

QUARTERLY ACTIVITIES REPORT

ASX: HIO

JUNE 2025



30 July 2025

Highlights

- **Project Update Report completed, supporting the use of a dry crushing/grinding circuit;**
 - **Collaborative Research Project with CSIRO commenced;**
 - **Share Purchase Plan and Share Placement completed, raising \$1.9M;**
 - **Appointment of highly regarded Project Manager and processing specialist to oversee the next phase of the Project;**
 - **Board visit to Broken Hill**
-

Project Update Report

During the quarter, Hawsons Iron Limited (**Hawsons** or the **Company**) completed its current dry comminution test work program and the Mineral Resource variability study and engaged Stantec, acting as independent engineering consultants, to prepare the Project Report¹.

The Project Report:

- Supports the use of 100% dry processing circuit, a significant Project enhancement whilst also incorporating safety, environmental, operational and maintenance benefits;
- Provides confidence for further investigation into potential secondary products (e.g. hematite, silica sands) and flow on optimisation of mine design, processing & logistics;
- Demonstrates a high level of geochemical and physical material consistency, throughout the current Mineral Resource, particularly within the early phase of operations, which significantly contributes towards de-risking the Project during its early years of operation; and
- Supports a co-disposal mine waste with dry processing waste solution as part of a sustainable Project waste management program.

The Project Report is the culmination of the works undertaken over the last 12 months. Hawsons has been focused on thoroughly testing and understanding the technical properties of the Hawsons deposit and testing the viability of a 100% dry crushing and grinding circuit. The result is a simplified, de-risked, lower-cost and environmentally cleaner alternative to a traditional hydrometallurgical route.

The upcoming Prefeasibility Study (**PFS**) will build upon the result of the Project Report.

¹ ASX announcement '[Hawsons Iron Project Update Project Report findings support Dry Processing Circuit](#)' dated 22 May 2025

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Collaborative Research Project with CSIRO

Hawsons has commenced a collaborative research project with CSIRO², Australia's national science agency, with financial assistance provided through its Kick-Start Program, and has been approved for a \$47,850 Kick-Start Program voucher.

This two-part project aims to:

1. Provide further confidence in the physical and metallurgical properties of pellets that can be manufactured from Hawson's Magnetite concentrate through:
 - a) A suite of balling tests to optimise the binder addition and quality assessment of the green pellets;
 - b) A suite of preheating and roasting tests to optimise the firing profile of the green pellets and assessment of preheated and fired pellet strength; and
 - c) Confirming the firing profile at a larger scale to provide sufficient sample for physical and metallurgical characterisation of the pellets as a Blast Furnace and Direct Reduction shaft burden.
2. Determine the chemical and mineralogical properties of the non-magnetic iron content contained within the tails fraction. Specifically, the work is designed to determine:
 - a) the main Fe-bearing mineral reporting to the tails;
 - b) the degree of liberation of the Fe-oxide in the tails and the associated gangue minerals; and
 - c) the deportment of phosphorus (and other impurity elements) in the fraction.

Beyond the financial support, the collaborative research project provides Hawsons access to CSIRO's world class facilities and expert team.

Share Purchase Plan and Share Placement

During the quarter, the Company announced a Share Purchase Plan (**SPP**) to raise \$1M. Total applications received for the SPP were \$1.21M. The Board decided to accept all valid applications received, resulting in a total of 71,139,296 shares issued under the SPP at \$0.017 per share, representing an 18% discount to the 5-day volume-weighted average price per share up to the close of trade on 15 July 2025.

In addition to the SPP, the Company has completed a small Share Placement to raise \$700,000 at the same price as the SPP. The total shares under the placement were 41,176,471 shares.

Hawsons Directors and Management actively participated alongside shareholders in the SPP and Share Placement, contributing a total of \$95,000 to the raising.

As noted in the Share Purchase Plan offer booklet funds raised under the SPP will be used for:

- Undertaking works to provide an updated PFS, together with Maiden Ore Reserves for the Project;
- Further investigation into potential secondary products and flow on optimisation of mine design, processing and logistics; and
- General working capital.

The additional funds raised from the Share Placement will be used to accelerate key metallurgical test work, progress preliminary environmental studies and bolster the Hawsons team with key technical staff (refer below).

² ASX announcement '[Hawsons Enters into a Research Project with CSIRO](#)' dated 3 July 2025



Key Technical Appointments

Hawsons is pleased to confirm the appointment of comminution and processing specialist Mike Daniel, and Project Manager Mick Ryan.

Dr Mike Daniel has extensive experience in the design and application of processing technology as well as process audits, modelling and optimisation of comminution circuits. Mike's clients have included Barrick Gold, Anglo American, Xstrata/Glencore, Straits Resources, Vale, Ausenco, Cliffs, Vedanta, CBH Resources, Boteti Mining, AngloGold and CITIC-HIC.

Mike's focus will be to drive the current process test work programs (dry comminution, byproducts etc) including the critical pilot test work program which will be used for finalising a detailed process flow sheet, ahead of commencement of the final Definitive Feasibility Study (**DFS**).

Mick Ryan is a highly experienced mining and resources industry veteran with over 40 years' experience in the global mining sector. He has held senior project management roles including in nickel, graphite, niobium and gold for Australian and African Projects and has worked with a number of mining companies including Alacer, Turquoise Hill, Azumah Resources, Resolute Mining, GME Resources, CleanTeq, Black Range Minerals and Anaconda Nickel. Importantly for Hawsons, Mick has relevant project approvals experience in NSW with the Syerston Nickel Cobalt Project.

Mick's role at Hawsons over the next six months will include leading and coordinating the PFS program, commence planning on the DFS planning and budgeting, manage preliminary environmental studies and beyond that, oversee the full development of the Hawsons Iron Project from DFS through to commissioning.

Board Visit to Broken Hill

In late April, the Board had the opportunity to travel to Broken Hill to meet with key stakeholders and conduct a project site visit.

The Board held several meetings during the visit including:

- A meeting with members of the Broken Hill Local Aboriginal Land Council to provide a project update and reinforce the Hawsons' intentions to collaborate and work closely with the Land Council;
- A project update and Q&A session with members of the Broken Hill City Council; and
- Dinner with Broken Hill Mayor and other senior council officers.



Figure 1: Board meeting with the Broken Hill Local Aboriginal Land Council



Figure 2: Project update with the Broken Hill City Council



Financial Position

At 30 June 2025, Hawsons had cash reserves of \$0.2M. Operating cash outflows for the quarter were \$0.35M, and Investing cash outflows were \$0.47M, attributable to the operational activities outlined below.

Further details of financial activities during the March 2025 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this report.

As noted above, subsequent to quarter end, the Company raised an additional \$1.91M (before costs) through an SPP and a share placement.

Operational Activities

During the quarter, activities focused on:

- Project Study works;
- Process optimisation and by-product studies; and
- Metallurgical test work.

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

Related Party Payments

During the quarter, Hawsons 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:

- 1,128,817,135 shares on issue (inclusive of 3,569,857 non-recourse employee shares)
- 201,640,309 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 2025
 - 700,000 lead manager options exercisable at \$0.030, expiring 16 July 2028
 - 27,000,000 Director and employee incentive options with various vesting milestones, exercise prices and expiry dates.

Tenement Schedules

Licence	Notes	Name	Grant date	Expiry date	Equity	Units	Area (km ²)
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.

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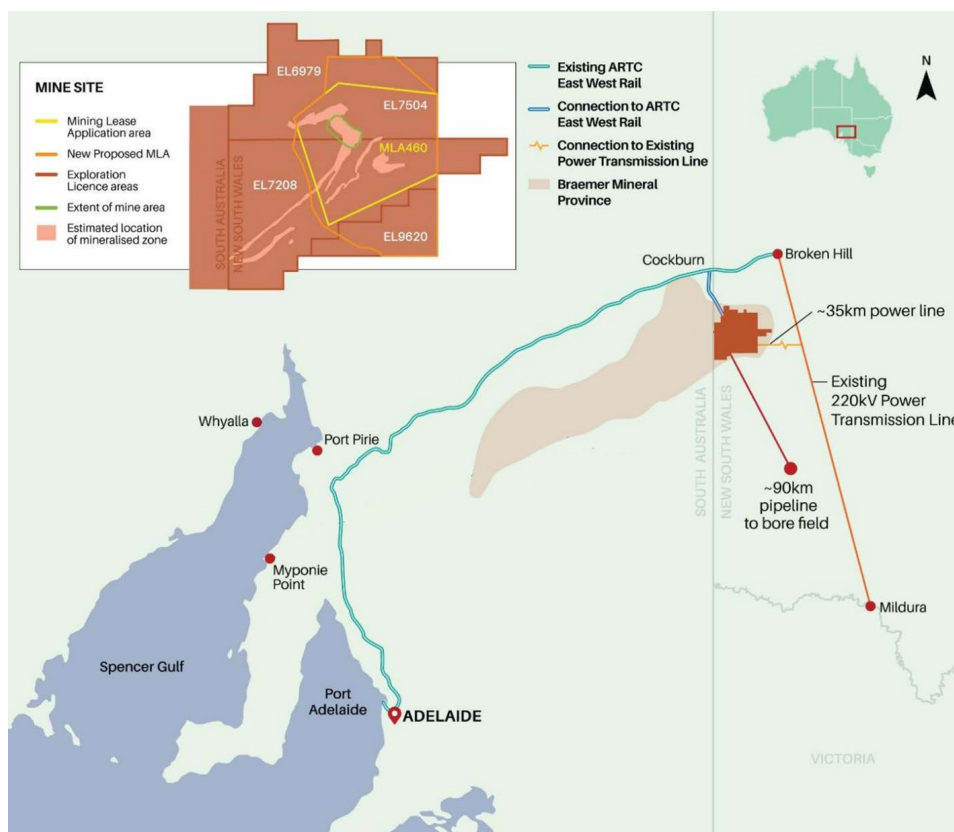


Figure 3: Hawsons Iron Project and Tenement Map

This announcement is authorised by the Board.

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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 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(135)	(910)
(e) administration and corporate costs	(208)	(806)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	28
1.5 Interest and other costs of finance paid	(4)	(8)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Pure Metals settlement	-	(250)
1.9 Net cash from / (used in) operating activities	(345)	(1,946)
2. Cash flows from investing activities		
2.1 Payments to acquire or refunds for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(467)	(1,464)
(e) investments	-	-
(f) other	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other – security bonds	(3)	49
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	R&D tax concession received	-	178
2.6	Net cash from / (used in) investing activities	(470)	(1,237)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	250
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	-	(20)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(37)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease principal repayments	(12)	(107)
3.10	Net cash from / (used in) financing activities	(12)	86

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,029	3,299
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(345)	(1,946)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(470)	(1,237)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(12)	86

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	202	202

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	202	1,029
5.2	Call deposits	-	-
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)	202	1,029

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	50
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

Item 6.1

- Non-executive director fees \$50,375

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Put Option Agreement)	2,084	-
7.4 Total financing facilities	2,084	-
7.5 Unused financing facilities available at quarter end		2,084
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.		
<p>LDA Capital</p> <p>Hawsons Iron has entered into a Put Option Agreement with United States investment group LDA Capital Limited.</p> <p>The Company can draw down funds during the term of the Agreement by issuing ordinary shares of the Company (Shares) for subscription to LDA Capital. The Company may issue call notices to LDA Capital with each call notice being a put option on LDA Capital to subscribe for and pay for those Shares. A Call Notice draws upon the Companies placement capacity which there must be available capacity to initiate a Call Notice on LDA Capital.</p> <p>The issue price of the Shares is calculated at the completion of the 30-Day pricing period, following the Capital Call Notice 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. Based on the historical trading volumes and the HIO share price at the end of the quarter ending 31 December 2024, Hawsons has estimated the total capital limit of the facility at 30 June 2025 at \$2,084,000 (refer 7.3).</p> <p>LDA has the right to reduce the Proposed Capital Call Shares (Subject to adjustments) by up to 50% or increase the number of Proposed Capital Call Shares by up to 100%. Except for option shares, LDA must not, on any Trading Day during the Pricing Period sell Collateral Shares representing more than 1/30th of the Shares specified in the Capital Call Notice.</p> <p>The Agreement includes unlisted share options under which HIO will issue 71,500,000 options to LDA Capital. The strike price of the options is \$0.055. Each option has an exercise period of four years.</p> <p>The Company paid an Option Premium Fee to LDA Capital of A\$4 million on 21 December 2022 – 50% (A\$2 million) in cash and 50% in shares (9,173,897 shares) based on 90% of the average VWAP of Shares in the 90-trading day period preceding the 12-month anniversary date from signing of the Agreement. HIO paid AUD\$21,258 on 16th December 2021 to cover LDA Capital legal costs which were capped at US\$25,000, and AUD\$14,423 on 24th August 2022 for costs related to the Call Notice.</p>		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(345)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(467)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(812)
8.4	Cash and cash equivalents at quarter end (item 4.6)	202
8.5	Unused finance facilities available at quarter end (item 7.5)	2,084
8.6	Total available funding (item 8.4 + item 8.5)	2,286
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.82
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	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?	
	Answer:	
8.8.2	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?	
	Answer:	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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: 30 July 2025

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

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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.