Hawsons Iron Half Year Report

31 December 2024

ABN 63 095 117 981
ASX Code: HIO

DIRECTORS' REPORT

Your Directors present their report on Hawsons Iron Limited for the half-year ended 31 December 2024.

Directors

The names and details of the Directors of Hawsons Iron Limited ("Hawsons" or "the Company") in office at the date of this report or at any time during the financial period are:

Name	Position during the year	Period of directorship
Jeremy Kirkwood	Non-executive Chairman Non-executive Director	16 October 2023 to present 10 May 2023 to 16 October 2023 Appointed as a director on 10 May 2023
Paul Cholakos	Non-executive Director	Appointed 2 April 2012
Hon. Tony McGrady AM	Non-executive Director	Appointed 3 October 2022

OPERATING RESULTS

Commentary and comparison with prior year

For the half-year ended 31 December 2024, the loss after tax for the Company was $1,376,214 (December 2023: $2,315,948). The movement in loss between the periods is primarily attributed to:

- Net loss on the fair value movements on the LDA financial instruments of $241,135 versus a net loss in the prior period of $850,321;
- Decrease of compliance and legal costs of $215,275 as a result of the Company's overhead reduction activities; and
- Decrease in employment expenses of $174,277 due to a reduction in Director share based payments.

Cash Position

The Company's cash position as at the end of the reporting period was $1,699,757 (June 2024: $3,299,421). Cash expenditure, net of the R&D incentive grant, on the Hawsons Iron Project during the year was $404,329 (December 2023: $2,732,324).

REVIEW OF FINANCIAL POSITION

Liquidity and funding

As at 31 December 2024 the Company had cash reserves of $1,699,757, net current assets of $456,334 and net assets of $60,009,287.

During the half-year the Company had net cash outflows of $1,317,774 from operating activities and net cash outflows used in investing activities of $407,249. Investing activities includes payments for exploration and evaluation assets.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the Company has access to an equity facility with LDA Capital;
- the ability of the Company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Company's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Company has funded its activities through issuance of equity securities, and it is expected that the Company will be able to fund its future activities through further issuances of equity securities;
- Access to the LDA equity facility through to December 2025; and
- The level of existing cash reserves.

LDA equity facility:

The Company has access to an equity facility with LDA Capital through to December 2025, on which it can put Call Notices to fund future exploration activity, feasibility studies, initial development works and meet other necessary corporate expenditure. Based on the historical trading volumes and the HIO share price at 31 December 2024, Hawsons has estimated the total capital limit of the facility at 31 December 2024 at $2,524,000.

REVIEW OF OPERATIONS

Process Optimisation Study

During the period Hawsons in conjunction with independent engineering firm Stantec Australia ("Stantec") commenced a detailed review of the current process plant design and supporting infrastructure.

The aim of the optimisation works is to explore the feasibility of dry grinding circuits as a cost-effective alternative to Hawsons' current Stantec-proposed base case circuit, with a particular focus on potential water, energy, and capital expenditure / operating cost savings.

A high-level review of an alternative primary crushing circuit demonstrates strong potential for major capital (~30%) and operating cost (25-30%) savings. Preliminary discussions with vendors and operators indicate possible further savings, subject to further ongoing test work.

Hawsons will also investigate a 100% dry circuit as a priority given the scope for significant cost reduction as well as, environmental, scheduling and permitting benefits.

By-product studies

A study was commenced on the potential extraction of by-products from tailings stream. The study is evaluating the commercial viability production of high-grade Si-sands and non-magnetic iron and is anticipated to be completed around the end of Q2 2025.

Strategic Investor Process

Stage 2 of the Strategic Investor process, which involves detailed technical data room reviews, continued during the quarter. Briefings were held with Strategic Investors on the process optimisation works and by-product studies.

Given the potential material upside on the Project’s economics, the expected timeline of the Strategic Investor process will be extended as necessary to quantify the impacts of these works. This will ensure shareholders benefit from the outcomes of the optimisation programme in any future funding arrangements.

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

AUDITOR'S INDEPENDENCE DECLARATION

The attached Auditor's Independence Declaration forms part of the Directors' Report.

EVENTS AFTER REPORTING DATE

There have been no events since 31 December 2024 that impact upon the financial report.

Signed in accordance with a resolution of the Board of Directors.

Jeremy D. Kirkwood

Director
Dated 25 February 2025

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DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF HAWSONS IRON LIMITED

As lead auditor for the review of Hawsons Iron Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 25 February 2025

Statement of Comprehensive Income
For the half-year ended 31 December 2024

	Note	December 2024 $	December 2023 $
Interest income		23,085	41,539
Net fair value gain/(loss) on financial instruments measured at fair value through profit or loss	5	(241,135)	(850,321)
Employment benefit expenses		(456,000)	(630,277)
Depreciation and amortisation expense		(89,442)	(91,479)
Corporate compliance and legal fees		(240,235)	(455,510)
Corporate advisory		(93,580)	(147,768)
Computer, IT and telecommunications		(62,430)	(53,134)
Other		(216,477)	(128,998)
Loss before income tax		**(1,376,214)**	**(2,315,948)**
Income tax		-	-
Loss after income tax		**(1,376,214)**	**(2,315,948)**
Other comprehensive income			-
Total comprehensive income			

Earnings per share	Cents	Cents
Basic and diluted loss per share	(0.14)	(0.25)

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Balance Sheet
As at 31 December 2024

	Note	December 2024 $	June 2024 $
CURRENT ASSETS			
Cash and cash equivalents		1,699,757	3,299,421
Trade and other receivables		42,165	113,053
Other current assets		93,684	45,516
Financial assets at fair value through profit and loss	5	137,877	269,616
TOTAL CURRENT ASSETS		1,973,483	3,727,606
NON-CURRENT ASSETS			
Trade and other receivables		309,394	306,474
Plant and equipment		60,904	88,246
Exploration and evaluation assets	3	59,161,955	58,765,175
Right of use assets		20,700	82,799
Other non-current assets		-	63,182
Financial assets at fair value through profit and loss	5	-	122,122
TOTAL NON-CURRENT ASSETS		59,552,953	59,427,998
TOTAL ASSETS		**61,526,436**	**63,155,604**
CURRENT LIABILITIES			
Trade and other payables	4	165,040	755,129
Short-term provisions		17,761	63,222
Lease liabilities		22,822	90,607
Borrowings		-	37,210
Financial liability at fair value through profit and loss	5	1,311,526	1,324,252
TOTAL CURRENT LIABILITIES		1,517,149	2,270,420
TOTAL LIABILITIES		**1,517,149**	**2,270,420**
NET ASSETS		**60,009,287**	**60,885,184**
EQUITY			
Contributed capital	6	99,898,968	99,603,591
Reserves		3,295,064	3,526,349
Accumulated losses		(43,184,745)	(42,244,756)
TOTAL EQUITY		**60,009,287**	**60,885,184**

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity
For the half-year ended 31 December 2024

	Note	Contributed Capital $	Share Based Payment Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2023		96,992,716	3,812,539	(39,163,876)	61,641,379
Transactions with owners in their capacity as owners					
Share based payments – employees & directors		-	95,406	-	95,406
Transfer of expired options		-	(506,008)	506,008	-
Total		-	(410,602)	506,008	95,406
Comprehensive income					
Loss after income tax		-	-	(2,315,948)	(2,315,948)
Total comprehensive income		-	-	(2,315,948)	(2,315,948)
Balance at 31 December 2023		**96,992,716**	**3,401,937**	**(40,973,816)**	**59,420,837**
Balance at 1 July 2024		**99,603,591**	**3,526,349**	**(42,244,756)**	**60,885,184**
Transactions with owners in their capacity as owners					
Issue of share capital	6	300,000	-	-	300,000
Capital raising costs	6	(4,623)	-	-	(4,623)
Share based payments – employees & directors		-	204,940	-	204,940
Transfer of expired/cancelled options		-	(436,225)	436,225	-
Total		295,377	(231,285)	436,225	500,317
Comprehensive income					
Loss after income tax		-	-	(1,376,214)	(1,376,214)
Total comprehensive income		-	-	(1,376,214)	(1,376,214)
Balance at 31 December 2024		**99,898,968**	**3,295,064**	**(43,184,745)**	**60,009,287**

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Cash Flow Statement
For the half-year ended 31 December 2024

	Note	December 2024 $	December 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(1,338,705)	(1,272,744)
Interest received		23,085	41,539
Finance costs		(2,154)	(3,828)
Net cash used in operating activities	2	(1,317,774)	(1,235,033)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant & equipment		-	(8,507)
Payments for security deposits		(2,920)	(10,000)
Payments for exploration and evaluation assets		(582,475)	(2,732,324)
Receipts from government grants	3	178,146	-
Net cash used in investing activities		(407,249)	(2,750,831)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	6	250,000	-
Cost associated with the issue of shares	6	(19,646)	-
Insurance premium finance repayments		(37,210)	(6,745)
Lease principal payments		(67,785)	(62,153)
Net cash provided by/(used in) financing activities		125,359	(68,898)
Net decrease in cash and cash equivalents held		(1,599,664)	(4,054,762)
Cash and cash equivalents at the beginning of the financial period		3,299,421	7,246,403
Cash and cash equivalents at the end of the financial period		**1,699,757**	**3,191,641**

The Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Reporting Entity

Hawsons Iron Limited (the "Company") is a company domiciled in Australia.

b) Statement of Compliance

The interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report. The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2024.

This interim financial report was approved by the Board of Directors on 25 February 2025.

Accounting Policies

The accounting policies and methods of computation applied by the Company in the interim financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2024.

New and revised standards

A number of new or amended standards became applicable for the current reporting period. The impact of the adoption of these standards did not have any impact on the Company's accounting policies and did not require retrospective adjustments.

Going Concern

During the half-year the Company had net cash outflows of $1,317,774 (December 2023: $1,235,033) from operating activities and net cash outflows used in investing activities of $407,249 (December 2023: $2,750,831). Investing activities includes payments for exploration and evaluation assets. The Company recorded a net loss of $1,376,214 during the half-year. Included in the net loss a net fair value loss (non-cash item) recorded in relation to the LDA financial instruments of $241,135.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- As at 31 December 2024 the Company had cash reserves of $1,699,757, net current assets of $456,334 and net assets of $60,009,287.
- The Company has access to an equity facility with LDA Capital through to December 2025, on which it can put Call Notices to fund future exploration activity, feasibility studies, initial development works and meet other necessary corporate expenditure. Based on the historical trading volumes and the HIO share price at 31 December 2024, Hawsons has estimated the total capital limit of the facility at 31 December 2024 at $2,524,000.
- The ability of the Company to raise additional capital in the future. To date the Company has funded its activities through issuance of equity securities, and it is expected that the Company will be able to fund its future activities through further issuances of equity securities; and
- The successful exploration and subsequent exploitation of the Company's tenements.

As a result of the items noted above the directors believe the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on this basis. The going concern basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

NOTE 2 SEGMENT REPORTING

Reportable Segments

The Company has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Company does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Company as having only one reportable segment, being exploration for minerals in Australia. The financial results from this segment are equivalent to the financial statements of the Company. There have been no changes in the operating segments during the year. All assets are located in Australia.

NOTE 3 EXPLORATION AND EVALUATION ASSETS

Movements during the period	December 2024 (half-year) $	June 2024 (full year) $
Opening balance	58,765,175	54,783,499
Exploration expenditure during the period	574,926	4,597,027
Government grants relating to exploration	(178,146)	(615,351)
	59,161,955	**58,765,175**

NOTE 4 TRADE AND OTHER PAYABLES

	December 2024 $	June 2024 $
Trade payables	120,244	128,909
Other payables [1]	44,796	326,220
Legal settlement payable [2]	-	300,000
	165,040	**755,129**

[1] June 2024: Includes termination payments of $240,600 payable to former Managing Director.

[2] Hawsons settled legal proceedings brought by the liquidator of Pure Metals' major shareholder for a settlement amount of $250,000 cash and 1,930,143 HIO shares at $0.0259 per share.

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	December 2024 $	June 2024 $
Financial Assets		
LDA put option asset: current - Note 5 (A)	137,877	269,616
LDA put option asset: non-current - Note 5 (A)	-	122,122
	137,877	**391,738**
Financial Liabilities		
LDA derivative liability - Note 5 (A)	338,982	351,708
Other payable: consultant fee - Note 5 (B)	972,544	972,544
	1,311,526	**1,324,252**

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

(A) LDA Put Option Asset and LDA Derivative Liability

On 21 December 2021, the Company entered into a Put Option Agreement (POA) with LDA Capital to provide the Company with up to $200 million in committed equity capital over 4 years. The Company will control the timing and maximum amount of the draw down under this facility.

The effect of the key terms as described below gave rise to a derivative liability and derivative asset held at fair value through profit or loss.

Key terms and conditions

(i) In accordance with the POA, as part consideration, the Company issued 71,500,000 unlisted options to LDA Capital exercisable at $0.70, expiring on 21 December 2023. On the grant date, the options were valued at $5,305,300 using a Monte Carlo Simulation Methodology and classified as a derivative liability. Refer to Note 5 (C) for the valuation inputs.

(ii) The issue price of the shares under the purchased put option is calculated as 90% of the higher of the average VWAP of shares in the 30-day trading period after the issue of a call notice, and the minimum price notified to LDA Capital by the Company upon exercise of the put option. The VWAP calculation and the number of subscription shares are subject to adjustment as a result of certain events occurring including trading volumes falling below an agreed threshold level or a material adverse event occurring in relation to the Company.

(iii) In December 2022, the Company settled commitment fees due pursuant to the POA of $4,000,000 comprising $2,000,000 due and payable in cash and $2,000,000 settled through a share issuance with a share price calculated based on the 90% of the 90-day VWAP preceding the 12-month anniversary date. The commitment fee was settled during the 2023 financial year.

(iv) The Company paid for legal fees of $21,259 incurred by LDA in preparation of the documentation under this agreement.

Recognition and reduction in put option premium and derivative liability

On entering the POA, the Company recognised the purchased put option as a derivative asset with a fair value of $9,273,462. The consideration payable comprised 71,500,000 unlisted options, recognised as a derivative liability totalling $5,305,300, and a commitment fee payable of $4,000,000. The difference between the total consideration payable and the derivative asset recognised was deferred on the balance sheet upon recognition in accordance with the requirements of accounting standards (day one loss). The difference of $31,838 was recognised in the 2022 financial year profit or loss and disclosed as 'Day one loss on initial recognition of put option contract released to profit or loss.

The valuation of the derivative asset was determined using a common pricing model. A derivative liability was recognised based on the fair value of the 71,500,000 options. The derivative liability relating to the unlisted options issued to LDA Capital as part consideration were revalued at the year-end for the unexercised options. At each reporting date the financial derivative asset and derivative liability is remeasured at fair value.

	December 2024 $	June 2024 $
Movement in financial asset – LDA put option derivative asset		
Opening balance	391,738	1,792,597
Fair value movement in financial asset – put option premium	(253,861)	(1,400,859)
Closing balance	**137,877**	**391,738**
Movement in LDA derivative liability		
Opening balance	351,708	1,522,950
Re-measurement to fair value through profit or loss	(12,726)	(1,171,242)
Closing balance	**338,982**	**351,708**

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	December 2024 $	June 2024 $
Net fair value gain/(loss) on financial instruments measured at fair value through profit or loss		
Fair value movement in financial asset – put option premium	(253,861)	(1,400,859)
Fair value movement in derivative liability – call option	12,726	1,171,242
Net fair value gain/(loss) on financial instruments	(241,135)	(229,617)

(B) Other Payable – Consultant Fee

In 2013, the Company entered into an agreement with a consultant to provide financial modelling, financing negotiation support and other related services for the Hawsons Iron Project. The consultant provided these services to the Company at a discounted rate on the basis that a success fee of 5 times the foregone fees would be payable upon the first sale of iron ore/concentrate from the Hawsons Iron Project ("foregone fees"). The gross amount of the foregone was $1,945,087.

In 2019, the Company entered into another agreement with the consultant to assist the Company to obtain the necessary equity and other funding to carry out a bankable feasibility study in respect of the Hawsons Iron Project. In the event the consultancy relationship service was terminated by the Company without cause, the Company must pay the consultant a fee ("Break Fee") equal to the greater of:

- 0.25% of the debt funds arranged by the consultant; or
- a break fee being the cumulative sum calculated by multiplying the number of hours worked by the consultant from each month from July 2018 until termination of the consultancy by $1,000 less the fees paid to the consultant over that period. The break fee is payable upon the commitment to undertake a bankable feasibility study (or equivalent) for the Hawsons Iron Project should the consultancy arrangement be terminated without cause before such commitment or otherwise at financial investment decision for the development of the Hawsons resource.

The gross amount of the break fee was $1,097,500. The Company paid $1,094,500 + GST on 24 August 2021.

On 21 January 2020, the Company entered into a further agreement with the consultant which provided as follows. In the event that a takeover bid is made under Chapter 6 of the Corporations Act for the ordinary shares in the Company and the consultant believes reasonably that the bid will be successful and result in a change of control of the Company, then the consultant may serve notice upon the Company that it wishes to receive the Foregone Fee (together with the Break Fee that the consultant would be entitled to if the Company were to terminate the consultancy arrangement without cause before a termination event) by payment in HIO shares.

In such event, the Company must to the extent that it can do so in compliance with the ASX Listing Rules (in particular Chapter 7) allot and issue to the consultant or its nominee the number of fully-paid ordinary shares that is equal in value to the Foregone Fee plus the Break Fee, with each HIO share having a price equal to the prevailing price at which the takeover bid will succeed and do so in such time that the consultant may accept the offer. In the event that the takeover bid is withdrawn before completion, then the Company's obligation to pay the Foregone Fee and Break Fee in HIO shares will for the purposes of that takeover bid cease to exist. In the event that there is more than one concurrent takeover bid, the pricing of the HIO shares will be based on the bid that involves the highest offer price.

As a result of the 21 January 2020 agreement the consultant became entitled, in certain circumstances, to an equity settled share-based payment (as noted above). As such, the accounting for the arrangement is now based on the requirement of AASB2 Share-Based Payments applicable to compound instruments as follows:

- The right to cash, in certain circumstances, is recognised as a cash-settled share-based payment. In this regard, the Company recognises the expense at grant date and/or as services are received, as appropriate, with a corresponding credit as a liability. The liability is measured at fair value taking into account the potential gross amount payable and the impact of non-vesting conditions (being the success conditions of the first sale of iron ore and/or a commitment to undertake a bankable feasibility study).

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The liability and equity-settled share-based payment recognised at 30 June 2024 were as follows:

	December 2024 $	June 2024 $
Fair value of liability recognised	972,544	972,544
Fair value of share-based payment recognised in equity share-based payment reserve	152,129	152,129

(C) Fair value hierarchy

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

	Level 1 $	Level 2 $	Level 3 $	Total $
December 2024				
Assets				
Derivative asset – put option premium	-	-	137,877	**137,877**
Liabilities				
LDA derivative liability	-	-	338,982	**338,982**
Other payable – consultant fee	-	-	972,544	**972,544**
	-	-	1,311,526	**1,311,526**
June 2024				
Assets				
Derivative asset – put option premium	-	-	391,738	**391,738**
Liabilities				
LDA derivative liability	-	-	351,708	**351,708**
Other payable – consultant fee	-	-	972,544	**972,544**
	-	-	1,324,252	**1,324,252**

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Level 3 Assets and Liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	December 2024 $	June 2024 $
Assets		
Balance at the beginning of the year	391,738	1,792,597
Loss recognised in profit or loss of financial asset – put option	(253,861)	(1,400,859)
	137,877	**391,738**
Liabilities		
Balance at the beginning of the year	1,324,252	2,495,494
Loss recognised in profit or loss of financial derivative	(12,726)	(1,171,242)
	1,311,526	**1,324,252**

The level 3 liabilities unobservable inputs are as follows:

Description	Unobservable Inputs	Dec 2024	Jun 2024	Sensitivity
Other payable consultant fee	First sale of concentrate probability range	50.0%	50.0%	Estimated fair value would increase/(decrease) if probability % was higher/(lower)
LDA financial derivative asset put option	Market placement discount	14.5%	14.5%	Estimated fair value would increase/(decrease) if market placement discount rate was higher/(lower) – refer below for sensitivity analysis
	Discount rate	14.5%	14.5%	
LDA Financial derivative liability call option	Share price	$0.028	$0.037	Estimated fair value would increase/(decrease) if share price was higher/(lower) – refer below for sensitivity analysis
	Exercise Price	$0.055	125% of 90-day VWAP or $0.70	Estimated fair value would increase/(decrease) if exercise price was higher/(lower)
	Expected volatility	75.0%	115.0%	Estimated fair value would increase/(decrease) if expected volatility was lower/(higher)

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Sensitivity analysis

Reasonably possible changes in the unobservable inputs included below, holding other assumptions constant, would have affected the fair value of the financial derivative assets and liabilities at balance date by the amounts shown in the following table:

	Dec 2024 Increase $	Dec 2024 Decrease $	Jun 2024 Increase $	Jun 2024 Decrease $
LDA financial derivative liability: Share Price +/- 10%	63,992	(57,772)	85,800	(76,365)
LDA financial derivative asset: Market placement discount +/- 2%	1,154	(1,188)	1,154	(1,188)

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NOTE 6 SHARE CAPITAL

	December 2024 $	June 2024 $	6 months ending December 2024 #	12 months ending June 2024 #
Ordinary Shares				
At the beginning of the period	99,603,591	96,992,716	1,003,425,610	913,571,059
Share placement	250,000 [1]	2,965,200	7,575,758 [1]	89,854,551
Transfer from NRE shares	50,000 [2]	-	1,930,143 [2]	-
Total shares issued during the year	**300,000**	**2,965,200**	**9,505,901**	**89,854,551**
Share issue costs	(4,623)	(354,325)	-	-
At reporting date	**99,898,968**	**99,603,591**	**1,012,931,511**	**1,003,425,610**
Non-recourse employee shares (NRE)				
At the beginning of the period	-	-	5,500,000	5,500,000
Transfer to ordinary shares [2]	-	-	(1,930,143)	-
At reporting date	**-**	**-**	**3,569,857**	**5,500,000**
Total Ordinary and NRE Shares	**99,898,968**	**99,603,591**	**1,016,501,368**	**1,008,925,610**

1. Following approval at the shareholder meeting held on 2 July 2024, 7,575,758 ordinary shares were issued to Directors at $0.033.
2. Shares totalling $50,000 issued as part settlement of the Pure Metals legal claim. The shares issued were transferred from unpaid Non-recourse employee shares, resulting in no change in the overall number of shares on issue.

NOTE 7 SHARE BASED PAYMENTS AND PUT OPTIONS

Equity based instruments - Options

The Company has granted options over ordinary shares to employees (including Directors) in recognition of services provided to the Company. The options were granted for nil consideration and are not quoted on the ASX. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

Tranche	Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Cancelled	Lapsed	Closing Balance	Vested and / or exercisable
25	20-Aug-21	20-Aug-26	$0.15	1,000,000	-	-	-	1,000,000	1,000,000
26B	20-Aug-21	03-Oct-24	$0.25	1,000,000	-	-	(1,000,000)	-	-
26C	20-Aug-21	05-Jul-25	$0.25	2,000,000	-	-	-	2,000,000	-
26D	20-Aug-21	20-Aug-26	$0.25	1,000,000	-	-	-	1,000,000	-
27B	20-Aug-21	03-Oct-24	$0.35	1,000,000	-	-	(1,000,000)	-	-
27C	20-Aug-21	05-Jul-25	$0.35	2,000,000	-	-	-	2,000,000	-
27D	20-Aug-21	20-Aug-26	$0.35	1,000,000	-	-	-	1,000,000	-
28B	20-Aug-21	03-Oct-24	$0.35	2,000,000	-	-	(2,000,000)	-	-
28C	20-Aug-21	05-Jul-25	$0.35	2,000,000	-	-	-	2,000,000	-
28D	20-Aug-21	20-Aug-26	$0.35	2,000,000	-	-	-	2,000,000	-
32	25-Oct-21	25-Oct-26	$0.25	250,000	-	(250,000)	-	-	-
33	25-Oct-21	25-Oct-26	$0.35	250,000	-	(250,000)	-	-	-
34	25-Oct-21	25-Oct-26	$0.50	500,000	-	(500,000)	-	-	-
35	29-Nov-21	29-Nov-26	$0.25	250,000	-	(250,000)	-	-	-
36	29-Nov-21	29-Nov-26	$0.35	250,000	-	(250,000)	-	-	-
37	29-Nov-21	29-Nov-26	$0.50	500,000	-	(500,000)	-	-	-
45	21-Dec21	21-Dec-25	$0.055	71,500,000	-	-	-	71,500,000	71,500,000
49	20-May-22	16-Apr-25	$0.80	1,250,000	-	-	-	1,250,000	-
50	20-May-22	16-Apr-25	$1.00	1,250,000	-	-	-	1,250,000	-
51	20-May-22	16-Apr-25	$1.20	1,250,000	-	-	-	1,250,000	-
52	20-May-22	16-Apr-25	$1.00	1,250,000	-	-	-	1,250,000	-
55	15-Nov-22	15-Nov-27	$0.65	1,250,000	-	-	-	1,250,000	-
56	15-Nov-22	15-Nov-27	$0.85	1,250,000	-	-	-	1,250,000	-
57	15-Nov-22	15-Nov-27	$0.85	1,250,000	-	-	-	1,250,000	-
58	15-Nov-22	15-Nov-27	$1.05	1,250,000	-	-	-	1,250,000	-
59	10-May-23	28-Nov-28	$0.65	1,250,000	-	-	-	1,250,000	-
60	10-May-23	28-Nov-28	$0.85	1,250,000	-	-	-	1,250,000	-
61	10-May-23	28-Nov-28	$0.85	1,250,000	-	-	-	1,250,000	-
62	10-May-23	28-Nov-28	$1.05	1,250,000	-	-	-	1,250,000	-
67	03-May-24	30-May-26	$0.05	5,010,000	-	-	-	5,010,000	5,010,000
69	27-May-24	01-Jun-29	$0.05	1,000,000	-	-	-	1,000,000	-
70	27-May-24	01-Jun-29	$0.15	2,500,000	-	-	-	2,500,000	-
71	27-May-24	01-Jun-29	$0.25	2,500,000	-	-	-	2,500,000	-
72	01-Dec-24	30-Nov-29	$0.05	-	500,000	-	-	500,000	-
73	01-Dec-24	30-Nov-29	$0.15	-	1,250,000	-	-	1,250,000	-
74	01-Dec-24	30-Nov-29	$0.25	-	1,250,000	-	-	1,250,000	-
75	01-Dec-24	30-Nov-29	$0.05	-	500,000	-	-	500,000	-
76	01-Dec-24	30-Nov-29	$0.15	-	1,250,000	-	-	1,250,000	-
77	01-Dec-24	30-Nov-29	$0.25	-	1,250,000	-	-	1,250,000	-
				114,510,000	**6,000,000**	**(2,000,000)**	**(4,000,000)**	**114,510,000**	**77,510,000**

NOTE 8 COMMITMENTS

Future exploration

The Company has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company.

	December 2024 $	June 2024 $
Exploration obligations to be undertaken:		
Payable within one year	34,178	29,147
Payable between one year and five years	92,879	78,675
Payable after five years	-	16,667
	127,057	**124,489**

To keep tenements in good standing, work programmes should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements or to meet expenditure requirements by joint venture or farm in agreements.

NOTE 9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

There are no material contingent liabilities at 31 December 2024.

Contingent Assets

There are no material contingent assets at 31 December 2024.

NOTE 10 EVENTS AFTER REPORTING DATE

There have been no events since 31 December 2024 that impact upon the financial report.

DIRECTOR'S DECLARATION

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Jeremy N. Kirkwood

Director

Dated 25 February 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Hawsons Iron Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Hawsons Iron Limited (the Company), which comprises the balance sheet as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the company's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

K L Colyer

K L Colyer
Director

Brisbane, 25 February 2025