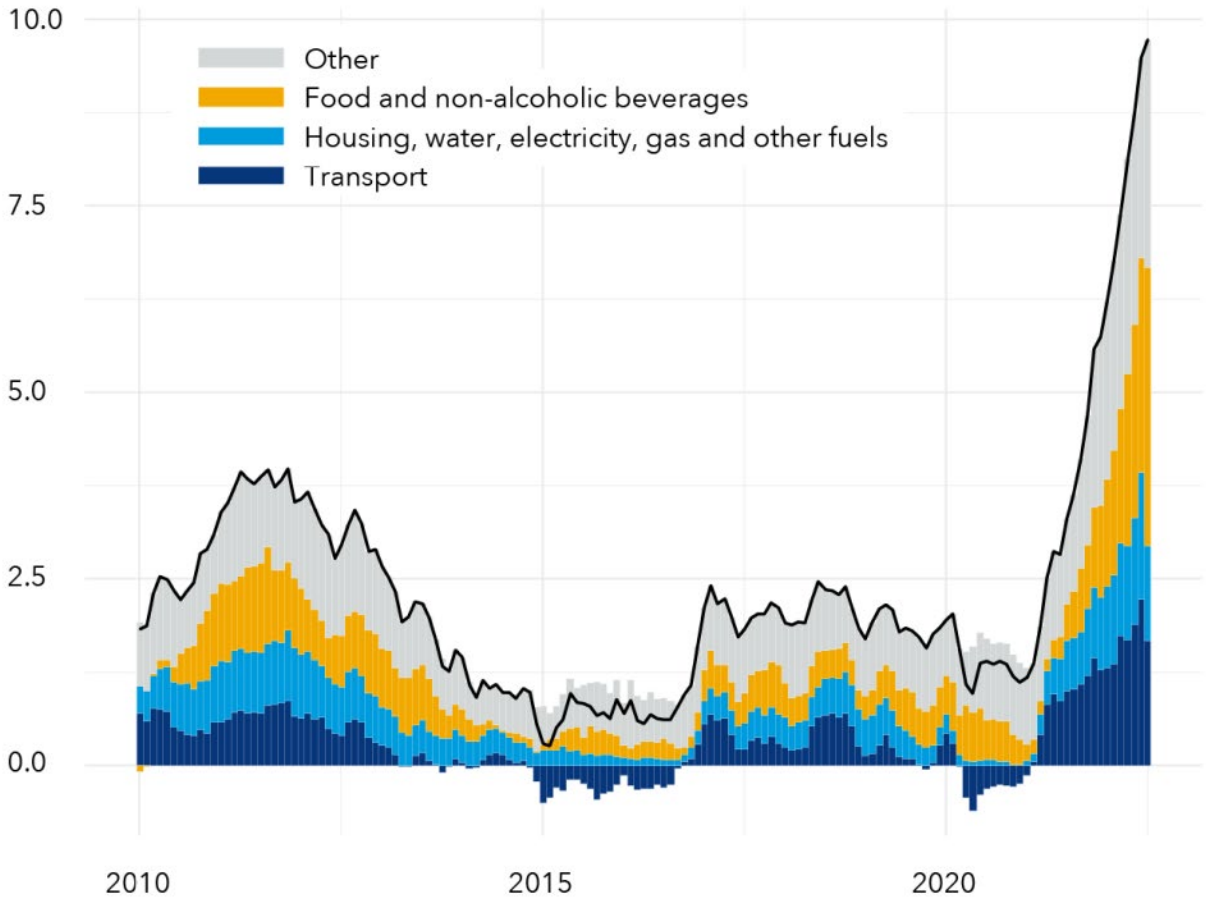
For personal use only

Economic headwinds are affecting companies world-wide

- ✓ Pandemic-induced inflation
- ✓ Tightening monetary policy
- ✓ Geopolitical turbulence
- ✓ China's Covid lockdown
- ✓ Australian dollar under pressure
- ✓ Supply chains disrupted

Global inflation surges

%, median inflation rate across 88 countries



Source: IMF CPI database and IMF staff calculations, September 2022

For personal use only

Magnetite remains key to steel industry decarbonisation

- ✓ Steel industry accounts for ~7% of global carbon emissions
- ✓ ~70% of steel produced using coal in oxygen blast furnaces [1]
- ✓ 1 tonne of steel = 2 tonnes of CO_2 [2]
- ✓ Transition from blast furnaces to direct reduced iron (DRI) processes
- ✓ By 2050 60% DRI = 10X DR-grade iron ore [3]

Sources: 1. World Coal Association 2. McKinsey Decarbonization challenge for steel 3. Bloomberg New Energy Finance (BNEF)

For personal use only

High demand for Hawsons Supergrade®

- ✓ Energy-saving in crushing and grinding:
  - ✓ Orebody deposited in a soft siltstone – unlike Pilbara
  - ✓ Liberation of high-purity concentrate using lower energy
  - ✓ Low impurities assist in delivering a high-quality steel product
- ✓ Non-binding letters of intent received for approximately 50 Mtpa of offtake from Asia and Middle East

70%

Fe

Iron

Thank you

For personal use only

Managing Director's review: Bryan Granzien

For personal use only

For personal use only

Advances made in FY22

- ✓ $35.6 million capital raise
- ✓ Drilling program completed
- ✓ Mineral Resource up to 481 Mt
- ✓ $200 million put option agreement
- ✓ 20Mtpa BFS study
- ✓ Flinders Ports MOU and land options
- ✓ Starlight JV equity purchase
- ✓ Study consultants appointed
- ✓ Major Project Status renewed

For personal use only

Right-sizing for economic conditions

- ✓ Significant economic headwinds
- ✓ Escalation in infrastructure capital cost estimates
- ✓ Managed slowdown of BFS activity to preserve working capital
- ✓ Strategic review underway
  - scaling up using existing infrastructure
  - minimising up-front capital costs
  - conceptually considering a multi-stage mining operation
  - lower base-production start-up

For personal use only

Right-sizing for economic conditions (Continued)

- ✓ Focus on optimal way to realise value for shareholders
- ✓ Approaching half-way of strategic review, leading to reframing of BFS
- ✓ Immediate activities:
  - Narrow identified options
  - Review operating costs
  - Pit optimisation analyses
  - Port and transport logistics options

For personal use only

World-class opportunity

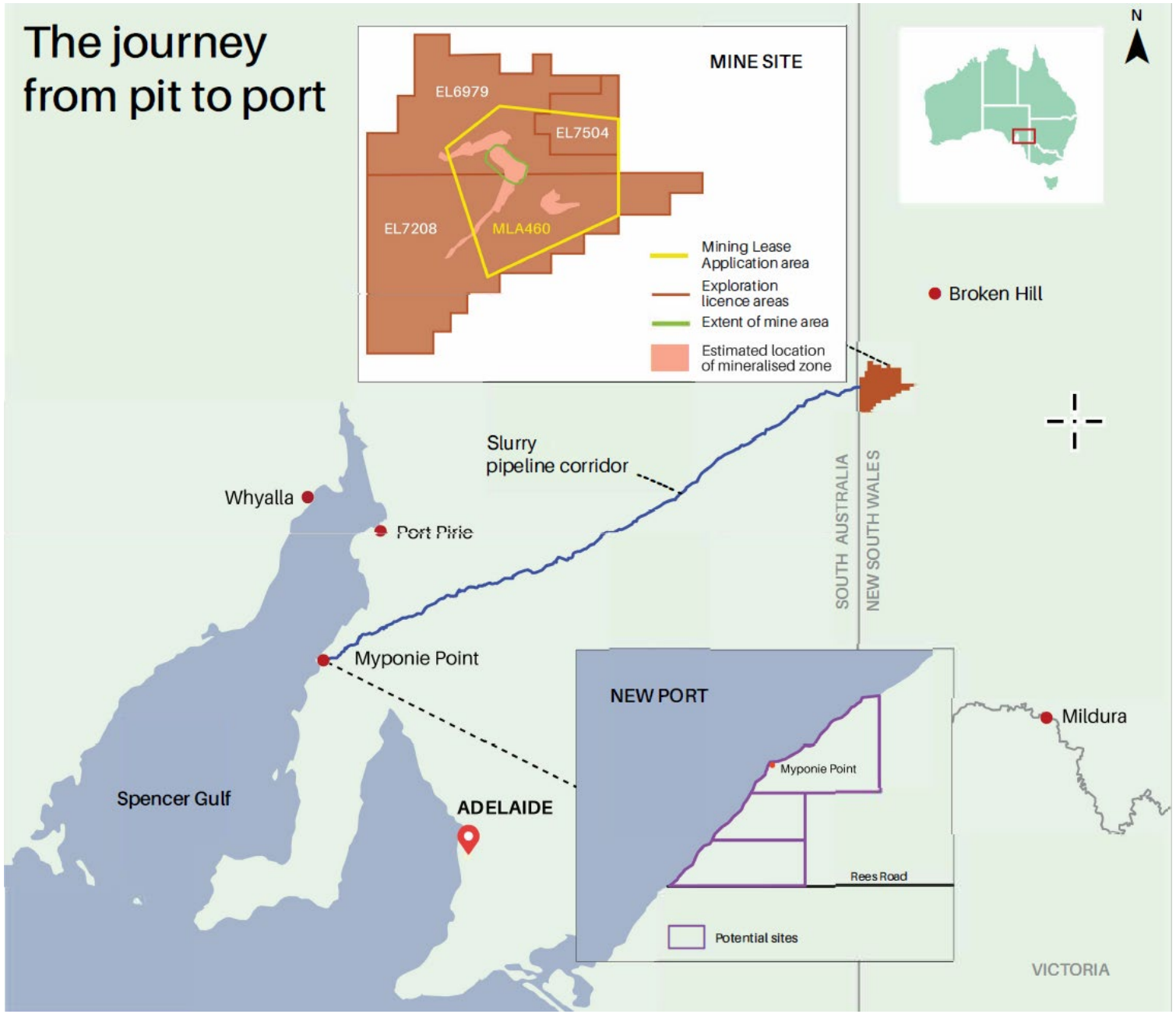
Recent advances:

- ✓ Legally binding agreement with Flinders Ports
- ✓ Mineral process flow chart and metallurgical test work completed

481 Mt Mineral Resource

70 % Fe Hawsons Supergrade® iron ore product

50 Mtpa Letters of Intent (Approx)



For personal use only

Cautionary Statement

This presentation has been prepared by the management of Hawsons Iron Ltd (HIO) for the benefit of customers, analysts, brokers and investors and not as specific advice to any particular party or persons. The information is based on publicly available information, internally developed data and other sources. Where an opinion is expressed in this presentation, it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only.

No warranties or representations can be made as to origin, validity, accuracy, completeness, currency or reliability of the information. HIO disclaims and excludes all liability (to the extent permitted by law) for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the information, its accuracy, completeness or by reason of reliance by any person on any of it.

Where HIO expresses or implies an expectation or belief as to the success of future exploration and the economic viability of future project evaluations, such expectation or belief is expressed in good faith and is believed to have a reasonable basis. However, such expected outcomes are subject to risks, uncertainties and other factors which could cause actual results to differ materially from expected future results.

Such risks include, but are not limited to, exploration success, metal price volatility, changes to current mineral resource estimates or targets, changes to assumptions for capital and operating costs as well as political and operational risks and governmental regulation outcomes.

HIO does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forecast or to update such forecast. The Company confirms that all assumptions and technical parameters underpinning the Resource and Reserve estimates and all material assumptions underpinning the production target or the forecast financial information derived therefrom continue to apply and have not materially changed since first reported on 28 July 2017.

Disclaimer.

The data and information provided by Wood Mackenzie should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law.

For personal use only

Corporate Directory

Business Office
Level 21 | 12 Creek St
Brisbane City QLD 4000, Australia
Phone: +61 (0)7 3220 2022

Postal address
PO Box 10919,
Brisbane Qld 4000.

Web: www.hawsons.com.au
Email: Via website
ABN: 63 095 117 981
ACN: 095 117 981

Australian Securities Exchange Ltd
ASX Code: HIO Ordinary Shares

Share Registry
Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane, QLD, 4000
Phone: 1300 737 760

Contact information
Managing Director Bryan Granzien
Company Secretary & Chief Financial Officer
Gregory Khan

Phone: +61 (0)7 3220 2022

Hawsons IRON
WORLD'S BEST IRON ORE PRODUCT