

QUARTERLY ACTIVITIES REPORT

ASX: HIO



31 October 2025

Highlights

- **Preliminary Feasibility Study (PFS) underway and well progressed;**
 - **Collaborative Research Project with CSIRO underway with Stage 1, focused on understanding the mineralogy of the non-magnetic iron tailing stream from with a view to developing a secondary product recovery strategy, now complete;**
 - **Other Process Test Work Programs as part of the Definitive Feasibility Study, advancing;**
 - **Share Purchase Plan and Share Placement completed in July, raising \$1.9M;**
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Preliminary Feasibility Study

During the quarter, Hawsons Iron Limited (**Hawsons** or the **Company**) engaged Stantec, acting as independent engineering consultants, to undertake a Preliminary Feasibility Study (**PFS**) and Maiden Ore Reserves on the Hawsons Iron Project (**Project**).

Key areas of the PFS undertaken include:

- Engagement of Stantec to complete the PFS under the management of Hawson's new Project Manager, Mick Ryan;
- Completion of all necessary metallurgical test work associated with the PFS; further test work is currently underway in line with the commencement of the Definitive Feasibility Study next year;
- Engineering around the primary crushers and Vertical Roller Mills (**VRM**);
- Integration of previous metallurgical data into the PFS for the purposes of producing a 68%+ Fe grade concentrate;
- Capital and operating cost estimates due to be completed in coming weeks; and
- Completion of a detailed Project risk review and integration of environmental and social aspects in line with the Company's ultimate commitment towards developing a financially optimised, socially and environmentally sustainable Project

The Company expects to be in a position to release further information in relation to project economics, in accordance with regulatory guidelines, following completion of the PFS.

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Collaborative Research Project with CSIRO

During the quarter, Hawsons commenced a two-part collaborative research project with CSIRO, 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.¹

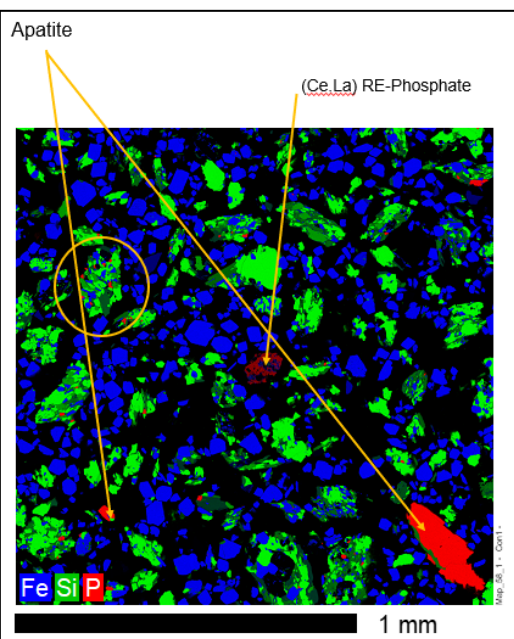
Phase one

The focus on the first phase of works was to identify the chemical and mineralogical properties of the non-magnetic iron content contained within the tails fraction. The program was structured to assist Hawsons in determining the high-level technical feasibility of extracting hematite as a potential byproduct of the Hawsons Iron Project. The results from the test work demonstrated the following²:

- The major component in the tailings samples was dominated by hematite and quartz;
- Low levels of magnetite (1% or less) were detected in the tailings samples confirming high recovery of magnetite in earlier stages of process separation;
- Phosphorus exists predominantly as discrete phosphate minerals, potentially simplifying the removal of phosphorus as part of upgrading a hematite concentrate.

These encouraging results provide the basis for further investigations into the potential economic recovery of Hematite from the tailings stream.

Figure 1: EPMA element distributions



Electron Probe Microanalysis (EPMA) for Con1 shows that phosphorus occurs in two forms:

1. As discrete Ca-rich phosphate grains (the correlation between P and Ca suggests this phase is most likely apatite; and
2. as a (Ce,La) Rare Earth -phosphate phase

Apatite is the more common form of phosphate in the sample and occurs as either discrete, fully liberated particles (indicated by arrows) or as smaller, poorly liberated grains in composite particles (circled).

Most hematite grains are well-liberated. Composite particles are largely composed of various aluminosilicates (various shades of olive green) and quartz (bright green).

There was no evidence for phosphorus occurring as a substitutional contaminant within hematite grains.

¹ Refer announcement [Hawsons Enters into a Research Project with CSIRO](#) dated 3 July 2025.

² Refer announcement [Positive Phase 1 Test results from CSIRO Research Program](#) dated 29 October 2025.



Phase two

Phase two of the works is under and is focused on providing 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.



Figure 2: CSIRO Sintering & Pelletising Facility

Process Test Work Programs

In addition to the PFS and CSIRO research project, Hawsons is also undertaking a range of additional test works including;

- VRM sample testing with GEBR Pfeiffer. A 600kg sample has been sent to GEBR Pfeiffer testing facilities in Germany. Results from this testing will guide the operating parameters ahead of future large scale pilot testing.



Figure 3: GEBR Pfeiffer VRM test facility



- Magnetic separation test work with Longi Magnet. A 2,800kg sample is being assessed with results to inform processing plant design, support recovery estimates in the PFS and guide further engineering optimisation in later feasibility studies.



Figure 4: Hawsons' magnetite concentrate produced at Longi

Share Purchase Plan and Share Placement

During the quarter, the Company completed a Share Purchase Plan (**SPP**).³ 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, represents a 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.

Financial Position

At 30 September 2025, Hawsons had cash reserves of \$0.9M. Operating cash outflows for the quarter were \$0.51M, and Investing cash outflows were \$0.58M, attributable to the operational activities outlined below.

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

Subsequent to quarter end, the Company received \$488k from its FY2025 Research and Development tax incentive. The Company is also due to receive a refund \$188k from the refund of drilling security bonds in the coming weeks.

³ Refer announcement [Share Purchase Plan Exceeds Target and Share Placement raise \\$1.91M](#) dated 16 July 2025



Operational Activities

During the quarter, activities focused on:

- PFS 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 \$51,664 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 (km2)
EL6979	1	Redan	11/12/2007	11/12/2026	100%	62	180
EL7208	3	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.

³ 5-year renewal application lodged.

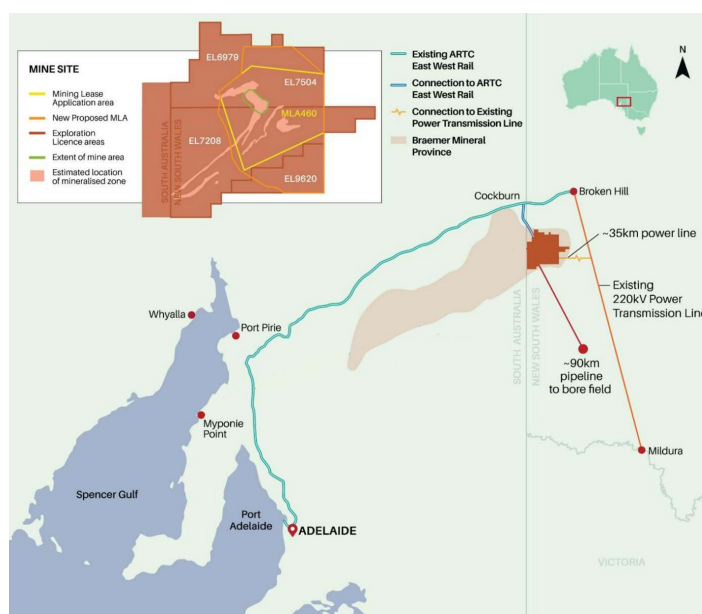


Figure 5: Hawsons Iron Project and Tenement Map

This announcement is authorised by the Board.

Head Office

Level 3
410 Queen Street
Brisbane Q 4000
Phone: +61 7 3554 1003
Website: www.hawsons.com.au

Share Registry

MUFG Corporate Markets
10 Eagle Street
Brisbane Q 4000
Phone: 1300 554 474

For further information contact:

Tom Revy

Chief Executive Officer

+61 411 475 376

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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 Sept 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	(172)	(172)
(e) administration and corporate costs	(340)	(340)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Pure Metals settlement	-	-
1.9 Net cash from / (used in) operating activities	(513)	(513)
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	(578)	(578)
(e) investments	-	-
(f) other – security bonds	(5)	(5)

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	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	R&D tax concession received	-	-
2.6	Net cash from / (used in) investing activities	(583)	(583)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,909	1,909
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	(91)	(91)
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 – lease principal repayments	(12)	(12)
3.10	Net cash from / (used in) financing activities	1,806	1,806

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	202	202
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(513)	(1,946)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(583)	(1,237)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,806	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	912	912

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	912	202
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)	912	202

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	52
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 \$51,664

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)	1,109	-
7.4	Total financing facilities	1,109	-
7.5	Unused financing facilities available at quarter end		1,109
7.6	<p>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> <div style="border: 1px solid black; padding: 10px;"> <p>LDA Capital 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 30 September 2025, Hawsons has estimated the total capital limit of the facility at 30 September 2025 at \$1,109,000 (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 has issued 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, expiring on 21 December 2025.</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> </div>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(513)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(578)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,091)
8.4 Cash and cash equivalents at quarter end (item 4.6)	912
8.5 Unused finance facilities available at quarter end (item 7.5)	1,109
8.6 Total available funding (item 8.4 + item 8.5)	2,021
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.85
<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?	
<p>Answer:</p> <p>The Company incurred several annual charges during the September 2025 quarter, including audit fees, tax fees and ASX annual listing fees. The Company expects a reduction in administration and corporate cash expenditure for the remainder of the 2026 financial year.</p> <p>Expenditure on the Hawsons Iron project is expected to be similar for the December 2026 quarter as the Company completes works on the Preliminary Feasibility Study and undertakes additional test work programs.</p>	
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?	
<p>Answer:</p> <p>During October 2025, the Company received \$488k from its FY2025 Research and Development tax incentive. The Company is also due to receive a refund of \$188k from the refund of drilling security bonds from NSW Government in the coming weeks.</p> <p>The Company also has the ability to undertake additional capital raisings as and when required. Based upon the success of recent capital raisings, the Company believes there is a sound basis that any such future raisings will be successful.</p>	
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?	
<p>Answer:</p> <p>Yes. Based on the recent successful capital raisings, the Company expects to be able to continue its operations and meet its business objectives. To the extent future funding is delayed or not available, the Company has the ability postpone proposed project development activities.</p>	
<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: 31 October 2025.

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.