



Hawsons IRON

WORLD'S BEST IRON ORE PRODUCT

QUARTERLY REPORT

For the period ended 30 September 2021

- + Hawsons Iron is answering the world's call for high grade iron ore.
- + The Company has a 94% interest in the Hawsons Iron Project, source of Hawsons Supergrade® product
- + The Hawsons project will supply a product that will be in high demand from steelmakers who understand the benefits of producing "Green Steel"



HIGHLIGHTS

Hawsons Iron Project

- + The Company raised \$35,596,844 (before costs) through a fully underwritten private placement and an entitlements issue to shareholders.
- + The bankable feasibility study (BFS) for our world-class Hawsons Iron Project is now fully funded. The recent capital raise delivered the full financial resources to undertake and complete the BFS. Target date for BFS completion is 31 December 2022.
- + NSW Resources regulator approved commencement of the confirmatory drilling program, which will allow further definition of the resource, provide large diameter core samples for the pilot plant test work, groundwater and geotechnical data.
- + Early stage BFS key contractors and consultants appointed.
- + Specialist geological and mining consultants have been selected, who are defining the drilling program and associated mine optimisation options.
- + The Company continues with its disciplined process for selecting preferred project partners.
- + The Company has announced a Mineral Resource Upgrade, post 30 September 2021, which includes a 9% increase in indicated resources and 18% increase in Inferred resources.

Corporate

- + Carpentaria Resources Limited (ASX: CAP) changed its name to Hawsons Iron Limited (ASX: HIO), which took effect 23 August 2021.
- + Developed and launched a new website and branding.
- + Established Hawsons Iron social media pages relating to LinkedIn, Facebook, Twitter and utilisation of Mail Chimp.
- + A highly skilled and experienced Hawsons Project team has been assembled to take the company through the bankable feasibility study program and beyond.
- + Mr Greg Khan (Chief Financial Officer) was also appointed Company Secretary.



HAWSONS IRON PROJECT

70%

Iron percentage of Hawsons Supergrade® product.

12.0

Offtake demand for Hawsons Supergrade® product (Mtpa).

201

Total production of Hawsons Iron Project (million tonnes).
As per the PFS release on 28 July 2017.

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.

Hawsons Iron Limited (ASX: HIO) announced today its quarterly activities and cashflow report for the period ending 30 September 2021.

The Company is committed to developing the Hawsons Iron Project near Broken Hill, NSW. The capital raise of \$35,596,844 (before Costs) ensure the company is fully funded to complete the Bankable Feasibility Study.

GHD, a world-leading environmental and engineering firm, has been engaged for BFS early works and critical path items. Hawsons will focus on clearing the critical path of all necessary approvals for construction of the mine, plant and associated infrastructure. This includes an environmental impact statement (EIS).

Drilling contractors have been selected, with equipment and crews being mobilised for commencement in October 2021.

H&S Consultants were engaged by the Company to report on the Mineral Resource in accordance with the 2012 JORC Code and Guidelines and subsequently released a report to the Company in October 21, triggering a Mineral Resource Upgrade announcement to the market (19th October 2021).

As outlined in our ASX announcement dated 30th September 2021, Hawsons also engaged KPS Innovations to complete a pit optimisation study, with the subsequent results announced to the Market 19th October 2021.

Hawsons asset base is very significant, high quality and of low impurity. Hawsons expect life of mine tonnages will increase further at the Hawsons Iron Ore Project with the planned resource extension drilling being initiated in October 2021.

Landholders of properties to be impacted by site work are supportive of the Hawsons Project and see the value it will bring to the Broken Hill district and the nation. Their collaboration in preparing for onsite activities has been exceptional and is much appreciated.

Following the end of the quarter, the Company has announced a Mineral Resource Upgrade (19th October 2021) which includes a 9% increase in indicated resources and 18% increase in inferred resources.

The unique quality of the **Hawsons Supergrade®** iron ore product gives the Company a distinctive capability. It opens many opportunities including dealing directly with end users who recognise its:

- + 70% iron content
- + extremely low impurities
- + positive impact in reducing CO₂ emissions in the steelmaking process

FEATURES

+ **Green steel leader with the lowest CO2 emissions through the value chain and production options for net zero emissions**

+ **Valuable to all iron makers, including direct reduced iron (DRI), blast furnace and pellet plants**

+ **Inherent energy in magnetite ore decreases energy consumption**

+ **Low impurities – high ESG appeal**

+ **First quartile of global cost curve**

+ **Outstanding location. Access to Rail. Grid/solar/wind power options available. Water 90km South. Multiple port options.**

Corporate

An extraordinary general meeting of shareholders was held on 10th August 2021. The agenda for this meeting included resolutions to change the Company's name to Hawsons Iron Limited and to approve the Hawsons Iron Option Plan, approve director options, as well as to approve the second placement to institutional shareholders (\$6.15 million, before costs) as part of the \$35,596,844 (before costs) capital raising.

The Company entered into an underwriting agreement whereby two private placements (one conditional upon shareholder approval) and a 1 for 2.6 shares entitlements offer to raise in total \$35,596,844 (before Costs).

It is extremely encouraging that the Company has received such strong institutional support to carry out the Hawsons BFS and the Company has a clear path to complete the BFS, which we are confident will further demonstrate that the Hawsons Iron Project is one of the world's best undeveloped iron ore projects. It will be a low-cost operation that can produce premium quality iron ore products.

The Company employed specialist new people to the organisation in key roles to take the company through the BFS program and beyond. Each person comes with a wealth of experience and associated technical skills, which will ensure the Company operates efficiently, effectively and with priority, through the BFS program and beyond.

Mr Justin Haines was appointed Operations Manager, Mr Josh Baxter as Site Manager, Mr Rohan Koenig as BFS Study Manager, Mr Peter Brennand as Procurement Manager. The Company also appointed Ms Kerry Bailey in October 2021, to lead the planned expansion of the corporate communication activities.

During the quarter, Mr Greg Khan (Chief Financial Officer) was also appointed as Company Secretary.



Hawsons Iron Ltd tenement schedule 30 September 2021

Licence	Notes	Name	Grant date	Expiry date	Equity	Units	Area – km2	Renewal
EL6979	1,2	Redan	11/12/2007	11/12/2021	93.963%	62	180	
EL7208	2	Burta	22/09/2008	22/09/2025	93.963%	100	290	
EL7504	2	Little Peak	08/04/2010	08/04/2023	93.963%	14	41	
MLA460	3,4	Hawsons Iron	Under application	Under application	93.963%	n/a	187	

1. 1.5% NSR royalty to Perilya Broken Hill Pty Ltd. Renewal EL6979 in progress.
2. JV Starlight Investment Company Pty Ltd. EL7504 renewal lodged.
3. MLA made on 18 October 2013.; tenement application subject to unspecified grant date and conditions.
4. Subject to the Hawsons Joint Venture with Starlight Investment Company Pty Ltd.

This report references Mineral Resource information released to the ASX on 19 October 2021 “Hawsons Iron - Mineral Resource Upgrade”. The company is not aware of any new information which would materially affect the outcome of the Mineral Resources reported 19 October 2021.

Release authorised by the Board

DISCLOSURE

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information evaluated by Mr Simon Tear of H&S Consultants Pty Ltd who is a member of the Australian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is

undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”). Mr Tear consents to the inclusion in the report of the Mineral Resources in the form and context in which they appear.



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

HAWSONS IRON LIMITED

ABN

63 095 117 981

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(87)	(87)
	(e) administration and corporate costs	5,343	5,343
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Joint venture transaction costs	(79)	(79)
1.9	Net cash from / (used in) operating activities	5,177	5,177
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(27)	(27)
	(d) exploration & evaluation (if capitalised)	(7,113)	(7,113)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(7,140)	(7,140)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	35,596	35,596
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,028)	(2,028)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	33,568	33,568

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,350	2,350
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,177	5,177
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,140)	(7,140)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	33,568	33,568

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	33,955	33,955

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	33,939	33,939
5.2	Call deposits	16	16
5.3	Bank overdrafts		-
5.4	Other (provide details)		-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	33,955	33,955

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments:

Director wages and fees: Total \$83,749.98, made up of the following;

- Bryan Granzien Gross Wages \$62,499.99
- Bryan Granzien Superannuation \$6,249.99
- Paul Cholokas (Director Fee) \$7500
- Jon Parker (Director Fee) \$7500

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	5,177
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(7,113)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	1,936
8.4	Cash and cash equivalents at quarter end (Item 4.6)	33,955
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	33,955
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	17.54
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2021

Authorised by: The Board.
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.