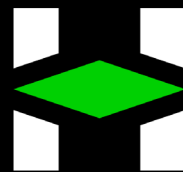


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2025

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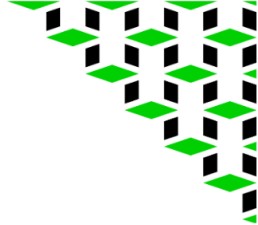
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DIRECTORS REPORT

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DIRECTORS' REPORT

Your Directors present their report for Hawsons Iron Limited (the Company) for the financial year ended 30 June 2025 and the auditor's report thereon.

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	Appointed 10 May 2023
Paul Cholakos	Non-executive Director	Appointed 2 April 2012
Hon. Tony McGrady AM	Non-executive Director	Appointed 3 October 2022

Jeremy Kirkwood

Bachelor of Commerce

Non-executive Chairman

Jeremy has extensive experience in corporate strategy, investment banking and global capital markets. Jeremy was previously a Managing Director at Credit Suisse, Morgan Stanley and Austock. He has primarily worked in public markets, undertaking mergers and acquisitions and capital raising for companies principally in the metals and mining, energy and infrastructure sectors.

Other ASX directorships in the past 3 years:

Joyce Corporation Limited (appointed January 2020)

Talisman Mining Limited (appointed April 2016)

Paul Cholakos

Bachelor of Engineering (Mining), MBA

Non-executive Director

Paul has more than 30 years of resources industry experience, successfully managing complex development projects and operations for leading oil and gas and diversified mining companies, including through executive roles at major Australian oil and gas company Oil Search Limited (ASX: OSH) and Exeter Resources and a variety of operational and commercial roles at MIM Holdings. He has worked in North America, South America and Asia-Pacific with a focus on large projects and operations. He holds Master of Business Administration and Bachelor of Engineering (Mining) degrees.

Other ASX directorships in the past 3 years:

Nil

Hon. Tony McGrady AM

Non-executive Director

A member of the Australian Labor Party, Mr McGrady was elected to the Legislative Assembly of Queensland in 1989 as the Member for Mount Isa after 16 years from 1973 as an Alderman on the Mount Isa City Council and as Mayor for the last five years.

Tony was Minister for Mines and Energy from 1998 to 2001, moving to Police and Corrective Services in 2001 and then to State Development and Innovation in 2004. He was subsequently elected as Speaker of the Legislative Assembly in 2005 and retained that role until his retirement from State politics in 2006. Mr McGrady was awarded the Member of the Order of Australia in 2009 for service to the Parliament of Queensland, to the community of Mount Isa through local government roles and, to youth training and development programs. At the 2012 Queensland local government elections, he was again elected Mayor of Mount Isa and held the position until retiring in 2016.

He currently chairs the Queensland Premier's Ambassadors Council, the CopperString Regional Reference Group and LifeFlight's Advisory Committee for the North-West Region.

Other ASX directorships in the past 3 years:

Nil

DIRECTORS REPORT

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COMMITTEE MEMBERSHIP

As at the date of this report, Hawsons Iron has an Audit Committee, Remuneration Committee and Nomination Committee. Members acting on the Committees of the Board at the date of this report or at any time during the financial period were:

Audit Committee	Remuneration Committee	Nomination Committee
Paul Cholakos (Chair)	Tony McGrady (Chair)	Jeremy Kirkwood (Chair)
Jeremy Kirkwood	Paul Cholakos	Tony McGrady
Tony McGrady	Jeremy Kirkwood	Paul Cholakos

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in the shares and options of Hawsons Iron Limited are shown in the table below:

Director	Ordinary Shares	Non-Recourse Employee Shares	Options
Jeremy Kirkwood	8,028,304	-	8,030,304
Paul Cholakos	6,859,474	-	7,272,727
Tony McGrady	2,566,844	-	7,272,727

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors and of the Committees held during the year ended 30 June 2025 and the number of meetings attended by each Director.

	Directors' Meetings		Audit		Remuneration		Nomination	
	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Jeremy Kirkwood	9	9	2	2	1	1	-	-
Paul Cholakos	9	9	2	2	1	1	-	-
Tony McGrady	7	9	1	2	1	1	-	-

CHIEF EXECUTIVE OFFICER

Thomas Revy

BAppSc (Metallurgy), GradDipBus, MAusIMM

Appointed 27 May 2024

Mr Revy is an executive and company director with more than 35 years' resource sector experience in corporate, project development, study, and technical and operational management roles across a wide variety of commodities, including magnetite projects in both Australia and Africa.

Having previously held senior positions with MIM Holdings Ltd, GRD Minproc and Worley Parsons, his most recent role was as Managing Director of ASX-listed graphite developer Evion Group NL (ASX Code: EVG). Mr Revy, who founded Evion in August 2016 and only recently left the Company in April 2024, is a metallurgist and process engineer who will bring important skills, experience and perspectives to the Hawsons team.

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COMPANY SECRETARY

Michael Harvey

BBus, B AppSci, Grad Dip ICAA, Grad Dip CSA, CA, GAIA

Chief Financial Officer & Company Secretary – Appointed 14 February 2024

Mr Harvey is a Chartered Accountant and Chartered Secretary. Mr Harvey holds Bachelor degrees in Business and Property Economics and post Graduate Diplomas in Accounting and Corporate Governance.

He has more than 20 years in the accountancy profession in Australia, having worked in audit and commercial roles as CFO for several listed companies. Mr Harvey has experience in all aspects of company financial reporting, internal control, corporate regulatory and governance areas, business acquisition and disposal, due diligence, and company secretarial responsibilities.

CORPORATE INFORMATION

Hawsons Iron Limited is a company limited by shares and incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange (ASX).

CURRENCY

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the financial year was advancing the Hawsons Iron Project (**Project**) towards development.

There was no significant change in the nature of the activity of the Company during the year.

REVIEW OF OPERATIONS

Dry Grinding Program

In January 2025, both conventional SMC Test® and Bond ball ore comminution characterisation tests were completed by the University of Queensland's JKTech. In addition, Geopyōrā ore characterisation tests were completed by Core Resources. Results indicated that:

- Hawsons' ore compares with the softest ores within the JK Tech database.
- the uniqueness of Hawsons' ore which particles size distribution (PSD) analysis of Bond ball feed & products has confirmed an elevated level of natural fines generation, contributing to the very low BWi values observed.

In February 2025, products from the ore comminution characterisation test work were prepared for processing via JKTech's laboratory High-Pressure-Grinding-Roll (HPGR) unit under low operating pressures and dry screening (@180µm). The HPGR test work confirmed low HPGR energy requirements for comminution. Preliminary results indicate total circuit specific energy from F80 of ~150mm to P80 of 180µm is ~4.9 kWh/t (1.2+3.7). This is ~17 % less than the total circuit specific energy from the Wet grinding pilot campaign, offering potential energy savings.

HPGR is a dry comminution processing technology with a similar ore breakage mechanism to the dry Vertical Roller Mill (VRM) technology currently being considered for Hawsons' full-scale production.

These results will be used in preparation for further advanced pilot scale dry comminution test work with the VRM vendors to confirm the viability of this technology.

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Variability and metallurgical test work

Recent physical separation test work completed on tailings existing from pilot plant test work has identified a significant presence of potentially recoverable non-magnetic iron. Following these results, it was considered prudent to complete an X-ray Fluorescence (XRF) / X-ray diffraction (XRD) test work campaign.

From the key mineralised zones (including the Fold and Core West areas), 28 samples from 11 drillholes were composited for XRD analysis to determine the variability in mineral types. The results were then used to find if there was any obvious clustering of minerals that could be used to confirm the appropriateness of the novel approaches being proposed to aid beneficiation in the processing circuit. The previous drilling plan had determined that up to 6 large diameter (200mm diameter) core holes would be required to determine plant performance from metallurgical sample test results.

Review of the results from the XRD testing indicated that there were only 3 distinct clusters of interest for further metallurgical and geochemical test work. It follows that the required number of large diameter holes has been reduced to a maximum of 3, a significant reduction in the drilling costs and schedule on the previous estimates.

Project Update Report

Following completion of the current dry comminution test work program and the Mineral Resource variability study, Hawsons engaged Stantec Australia Pty Ltd, acting as independent engineering consultants, to prepare the Project Report.

The findings in the Project Report support the use of 100% dry processing circuit, a significant Project enhancement whilst also incorporating safety, environmental, operational and maintenance aspects. The Project Report provides confidence for further investigation into potential secondary products (e.g. hematite, silica sands) and flow on optimisation of mine design, processing & logistics.

Detailed analytical work completed recently 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. The Company aims to co-dispose mine waste with dry processing waste as part of a sustainable Project waste management program.

Other aspects of the Project have been updated to reflect the Company's proposed dry comminution flow sheet, as well as advancements made in other areas.

Strategic Investor Process

Briefings continue with Strategic Investors on the process optimisation works. Hawsons will be providing Strategic Investors with a detailed update on the Project, including an updated data room, following the completion of the Project Study.

Hawsons believes that the additional information from the Project Study, in conjunction with the next phase of works to be completed through 2025 will further de-risk the Project and put Hawsons in a much stronger position to finalise commercial negotiations with Strategic Investors.

OPERATING RESULTS

Commentary and comparison with prior year

For the year ended 30 June 2025, the loss after tax for the Company was \$2,038,347 (2024: \$3,640,493). The movement in loss between the periods is primarily attributed to:

- Net gain on the fair value movements on the LDA financial instruments of \$14,162 versus a net loss in 2024 of \$229,617;
- Decrease in employment expenses of \$568,767 with a reduction in total wages and the prior period including termination payments to the former Managing Director;
- Pure Metal legal settlement of \$300,000 in the prior year; and
- \$570,973 reduction in corporate advisory, compliance and legal expenses compared to the prior year.

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Cash Position

The Company's cash position as at the end of the reporting period was \$202,450 (2024: \$3,299,421). Cash expenditure, net of the R&D incentive grant, on the Hawsons Iron Project during the year was \$1,286,000 (2024: \$4,191,554). The Company raised cash proceeds of \$230,354 (after costs) from the capital raise during the year (2024: \$2,707,426).

REVIEW OF FINANCIAL POSITION

As at 30 June 2025 the Company had cash reserves of \$202,450, net current liabilities of \$1,206,907 and net assets of \$59,415,591.

During the year the Company had net cash outflows of \$1,946,649 (2024: \$2,338,336) from operating activities and net cash outflows used in investing activities of \$1,236,582 (2024: \$4,138,757). Investing activities includes payments for exploration and evaluation assets.

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:

- Subsequent to year end, the Company raised an additional \$1,909,369 (before costs) through a share purchase plan and share placement.
- 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 30 June 2025, Hawsons has estimated the total capital limit of the facility at 30 June 2025 at \$2,084,461.

As part of the financing facility, the Company also issued 71,500,000 options to LDA Capital with an exercise price of \$0.055 which if exercised, will contribute further equity.

CAPITAL STRUCTURE

At reporting date, the Company had 1,128,817,135 shares on issue (including 3,569,857 non-recourse employee shares) and 201,640,309 options on issue, including the 71,500,000 options issued to LDA Capital as part of the Put Option Agreement.

TREASURY POLICY

The Board controls the funds, which are handled on a day-to-day basis through approvals provided by the CEO and CFO.

DIVIDENDS

No dividends were paid during the financial year ended 30 June 2025 (2024: Nil), and no dividend is recommended for the current year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes during the year.

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MATERIAL BUSINESS RISKS

Resources and Exploration	Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. Hawsons may undertake additional exploratory work with the aim of extending and further defining the resources at the Project. No assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.
Native Title and Aboriginal Heritage	In relation to the Project tenements there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. Where native title rights do exist, the ability of the Hawsons to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. In the event Aboriginal heritage sites and objects are identified within the area of the Project, generally speaking, exploration and mining activities can be undertaken so as to avoid adverse impact to those sites identified, however the existence of these sites (and future Aboriginal heritage sites and objects identified) may lead to restrictions on the areas that Hawsons will be able to explore and mine.
Results of Studies	Hawsons may progressively undertake feasibility studies in respect of the Project. These studies will be completed within parameters designed to determine the economic feasibility of the relevant Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Project, or the results of other studies undertaken by the Company.
Mine Development	Possible future development of mining operations are dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If production commences at the Project, its operations may be disrupted by a variety of risks and hazards which are beyond the control of Hawsons. No assurance can be given that the Project will achieve commercial viability.
Tenure, access and grant of applications	Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Hawsons. Access to land in NSW for mining and exploration purposes can be affected by land ownership, including private (freehold) land, pastoral leases and regulatory requirements within the jurisdiction where the Company operates. Several of the tenements overlap certain third-party interests including private land, pastoral leases, petroleum licences and mining tenure held by third parties, and areas covered by native title determinations or native title claims. Any non-compliance by or dispute with the contract counterparty could affect the Hawson's ability to access the projects and associated infrastructure which will affect operations and financial performance generally.
Environmentally Sensitive Areas	The Project contains areas that may be identified as environmentally sensitive areas. Whilst mining is not prohibited within these areas additional consents and approvals prior to conducting activities on the reserves may be required. Delays in obtaining, or the inability to obtain, these consents and approvals may significantly impact operations.

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Climate Related Risk	Climate-related factors that may affect the operations and proposed activities include: • the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Project may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage; and • climate change may cause certain physical and environmental risks that cannot be predicted by Hawsons, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns.
Funding	Hawsons may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of activities and the Company's proposed strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.
Economic	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates, iron prices and currency exchange rates may have an adverse effect on the Project, as well as on Hawsons' ability to fund operations.

The Company monitors risk through an established risk management framework including a Risk Management Policy, regular reviews and reporting. Risks, responses, classifications and mitigation strategies are maintained on a regular basis and presented to the Board of the Company at least annually.

BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

Hawsons is currently collating engineering and cost data with an aim of releasing an updated Pre-Feasibility Study (PFS), together with Maiden Ore Reserves for the 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.

In addition to this, Hawsons remains focused on advancing its Project in line with the key development milestones outlined in last year's AGM presentation. The activities include:

- complete large representative sample collection (via an 8-inch drill hole program) suitable for pilot work to be completed in Germany;
- finalise current dry comminution and byproduct testing to a definitive level and finalise process flow sheet with vendor guarantees where applicable;
- optimisation studies to refine mining and process waste co-disposal efficiencies;
- scheduling studies to ensure balanced ore feed to the plant in order to maximise Project value;
- environmental and permitting advancements to align with development timelines; and
- further assess infrastructure options in line with final product(s) specifications.

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OPTIONS

Details of options issued, exercised and lapsed during the financial year and up to the date of this report are set out below:

Tranche	Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Cancelled	Lapsed	Closing Balance	Vested & / 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	\$0.50	2,000,000	-	-	(2,000,000)	-	-
28C	20-Aug-21	05-Jul-25	\$0.50	2,000,000	-	-	(2,000,000)	-	-
28D	20-Aug-21	20-Aug-26	\$0.50	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-Dec-21	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
68	03-May-24	30-May-26	\$0.05	59,551,518	-	-	-	59,551,518	59,551,518
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	29-May-24	30-May-26	\$0.05	30,303,033	-	-	-	30,303,033	30,303,033
73	16-Jul-24	30-May-26	\$0.05	-	7,575,758	-	-	7,575,758	7,575,758
74	01-Dec-24	30-Nov-29	\$0.05	-	500,000	-	-	500,000	-
75	01-Dec-24	30-Nov-29	\$0.15	-	1,250,000	-	-	1,250,000	-
76	01-Dec-24	30-Nov-29	\$0.25	-	1,250,000	-	-	1,250,000	-
77	01-Dec-24	30-Nov-29	\$0.05	-	500,000	-	-	500,000	-
78	01-Dec-24	30-Nov-29	\$0.15	-	1,250,000	-	-	1,250,000	-
79	01-Dec-24	30-Nov-29	\$0.25	-	1,250,000	-	-	1,250,000	-
80	16-Jul-25	16-Jul-28	\$0.03	-	700,000	-	-	700,000	700,000
				204,364,551	14,275,758	(2,000,000)	(15,000,000)	201,640,309	78,210,000

No option holder has any right under the options to participate in any other share issue of the Company.

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Option vesting conditions

Tranches 25 – 37 relates to the milestones below:

Milestone 1	The Company raising the funding to carry out the Hawsons Bankable Feasibility Study (BFS)
Milestone 2	Completion of the Hawsons BFS
Milestone 3	The raising of the capital cost, by the Company, to develop the Hawsons Iron Project
Milestone 4	The commencement of commercial production at the Hawsons Iron Project

Tranches 49-52 and 55-62 relates to the milestones below:

Milestone 1	Completion of the Hawsons BFS
Milestone 2	The raising of the capital cost, by the Company, to develop the Hawsons Iron Project – successful bankability equals capital raise for mine build
Milestone 3	Market capitalisation of the Company reaches AUD1,000,000,000
Milestone 4	First commercial shipment of iron ore product of the Company

Tranches 63-66 relates to the milestones below:

Tranche 63	Board approval to start the BFS in 2023
Tranche 64	Successful completion of the BFS
Tranche 65	The raising of the capital cost to develop the Hawsons Iron Project
Tranche 66	The commencement of commercial production at the Hawsons Iron Project

Tranches 69-71 and 74-79 relates to the milestones below:

Tranche 69	BFS funding secured
Tranche 70	Successful completion of the BFS
Tranche 71	Financial investment decision (including all project funding) of the Hawsons Iron Project

Tranche 45 – Options issued to LDA Capital in accordance with the Put Option Agreement

The Company issued 71,500,000 unlisted options to LDA Capital, expiring on 21 December 2025, exercisable at \$0.70. The strike price of the options is \$0.055. Each option has an exercise period of four years.

Tranche 68, 72 and 73 – 2024 capital raising options

97,612,309 free attaching options were issued as part of 2024 capital raising program. Each option has an exercise price of \$0.05 and an expiry date of 30 May 2026. There are no vesting conditions applicable.

Tranche 67 – Lead manager (FY2024) options

5,010,000 options were issued as part consideration to the lead manager of the 2024 capital raising program. Each option has an exercise price of \$0.05 and an expiry date of 30 May 2026. There are no vesting conditions applicable.

Tranche 80 – Lead manager (FY2025) options

700,000 options were issued as part consideration to the lead manager of the 2025 capital raising program. Each option has an exercise price of \$0.03 and an expiry date of 16 July 2028. There are no vesting conditions applicable.

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ENVIRONMENTAL REGULATION AND PERFORMANCE

Hawsons Iron Limited is committed to conducting its business activities in a responsible and sustainable manner, to produce socially and environmentally resilient outcomes which create long-term value for our people, clients, communities and supply chain. We recognize the importance of environmental, social, and governance (ESG) factors and are committed to embedding ESG into every corporate, development and operational aspect of our business. We believe that effective identification and management of ESG related risks and opportunities will maximise the benefits we deliver to our stakeholders and the broader community. We are committed to maintaining honest and transparent reporting to our stakeholders.

The Company's operations are subject to environmental regulations in relation to its exploration and development activities. The Company is conducting its activities under conditions of approval within the exploration licenses and current legislation. The Directors are not aware of any significant breaches during the period covered by this report.

INDEMNIFICATION OF OFFICERS OR AUDITOR

Each of the Directors, Chief Executive Officer, Chief Financial Officer / Company Secretary of the Company has entered into a deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company and certain indemnification.

During the financial year, the Company paid insurance premiums to insure the Directors and Officers of the Company against certain risks associated with their activities as officers of the Company. The terms of that policy prohibit disclosure of the nature of liability covered, the limit of such liability and the premium paid.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wrongful act by the officers. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities. The Company has not indemnified the auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

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REMUNERATION REPORT (AUDITED)

ASX: HIO

This report outlines the remuneration arrangements in place for the directors and other key management personnel of Hawsons Iron Ltd (the Company).

Remuneration Policy

The performance of the Company depends upon the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The Remuneration Committee assesses the appropriateness of the nature and value of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash, equity and fringe benefits. It is intended that the manner of payments chosen will be optimal for the recipient without creating undue cost for the Company. Further details on the remuneration of directors and executives are set out in this Remuneration Report.

The Company aims to reward the CEO and other key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The Board's policy is to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives. With this in mind, a significant part of the remuneration package of executives is based on the performance of the Company, as set out in milestones contained in the relevant contracts, the achievement of which may result in the issue to them of options and securities in the Company and from time to time the payment of cash bonuses.

In accordance with best practice corporate governance, the structure of Non-executive Directors and other key management personnel remuneration is separate and distinct except that Non-executive Directors, participate in incentives involving the issue to them of securities in the Company and a rate of remuneration that rewards the achievement of corporate milestones.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cash cost that is acceptable to shareholders. The Company's specific policy for determining the nature and value of emoluments of board members of the Company is as follows.

In accordance with the Constitution, the existing shareholders of the Company have determined in general meeting the maximum Non-executive Director remuneration to be \$450,000 per annum. This limit excludes the value of equity instruments provided to Non-executive Directors.

The Directors have resolved that each Non-executive Director is entitled to receive fees of \$52,018 per annum plus superannuation and the Chairman of Directors, if they are a Non-executive Director, is entitled to receive \$76,682 per annum plus superannuation. Payments of fees will be in addition to any payments to Directors in any employment capacity. A Director will not be entitled to receive directors' fees if they are employed by the Company in a full-time executive capacity.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

The remuneration of Non-executive Directors for the year ended 30 June 2025 is detailed below.

CEO and Other Key Management Personnel Remuneration

The Company aims to reward the CEO and other key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company so to:

- reward executives for Company and individual performance against targets with reference to appropriate benchmarks.
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

The remuneration of the CEO and other key management personnel for the period ended 30 June 2025 is detailed below.

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REMUNERATION REPORT (AUDITED)

ASX: HIO

Employment And Service Contracts

CEO Agreement with Tom Revy (appointed 27 May 2024)

Tom Revy was engaged as CEO of the Company on 27 May 2024 under the following terms and conditions:

- annual salary of \$350,000 plus superannuation;
- provision for six months' notice for termination
- the contract is ongoing;
- standard terms relating to leave, confidentiality, conflicts of interest and representations and warranties; and
- entitled to receive options to acquire shares as outlined in the Milestones table below:

Milestones	Options that vest if achieved
Bankable Feasibility Study funding secured	1,000,000 options \$0.05 exercise price
Completion of the Hawsons Bankable Feasibility Study	2,500,000 options \$0.15 exercise price
Financial investment decision (including all project funding) of the Hawsons Iron Project.	2,500,000 options \$0.25 exercise price

The performance conditions detailed above were chosen as the Directors believe this appropriately aligns company performance with shareholder wealth.

CFO and Company Secretary Agreement with Michael Harvey (appointed 14 February 2024)

Michael Harvey was engaged as CFO and Company Secretary of the Company on 14 February 2024, under the following terms and conditions:

- Monthly rate of \$14,000, reduced by 50% during the period when leave was taken in December and January
- the contract is ongoing with no fixed term
- provision for one months' notice for termination

Details of Directors and Other Key Management Personnel

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company.

Name	Position	Period of Service
Directors		
Jeremy Kirkwood	Non-Executive Chairman	Appointed 16 October 2023
Paul Cholakos	Non-executive Director	Appointed 2 April 2012
Tony McGrady	Non-executive Director	Appointed 3 October 2022
Key Management		
Tom Revy	CEO	Appointed 27 May 2024
Michael Harvey	CFO and Company Secretary	Appointed 14 February 2024

REMUNERATION REPORT (AUDITED)

ASX: HIO

Remuneration of Directors and other Key Management Personnel

2025	Short Term			Post Employment	Termination Benefits	Equity				
	Note	Salary and Fees \$	Bonus \$	Leave benefits \$	Superannuation \$	Termination payments \$	Options \$	Total \$	Performance Related %	% consisting of equity
Directors										
Jeremy Kirkwood		76,682	-	-	8,818	-	19,966	105,466	-	19%
Paul Cholakos		52,018	-	-	5,982	-	41,157	99,157	-	42%
Tony McGrady		52,018	-	-	5,982	-	65,389	123,389	-	53%
Key Management										
Tom Revy		350,000	-	7,491	40,250	-	25,476	423,217	-	6%
Michael Harvey		157,841	-	-	-	-	-	157,841	-	-
		688,559	-	7,491	61,032	-	151,988	909,070		

REMUNERATION REPORT (AUDITED)

ASX: HIO

Remuneration of Directors and other Key Management Personnel

2024	Short Term			Post Employment	Termination Benefits	Equity				
	Note	Salary and Fees \$	Cash Bonus \$	Leave benefits \$	Superannuation \$	Termination payments \$	Options \$	Total \$	Performance Related %	% consisting of equity
Directors										
Jeremy Kirkwood		64,167	-	-	7,058	-	19,653	90,878	-	22%
Paul Cholakos		50,000	-	-	5,500	-	41,270	96,770	-	43%
Tony McGrady		50,000	-	-	5,500	-	65,568	121,068	-	54%
Bryan Granzien	1	383,663	20,000	7,788	27,499	214,638	43,075	696,663	3%	6%
Key Management										
Tom Revy	2	36,458	-	3,141	4,010	-	4,686	48,295	-	10%
Michael Harvey	3	61,517	-	-	-	-	-	61,517	-	-
Richard Stephens	4	126,000	-	-	-	-	-	126,000	-	-
		771,805	20,000	10,929	49,567	214,638	174,252	1,241,191		

Notes

- Retired 28 May 2024. Bryan Granzien was paid a discretionary bonus of \$20,000 during the year. On termination Bryan Granzien was entitled to a notice period payment of 6 months wages plus superannuation and a \$25,000 termination payment.
- Appointed 27 May 2024
- Appointed 14 February 2024
- Resigned 14 February 2024

REMUNERATION REPORT (AUDITED)

ASX: HIO

Equity instruments issued as part of remuneration

Equity instruments are issued to Directors and executives as part of their remuneration. The equity instruments are not issued solely on performance criteria but are also issued to all Directors and executives of Hawsons Iron Limited to increase executive retention and goal congruence between executives, Directors and shareholders.

Director/Key Management Personnel shareholdings (number of shares, including NRE shares)

2025	Balance 1 July 2024	Acquired	Disposed	Balance 30 June 2025	Acquired July 2025	Balance Report Date
Directors						
Jeremy Kirkwood	2,233,877	3,030,304	-	5,264,181	2,764,705	8,028,886
Paul Cholakos	2,822,042	2,272,727	-	5,094,769	1,764,705	6,859,474
Tony McGrady	-	2,272,727	-	2,272,727	294,117	2,566,844
Key Management						
Tom Revy	-	700,000	-	700,000	588,235	1,288,235
Michael Harvey	-	-	-	-	1,426,471	1,426,471
Total	5,055,919	8,275,758	-	13,331,677	6,838,233	20,169,910

Director/Key Management Personnel option holdings (number of options)

2025	Balance 1 July 2024	Granted as remuneration	Acquired	Balance 30 June 2025 and report Date
Directors				
Jeremy Kirkwood	5,000,000	-	3,030,304	8,030,304
Paul Cholakos	5,000,000	-	2,272,727	7,272,727
Tony McGrady	5,000,000	-	2,272,727	7,272,727
Key Management				
Tom Revy	6,000,000	-	-	6,000,000
Michael Harvey	-	-	-	-
Total	21,000,000	-	7,575,758	28,575,758

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REMUNERATION REPORT (AUDITED)

ASX: HIO

Director/Key Management Personnel option holdings by tranche

2025	Jeremy Kirkwood	Paul Cholakos	Tony McGrady	Tom Revy	Michael Harvey
Tranche 25	-	1,000,000	-	-	-
Tranche 26	-	1,000,000	-	-	-
Tranche 27	-	1,000,000	-	-	-
Tranche 28	-	2,000,000	-	-	-
Tranche 55	-	-	1,250,000	-	-
Tranche 56	-	-	1,250,000	-	-
Tranche 57	-	-	1,250,000	-	-
Tranche 58	-	-	1,250,000	-	-
Tranche 59	1,250,000	-	-	-	-
Tranche 60	1,250,000	-	-	-	-
Tranche 61	1,250,000	-	-	-	-
Tranche 62	1,250,000	-	-	-	-
Tranche 69	-	-	-	1,000,000	-
Tranche 70	-	-	-	2,500,000	-
Tranche 71	-	-	-	2,500,000	-
Tranche 73	3,030,304	2,272,727	2,272,727	-	-
Total	8,030,304	7,272,727	7,272,727	6,000,000	-

Director/Key Management Personnel Options Details

Tranche	Grant Date	Expiry Date	Exercise Price	Option value	Vesting Conditions ¹
25	20-Aug-21	20-Aug-26	\$0.15	\$0.0545	Raising the funding to carry out the BFS
26	20-Aug-21	20-Aug-26	\$0.25	\$0.0454	Completion of the Hawsons BFS
27	20-Aug-21	20-Aug-26	\$0.35	\$0.0394	The raising of the capital cost, by the Company, to develop the Project
28	20-Aug-21	20-Aug-26	\$0.50	\$0.0333	Commencement of commercial production at the Hawsons Iron Project
55	15-Nov-22	15-Nov-27	\$0.65	\$0.0696	Completion of the BFS
56	15-Nov-22	15-Nov-27	\$0.85	\$0.0652	Hawsons secures funding to develop the project commercially.
57	15-Nov-22	15-Nov-27	\$0.85	\$0.0652	Hawsons Iron market capitalisation reaches AUD \$1 billion.
58	15-Nov-22	15-Nov-27	\$1.05	\$0.0617	Commencement of commercial production at the Hawsons Iron project.
59	10-May-23	10-May-28	\$0.65	\$0.0245	Completion of BFS.
60	10-May-23	10-May-28	\$0.85	\$0.0226	Hawsons secures the required funding to develop the project.
61	10-May-23	10-May-28	\$0.85	\$0.0223	Hawsons Iron market capitalisation reaches AUD \$1 billion.
62	10-May-23	10-May-28	\$1.05	\$0.0211	Commencement of commercial production at the Hawsons Iron project.
69	27-May-24	01-Jun-29	\$0.05	\$0.0252	BFS funding secured.
70	27-May-24	01-Jun-29	\$0.15	\$0.0212	Successful completion of the BFS.
71	27-May-24	01-Jun-29	\$0.25	\$0.0198	Financial investment decision (including project funding) of the Project.
73	16-Jul-24	30-May-26	\$0.05	NA	Free attaching options were issued as part of 2024 capital raising program. There are no vesting conditions applicable.

¹ In addition to the above conditions, the recipient must also remain employed by Hawsons at the time the vesting conditions are met. Retiring employees and directors are granted 12 months from the date of retirement to meet the performance hurdles.

With the exception of Tranche 73, none of the above options have vested or are exercisable.

REMUNERATION REPORT (AUDITED)

ASX: HIO

Fair value of share options granted held by Directors and Key Management

The assessed fair value at the date of grant of options issued is determined using an option pricing model that takes into account the exercise price, the underlying share price at the time of issue, the term of the performance right, the underlying share's expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument.

Tranche	Grant Date	Expiry Date	Share Price	Exercise Price	Expected volatility	Expected Dividends	Risk free rate	Fair value	Valuation Model
25	20-Aug-21	20-Aug-26	\$0.094	\$0.15	85%	Nil	0.502%	\$0.0545	Black-Scholes
26	20-Aug-21	20-Aug-26	\$0.094	\$0.25	85%	Nil	0.502%	\$0.0454	Black-Scholes
27	20-Aug-21	20-Aug-26	\$0.094	\$0.35	85%	Nil	0.502%	\$0.0394	Black-Scholes
28	20-Aug-21	20-Aug-26	\$0.094	\$0.50	85%	Nil	0.502%	\$0.0333	Black-Scholes
55	15-Nov-22	15-Nov-27	\$0.115	\$0.65	114%	Nil	3.449%	\$0.0696	Black-Scholes
56	15-Nov-22	15-Nov-27	\$0.115	\$0.85	114%	Nil	3.449%	\$0.0652	Black-Scholes
57	15-Nov-22	15-Nov-27	\$0.115	\$0.85	114%	Nil	3.449%	\$0.0617	Monte Carlo
58	15-Nov-22	15-Nov-27	\$0.115	\$1.05	114%	Nil	3.449%	\$0.0648	Black-Scholes
59	10-May-23	28-Nov-28	\$0.050	\$0.65	115%	Nil	3.181%	\$0.0245	Black-Scholes
60	10-May-23	28-Nov-28	\$0.050	\$0.85	115%	Nil	3.181%	\$0.0226	Black-Scholes
61	10-May-23	28-Nov-28	\$0.050	\$0.85	115%	Nil	3.181%	\$0.0223	Monte Carlo
62	10-May-23	28-Nov-28	\$0.050	\$1.05	115%	Nil	3.181%	\$0.0211	Black-Scholes
69	27-May-24	01-Jun-29	\$0.031	\$0.05	125%	Nil	4.018%	\$0.0252	Binomial
70	27-May-24	01-Jun-29	\$0.031	\$0.15	125%	Nil	4.018%	\$0.0212	Binomial
71	27-May-24	01-Jun-29	\$0.031	\$0.25	125%	Nil	3.960%	\$0.0198	Binomial

The were no Directors or Key Management options granted, exercised or lapsed in the current year.

Director/Key Management Personnel Transactions and Loans

There were no other transactions or loans with key management personnel during the year.

Relationship between remuneration and Company performance

The factors that are considered to affect shareholder return during the last 5 years are summarised below:

Measures	2025 \$	2024 \$	2023 \$	2022 \$	2021 \$
Share price at end of financial year	0.018	0.028	0.037	0.50	0.177
Market capitalisation at end of financial year (\$M)	18.30	28.25	34.01	358.03	83.23
Profit/(loss) for the financial year	(2,038,347)	(3,640,493)	10,362,157	(20,467,514)	(2,537,840)
Cash spend on exploration programmes	1,464,146	4,806,905	15,978,514	24,866,440	127,747
Director and other Key Management Personnel remuneration	909,070	1,241,191	1,513,569	1,049,690	775,283

Given that the remuneration is commercially reasonable, the link between remuneration, Company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration. The Company may issue options to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the Company's shareholders.

No remuneration consultants were used in the 2025 financial year.

End of the remuneration report - Audited.

DIRECTORS REPORT

ASX: HIO

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the auditor (BDO Audit Pty Ltd and its associated entities) for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year, the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

BDO Services Pty Ltd

Tax Compliance Services

\$10,126

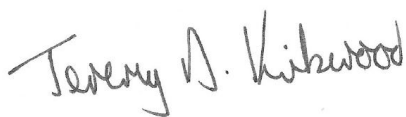
AUDITOR'S INDEPENDENCE DECLARATION

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

EVENTS AFTER REPORTING DATE

In July 2025, the Company issued a total of 112,315,767 shares at \$0.017 per share through a share purchase plan and share placement, raising \$1,909,369 before costs.

There have been no events since 30 June 2025 that impact upon the financial report.



Director
19 August 2025

AUDITORS INDEPENDENCE DECLARATION

ASX: HIO



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

As lead auditor of Hawsons Iron Limited for the year ended 30 June 2025, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'K L Colyer', is written over a light blue horizontal line.

K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 19 August 2025

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

STATEMENT OF COMPREHENSIVE INCOME

ASX: HIO

Statement of Comprehensive Income For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Interest income		28,113	59,129
Net fair value gain/(loss) on financial instruments measured at fair value through profit or loss	8	14,162	(229,617)
Employment benefit expenses	4	(843,918)	(1,412,685)
Depreciation and amortisation expense		(153,329)	(183,682)
Legal settlement	7	-	(300,000)
Corporate compliance and legal fees		(419,726)	(801,106)
Corporate advisory		(109,580)	(299,173)
Computer, IT and telecommunications		(94,857)	(110,190)
Rent expense relating to short-term leases		(136,201)	(58,163)
Other expenses		(323,011)	(305,006)
Loss before income tax		(2,038,347)	(3,640,493)
Income tax	12	-	-
Loss after income tax		(2,038,347)	(3,640,493)
Other comprehensive income		-	-
Total comprehensive income		(2,038,347)	(3,640,493)
Earnings per share		Cents	Cents
Basic and diluted loss per share	13	(0.20)	(0.39)

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

BALANCE SHEET

ASX: HIO

Balance Sheet As at 30 June 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	2	202,450	3,299,421
Trade and other receivables	5	62,982	113,053
Other current assets		41,973	45,516
Financial assets at fair value through profit or loss	8	115,324	269,616
TOTAL CURRENT ASSETS		422,729	3,727,606
NON-CURRENT ASSETS			
Trade and other receivables	5	257,056	306,474
Plant and equipment		37,276	88,246
Exploration and evaluation assets	6	60,278,410	58,765,175
Right of use assets		156,483	82,799
Other non-current assets		-	63,182
Financial assets at fair value through profit or loss	8	-	122,122
TOTAL NON-CURRENT ASSETS		60,729,225	59,427,998
TOTAL ASSETS		61,151,954	63,155,604
CURRENT LIABILITIES			
Trade and other payables	7	501,458	755,129
Short-term provisions		41,463	63,222
Lease liabilities		53,039	90,607
Borrowings		-	37,210
Financial liability at fair value through profit and loss	8	1,033,676	1,324,252
TOTAL CURRENT LIABILITIES		1,629,636	2,270,420
NON-CURRENT LIABILITIES			
Lease liabilities		106,727	-
TOTAL NON-CURRENT LIABILITIES		106,727	-
TOTAL LIABILITIES		1,736,363	2,270,420
NET ASSETS		59,415,591	60,885,184
EQUITY			
Contributed capital	9	99,885,182	99,603,591
Reserves	10	3,074,181	3,526,349
Accumulated losses		(43,543,772)	(42,244,756)
TOTAL EQUITY		59,415,591	60,885,184

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

STATEMENT OF CHANGES IN EQUITY

ASX: HIO

Statement of Changes in Equity For the year ended 30 June 2025

	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					
Issue of share capital	9	2,965,200	-	-	2,965,200
Capital raising costs	9	(354,325)	-	-	(354,325)
Share based payments - consultants		-	81,528	-	81,528
Share based payments – employees & directors	4 & 14	-	191,895	-	191,895
Transfer of expired options			(559,613)	559,613	-
Total		2,610,875	(286,190)	559,613	2,884,298
Comprehensive income					
Loss after income tax		-	-	(3,640,493)	(3,640,493)
Total comprehensive income		-	-	(3,640,493)	(3,640,493)
Balance at 30 June 2024		99,603,591	3,526,349	(42,244,756)	60,885,184
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	9	300,000	-	-	300,000
Capital raising costs	9	(18,409)	-	-	(18,409)
Share based payments – employees & directors	4 & 14	-	287,163	-	287,163
Transfer of expired options		-	(739,331)	739,331	-
Total		281,591	(452,168)	739,331	568,754
Comprehensive income					
Loss after income tax		-	-	(2,038,347)	(2,038,347)
Total comprehensive income		-	-	(2,038,347)	(2,038,347)
Balance at 30 June 2025		99,885,182	3,074,181	(43,543,772)	59,415,591

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

STATEMENT OF CASH FLOWS

ASX: HIO

Statement of Cash Flows For the year ended 30 June 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(1,966,856)	(2,388,446)
Interest received		28,113	59,129
Finance costs		(7,906)	(9,019)
Net cash used in operating activities	2	(1,946,649)	(2,338,336)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant & equipment		-	(12,203)
Receipts / (payments) for security deposits		49,418	65,000
Payments for exploration and evaluation assets	6	(1,464,146)	(4,806,905)
Receipts from government grants	6	178,146	615,351
Net cash used in investing activities		(1,236,582)	(4,138,757)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	9	250,000	2,965,200
Cost associated with the issue of shares		(19,646)	(257,774)
Insurance premium finance repayments		(37,210)	(49,607)
Lease principal payments		(106,884)	(127,708)
Net cash provided by financing activities		86,260	2,530,111
Net decrease in cash and cash equivalents held		(3,096,971)	(3,946,982)
Cash and cash equivalents at the beginning of the year		3,299,421	7,246,403
Cash and cash equivalents at the end of the year		202,450	3,299,421

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

NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Introduction

This financial report covers Hawsons Iron Limited (the “Company” or “Hawsons”). Hawsons Iron Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Operations and principal activities

The principal activity of the Company is mineral exploration and development of the Hawsons Iron Project.

Currency

The financial report is presented in Australian dollars, rounded to the nearest dollar, which is the functional currency of the Parent.

Authorisation of financial report

The financial report was authorised for issue on 19 August 2025.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial statements of Hawsons Iron Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs, modified by the measurement at fair value of other payables and derivative instruments.

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies.

Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period and future periods if the revision affects both current and future periods. The following estimates and judgements were used for the current financial year.

Key judgements – exploration & evaluation assets

The Company performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

The Directors have assessed that for the exploration and evaluation assets recognised at reporting date, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 “Exploration for and Evaluation of Mineral Resources”.

Employee share-based payments:

The Company initially measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent upon the terms and conditions of the grant.

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NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, milestone achieved and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 14.

Consultants' expenses:

The Company has made estimates for the deferred success fee that is to be paid to a strategic consultant if certain project milestones are met. Estimating the deferred success fee requires determination of the probability that the project milestones will be achieved. Refer to Note 8(B) and 8(C) for further details.

Accounting for LDA equity financing arrangement

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. This financing arrangement gave rise to a derivative liability and derivative asset held at fair value through profit or loss being recognised. Refer Note 8(A) for further details of the transaction and Note 8(C) for details on key judgements and estimates.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Monte Carlo Simulation Methodology (MCSM). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Refer to Note 8(C) for further details.

Accounting policies

(a) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(b) Impairment of Non-Financial Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(c) Financial Instruments

(i) Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company has cash and cash equivalents and trade and other receivables, and financial assets at fair value through profit or loss as financial assets. Consequently, the measurement category most relevant to the Company is as follows:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. The Company measures its investments in equity instruments at FVPL. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(ii) Financial Liabilities (excluding derivatives)

The Company's financial liabilities are measured at amortised cost and other payables (consulting fee payables) are measured at fair value through profit or loss. The Company has trade payables and other payables as financial liabilities.

(iii) Financial derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Derivatives are classified as current or non-current depending on the expected period of realisation.

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NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

d) Share based payments

Share-based compensation benefits are provided to employees via the HIO Employee Share Plan. Information relating to these schemes is set out in Note 14.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is cumulative amount calculated at each reporting date less amounts already recognised in previous period. If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

e) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods. The Company has decided against early adoption of these standards. The Company has assessed the impact of these new standards that are not yet effective and determined that they are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Going Concern

As at 30 June 2025 the Company had cash reserves of \$202,450, net current liabilities of \$1,206,907 and net assets of \$59,415,591.

During the year the Company had net cash outflows of \$1,946,649 (2024: \$2,338,336) from operating activities and net cash outflows used in investing activities of \$1,236,582 (2024: \$4,138,757). Investing activities includes payments for exploration and evaluation assets.

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

Subsequent to year end, the Company raised an additional \$1,909,369 through a share purchase plan and share placement (Refer to Note 20).

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 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 historical trading volumes and the HIO share price at 30 June 2025, Hawsons has estimated the total capital limit of the facility at 30 June 2025 at \$2,084,461.
- 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.

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NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 2 CASH & CASH FLOW INFORMATION

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of financing and investing activities, which are disclosed as operating cash flows.

Reconciliation of loss after income tax to net cash outflow from operating activities

	2025 \$	2024 \$
Loss after income tax	(2,038,347)	(3,640,493)
<i>Non-cash items</i>		
Depreciation and amortisation	153,329	183,682
Share-based payments	287,163	191,895
Impairment of other non-current assets	63,182	-
Fair value movement of financial instruments ¹	(14,162)	229,617
<i>Change in operating assets and liabilities</i>		
(Increase)/decrease in receivables	50,071	92,163
(Increase)/decrease in other assets	3,543	54,918
(Decrease)/increase in trade and other payables	(429,672)	558,066
(Decrease)/increase in provisions	(21,756)	(8,184)
Net cash outflow from operating activities	(1,946,649)	(2,338,336)

¹ LDA Capital – refer Note 8(A)

Reconciliation of cash

Cash at the end of the financial period is reconciled to items in the balance sheet as follows:

Cash on hand and at bank	202,450	3,299,421
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Non-cash investing and financing activities

2025: 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. (refer Note 14).

The Company entered into a new lease agreement during the period which increased right of use assets by \$176,043.

2024: The Company issued options with a value of \$81,528 to the lead managers of the capital raise as part consideration for their services (refer Note 14).

Changes in liabilities arising from financing activities

Lease liabilities		
Opening balance	90,607	218,315
Lease additions during the year	176,043	-
Lease principal repayments	(106,885)	(127,708)
Closing balance	159,765	90,607
Borrowings		
Opening balance	37,210	-
Non-cash insurance financing additions	-	86,817
Principal repayments	(37,210)	(49,607)
Closing balance	-	37,210

NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 3 SEGMENT INFORMATION

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 4 ITEMS INCLUDED IN PROFIT OR LOSS

		2025	2024
	Note	\$	\$
Employee benefits			
Share-based payments		287,163	191,895
Director fees		180,718	164,167
Salary and wages		913,948	1,357,608
Superannuation		110,702	113,113
Other employee costs		14,464	226,280
Less capitalised salaries – Hawsons Iron Project	6	(663,077)	(640,378)
Total employee benefits expense		843,918	1,412,685

NOTE 5 TRADE AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Current		
GST refund due	62,982	113,053
Non-Current		
Security bonds	257,056	306,474

NOTE 6 EXPLORATION AND EVALUATION ASSETS

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest.

Exploration costs are capitalised only when the Company has either a granted tenement in its name or an interest through a joint venture arrangement.

Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or sale of the respective area of interest or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

Government grants relating to exploration and evaluation assets that have been capitalised are recognised by deducting the grant received from the carrying amount of the exploration and evaluation asset recognised on the balance sheet. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 6 EXPLORATION AND EVALUATION ASSETS (continued)

	2025 \$	2024 \$
Movements during the year		
Opening balance	58,765,175	54,783,499
Exploration expenditure during the period ¹	1,691,381	4,597,027
Government grants relating to exploration	(178,146)	(615,351)
Closing balance	60,278,410	58,765,175

¹ Includes capitalised employment expenses – refer Note 4.

NOTE 7 TRADE AND OTHER PAYABLES

Trade payables	431,072	128,909
Other payables ¹	70,386	326,220
Legal settlement payable ²	-	300,000
Total trade and other payables	501,458	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 8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets		
LDA put option asset: current - Note 8 (A)	115,324	269,616
LDA put option asset: non-current - Note 8 (A)	-	122,122
	115,324	391,738
Financial liabilities		
LDA derivative liability - Note 8 (A)	61,132	351,708
Other payable: consultant fee - Note 8 (B)	972,544	972,544
Total trade and other payables	1,033,676	1,324,252

(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 14 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.

NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

- (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.

	2025 \$	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	(276,414)	(1,400,859)
Closing balance	115,324	391,738
Movement in LDA derivative liability		
Opening balance	351,708	1,522,950
Re-measurement to fair value through profit or loss ¹	(290,576)	(1,171,242)
Closing balance	61,132	351,708
Net fair value gain/(loss) on financial instruments measured at fair value through profit or loss		
Fair value movement – put option premium	(276,414)	(1,400,859)
Fair value movement – LDA derivative liability	290,576	1,171,242
Net fair value gain/(loss) on financial instruments	14,162	(229,617)

¹ The value per option reduced from \$0.0049 cents in June 2024 to \$0.0009 cents at 30 June 2025, thereby reducing the derivative liability by \$290,576. This reduction contributed to the net fair value gain/(loss) on financial instruments in the Statement of Comprehensive Income.

(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:

NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

- 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).

The liability and equity-settled share-based payment recognised at 30 June 2025 were as follows:

	2025 \$	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

Movement in Other Payable – Consultant Fee

Opening balance	972,544	972,544
Fair value loss/(gain) recognised in profit and loss	-	-
Closing balance	972,544	972,544

(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.

NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
June 2025				
Assets				
Derivative asset – put option premium	-	-	115,324	115,324
	-	-	115,324	115,324
Liabilities				
LDA derivative liability	-	61,132	-	61,132
Other payable – consultant fee	-	-	972,544	972,544
	-	61,132	972,544	1,033,676

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
	-	351,708	972,544	1,324,252

Valuation techniques for fair value measurements categorised within level 2 and level 3

Other Payable – consultant fee

The fair value of the consultant's fees has been estimated using present value techniques, by discounting the probability-weighted estimated future cash outflows.

Put & Call Options

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 issued determined using a binomial pricing methodology.

Level 3 Assets and Liabilities

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

	2025 \$	2024 \$
Assets		
Balance at the beginning of the year	391,738	1,792,597
Gain/(loss) recognised in profit or loss of financial asset – put option	(276,414)	(1,400,859)
Closing balance	115,324	391,738
Liabilities		
Balance at the beginning of the year	972,544	2,495,494
Transfer of LDA derivative liability to Level 2 ¹	-	(1,522,950)
Closing balance	972,544	972,544

¹ In accordance with the Agreement, the Company issues 71,500,000 unlisted options to LDA Capital, expiring on 21 December 2025, exercisable of \$0.70. As per the Agreement, the strike price of the options was set at 125% of the 90-day VWAP at 21 December 2023 (\$0.055). Following the confirmation of the strike price on 21 December 2023 (which was previously an unobservable input), the derivative liability was transferred to Level 2.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 8 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The level 3 liabilities unobservable inputs are as follows:

Description	Unobservable Inputs	2025	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	14.0%	14.0%	

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:

	2025 Increase \$	2025 Decrease \$	2024 Increase \$	2024 Decrease \$
LDA financial derivative asset:				
Market placement discount +/- 2%	(495)	507	230,054	(163,520)
Other payable consultant fee:				
First sale of concentrate probability range +/- 10%	191,508	(197,509)	191,508	(197,509)

NOTE 9 SHARE CAPITAL

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

The Company has issued shares to employees and Directors under the Company's employee share plan. The shares have been issued in return for an interest free loan from the Company whereby the Company only has recourse to the shares. This issue of shares has been valued as an option grant in accordance with AASB2 "Share Based Payment". The shares are disclosed in the financial statements as non-recourse employee shares (NRE Shares).

Non-recourse employee (NRE) shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. NRE shares will not qualify for participation in any dividend reinvestment plan of the Company until the loan amount in respect of those shares has been repaid. The Company has a lien over the NRE shares in respect of which the loan amount is outstanding. The Company is entitled to sell any unpaid NRE shares in accordance with the HIO share plan.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 9 SHARE CAPITAL (continued)

	2025 \$	2024 \$	2025 #	2024 #
Ordinary Shares				
At the beginning of the year	99,603,591	96,992,716	1,003,425,610	913,571,059
Share placement (\$0.033 per share) ¹	250,000	-	7,575,758	-
Transfer from NRE shares ²	50,000	-	1,930,143	-
Share placement (\$0.033 per share)	-	2,965,200	-	89,854,551
Total shares issued during the year	300,000	2,965,200	9,505,901	89,854,551
Share issue costs	(18,409)	(354,325)	-	-
At reporting date	99,885,182	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	99,885,182	99,603,591	1,016,501,368	1,008,925,610

- Following approval at the shareholder meeting held on 2 July 2024, 7,575,758 ordinary shares were issued to Directors at \$0.033.
- 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 10 RESERVES

Share-based payment reserve

The share-based payments reserve is used to record the value of share-based payments provided to employees and consultants as part of their remuneration. The fair value of options issued to employees is recognised as an employment cost during the option vesting period with corresponding increase in equity recognised in this reserve.

	2025 \$	2024 \$
Movements during the year		
Opening balance	3,526,349	3,812,539
Expired options transferred to accumulated losses	(739,331)	(559,613)
Share based payments – capital raising costs	-	81,528
Share based payments – expense (Note 4)	287,163	191,895
Closing balance	3,074,181	3,526,349

NOTE 11 DIVIDENDS & FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There are no franking credits available to the shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 12 INCOME TAX

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, (except for a business combination) where there is no effect on accounting or taxable profit or loss.

A reconciliation of income tax expense (benefit) applicable to accounting loss before income tax at the statutory income tax rate to income tax expense (benefit) recognised for the years ended 30 June 2025 and 2024 is as follows:

	2025 \$	2024 \$
Loss before income tax	(2,038,347)	(3,640,493)
Prima facie tax at 30% (2024: 30%)	(611,504)	(1,092,148)
<u>Tax effect of not deductible/taxable amounts</u>		
Non-deductible expenses	86,149	57,568
Revaluation of LDA instruments	(4,249)	68,885
Deferred tax assets not brought to account	529,604	965,695
Total income tax expense/(benefit)	-	-
Recognised deferred tax assets		
Carried forward tax losses	17,794,594	17,328,490
Recognised deferred tax liabilities		
Assessable temporary differences	17,794,594	17,328,490
Net deferred tax recognised	-	-

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 12 INCOME TAX (continued)

	2025 \$	2024 \$
Unrecognised temporary differences & tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	2,243,433	946,117
Unused capital losses for which no deferred tax asset has been recognised	469,760	469,760

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise these benefits.

NOTE 13 EARNINGS PER SHARE

	2025 \$	2024 \$
Earnings used to calculate basic and dilutive loss per share	(2,038,347)	(3,640,493)
	2025 #	2024 #
Weighted average number of ordinary shares outstanding during the year	1,016,190,035	931,403,135
Adjustments for calculation of diluted loss per share - options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	1,016,190,035	931,403,159

Options, including in-substance options related to NRE shares, could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share for 2025 or 2024 as they were not dilutive.

NOTE 14 SHARE BASED PAYMENTS AND PUT 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.

The Company has ALSO granted options over ordinary shares as part consideration to the lead managers of the 2024 capital raising program. The options are quoted on the ASX. The Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

Information with respect to the number of options granted is as follows (the table below includes share-based payments and options issued in accordance with the LDA Put Option Agreement- tranche 45):

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 14 SHARE BASED PAYMENTS AND PUT OPTIONS (continued)

Tranche	Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Cancelled	Lapsed	Closing Balance	Vested & / 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	\$0.50	2,000,000	-	-	(2,000,000)	-	-
28C	20-Aug-21	05-Jul-25	\$0.50	2,000,000	-	-	-	2,000,000	-
28D	20-Aug-21	20-Aug-26	\$0.50	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-Dec-21	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	-
74	01-Dec-24	30-Nov-29	\$0.05	-	500,000	-	-	500,000	-
75	01-Dec-24	30-Nov-29	\$0.15	-	1,250,000	-	-	1,250,000	-
76	01-Dec-24	30-Nov-29	\$0.25	-	1,250,000	-	-	1,250,000	-
77	01-Dec-24	30-Nov-29	\$0.05	-	500,000	-	-	500,000	-
78	01-Dec-24	30-Nov-29	\$0.15	-	1,250,000	-	-	1,250,000	-
79	01-Dec-24	30-Nov-29	\$0.25	-	1,250,000	-	-	1,250,000	-
				114,510,000	6,000,000	(2,000,000)	(9,000,000)	109,510,000	77,510,000
Weighted Average Exercise Price				\$0.219	\$0.175	\$0.40	\$0.733	\$0.171	\$0.056

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.27 years.

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NOTE 14 SHARE BASED PAYMENTS AND PUT OPTIONS (continued)

Option vesting conditions

Tranches 25 – 37 relates to the milestones below:

Milestone 1	The Company raising the funding to carry out the Hawsons Bankable Feasibility Study (BFS)
Milestone 2	Completion of the Hawsons BFS
Milestone 3	The raising of the capital cost, by the Company, to develop the Hawsons Iron Project
Milestone 4	The commencement of commercial production at the Hawsons Iron Project

Tranches 49-52 and 55-62 relates to the milestones below:

Milestone 1	Completion of the Hawsons BFS
Milestone 2	The raising of the capital cost, by the Company, to develop the Hawsons Iron Project – successful bankability equals capital raise for mine build
Milestone 3	Market capitalisation of the Company reaches AUD1,000,000,000
Milestone 4	First commercial shipment of iron ore product of the Company

Tranches 63-66 relates to the milestones below:

Tranche 63	Board approval to start the BFS in 2023
Tranche 64	Successful completion of the BFS
Tranche 65	The raising of the capital cost to develop the Hawsons Iron Project
Tranche 66	The commencement of commercial production at the Hawsons Iron Project

Tranches 69-71 and 74-79 relates to the milestones below:

Tranche 69	BFS funding secured
Tranche 70	Successful completion of the BFS
Tranche 71	Financial investment decision (including all project funding) of the Hawsons Iron Project

Tranche 45 – Options issued to LDA Capital in accordance with the Put Option Agreement

The Company issued 71,500,000 unlisted options to LDA Capital, expiring on 21 December 2025, exercisable at \$0.70. The strike price of the options is \$0.055. Each option has an exercise period of four years.

Tranche 67 – Lead manager options

5,010,000 options were issued as part consideration to the lead manager of the 2024 capital raising program. Each option has an exercise price of \$0.05 and an expiry date of 30 May 2026. There are no vesting conditions applicable.

Option Fair Values

The fair value at grant date for the options is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 14 SHARE BASED PAYMENTS AND PUT OPTIONS (continued)

Tranche	Grant/valn Date	Expiry Date	Share Price	Exercise Price	Expected volatility	Expected Dividends	Risk free rate	Fair value	Valuation Method
25	20-Aug-21	20-Aug-26	\$0.094	\$0.15	85%	nil	0.502%	\$0.0545	Black-Scholes
26	20-Aug-21	20-Aug-26	\$0.094	\$0.25	85%	nil	0.502%	\$0.0454	Black-Scholes
27	20-Aug-21	20-Aug-26	\$0.094	\$0.35	85%	nil	0.502%	\$0.0394	Black-Scholes
28	20-Aug-21	20-Aug-26	\$0.094	\$0.50	85%	nil	0.502%	\$0.0333	Black-Scholes
29	06-Sep-21	06-Sep-26	\$0.081	\$0.25	85%	nil	0.651%	\$0.0370	Black-Scholes
30	06-Sep-21	06-Sep-26	\$0.081	\$0.35	85%	nil	0.651%	\$0.0318	Black-Scholes
31	06-Sep-21	06-Sep-26	\$0.081	\$0.50	85%	nil	0.651%	\$0.0266	Black-Scholes
32	25-Oct-21	25-Oct-26	\$0.076	\$0.25	85%	nil	1.163%	\$0.0330	Black-Scholes
33	25-Oct-21	25-Oct-26	\$0.076	\$0.35	85%	nil	1.163%	\$0.0282	Black-Scholes
34	25-Oct-21	25-Oct-26	\$0.076	\$0.50	85%	nil	1.163%	\$0.0233	Black-Scholes
35	29-Nov-21	29-Nov-26	\$0.096	\$0.25	85%	nil	1.348%	\$0.0475	Black-Scholes
36	29-Nov-21	29-Nov-26	\$0.096	\$0.35	85%	nil	1.348%	\$0.0414	Black-Scholes
37	29-Nov-21	29-Nov-26	\$0.096	\$0.50	85%	nil	1.348%	\$0.0351	Black-Scholes
49	15-Nov-22	16-Apr-25	\$0.115	\$0.80	114%	Nil	3.449%	\$0.0662	Black-Scholes
50	15-Nov-22	16-Apr-25	\$0.115	\$ 1.00	114%	Nil	3.449%	\$0.0625	Black-Scholes
51	15-Nov-22	16-Apr-25	\$0.115	\$1.00	114%	Nil	3.449%	\$0.0595	Monte Carlo
52	15-Nov-22	16-Apr-25	\$0.115	\$1.20	114%	Nil	3.449%	\$0.0559	Black-Scholes
55	15-Nov-22	15-Nov-27	\$0.115	\$0.65	114%	Nil	3.449%	\$0.0696	Black-Scholes
56	15-Nov-22	15-Nov-27	\$0.115	\$0.85	114%	Nil	3.449%	\$0.0652	Black-Scholes
57	15-Nov-22	15-Nov-27	\$0.115	\$0.85	114%	Nil	3.449%	\$0.0617	Monte Carlo
58	15-Nov-22	15-Nov-27	\$0.115	\$1.05	114%	Nil	3.449%	\$0.0648	Black-Scholes
59	10-May-23	10-May-28	\$0.050	\$0.65	115%	Nil	3.181%	\$0.0245	Black-Scholes
60	10-May-23	10-May-28	\$0.050	\$0.85	115%	Nil	3.181%	\$0.0226	Black-Scholes
61	10-May-23	10-May-28	\$0.050	\$0.85	115%	Nil	3.181%	\$0.0223	Monte Carlo
62	10-May-23	10-May-28	\$0.050	\$1.05	115%	Nil	3.181%	\$0.0211	Black-Scholes
67	03-May-24	30-May-26	\$0.031	\$0.05	118%	Nil	4.092%	\$0.0163	Binomial
69	27-May-24	01-Jun-29	\$0.031	\$0.05	125%	Nil	4.018%	\$0.0252	Binomial
70	27-May-24	01-Jun-29	\$0.031	\$0.15	125%	Nil	4.018%	\$0.0212	Binomial
71	27-May-24	01-Jun-29	\$0.031	\$0.25	125%	Nil	4.018%	\$0.0198	Binomial
74	01-Dec-24	30-Nov-29	\$0.020	\$0.05	116%	Nil	3.962%	\$0.0145	Binomial
75	01-Dec-24	30-Nov-29	\$0.020	\$0.15	116%	Nil	3.962%	\$0.0117	Binomial
76	01-Dec-24	30-Nov-29	\$0.020	\$0.25	116%	Nil	3.929%	\$0.0102	Binomial
77	01-Dec-24	30-Nov-29	\$0.020	\$0.05	116%	Nil	3.962%	\$0.0145	Binomial
78	01-Dec-24	30-Nov-29	\$0.020	\$0.15	116%	Nil	3.962%	\$0.0117	Binomial
79	01-Dec-24	30-Nov-29	\$0.020	\$0.25	116%	Nil	3.929%	\$0.0102	Binomial

Equity based instruments – Director and Employee Shares with Non-Recourse Loans

The Company has issued ordinary shares to Directors and employees pursuant to the HIO Employee Share Plan. The shares have been issued in return for an interest free loan from the Company whereby the Company only has recourse to the shares. This issue of shares has been treated as an option grant in accordance with AASB2 “Share Based Payment”. In line with AASB2 “Share Based Payment”, the related expense for the shares is recorded from the date that agreement with the employee is met.

Information with respect to the number of Director and employee shares with non-recourse loans granted is as follows:

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 14 SHARE BASED PAYMENTS AND PUT OPTIONS (continued)

Information with respect to the number of Director and employee shares with non-recourse loans granted is as follows:

Tranche	Grant Date	Escrow Date	Exercise Price	Opening Balance	Granted in year	Exercised in year	Transferred during year	Closing Balance	Exercisable at end of year
Director 1	31-May-11	31-May-12	\$0.48	750,000	-	-	-	750,000	750,000
Director 2	31-May-11	31-May-13	\$0.48	750,000	-	-	-	750,000	750,000
Employee 1	01-Mar-11	02-Mar-13	\$0.60	2,100,000	-	-	(1,930,143)	169,857	169,857
Employee 2	05-Jul-13	05-Jul-13	\$0.30	1,900,000	-	-	-	1,900,000	1,900,000
				5,500,000	-	-	(1,930,143)	3,569,857	3,569,857
Weighted average exercise price				0.46	-	-	-	0.39	0.39

The value of the Director and Employee Shares with Non-Recourse Loans was calculated by using the Black-Scholes pricing model applying the inputs shown in the following table:

Inputs into pricing model	Director 1	Director 2	Employee 1	Employee 2
Grant date	31 May 2011	31 May 2011	1 March 2011	5 July 2013
Vesting date	31 May 2011	31 May 2011	1 March 2011	5 July 2013
Exercise price	\$0.48	\$0.48	\$0.60	\$0.30
Share price at grant date	\$0.51	\$0.51	\$0.66	\$0.19
Life of the options	1 year	2 years	2 years	3 years
Underlying share price volatility	54%	54%	54%	88%
Expected dividends	Nil	Nil	Nil	Nil
Risk free interest rate	4.68%	4.68%	4.68%	2.82%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from employee share-based payment transactions

Total expenses arising from employee share-based payment transactions recognised during the period as part of employment benefit expenses (refer Note 4) were as follows:

	2025 \$	2024 \$
Options	287,163	191,895

NOTE 15 RELATED PARTY AND KEY MANAGEMENT PERSONNEL

Key management personnel compensation

Key management personnel comprise Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Company.

Short-term employee benefits	696,050	802,734
Post-employment benefits	61,032	49,567
Termination benefits	-	214,638
Share-based payments	151,988	174,252
	909,070	1,241,191

NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 15 RELATED PARTY AND KEY MANAGEMENT PERSONNEL (continued)

Amounts Owed to Key Management Personnel and Other Related Parties

\$32,564 was owing to CFO/Company Secretary at 30 June 2025 for service fees and expense reimbursements.

Amounts payable to the former Managing Director at 30 June 2024 were \$240,600 (2025: Nil) – refer Note 7.

Transactions with Related Parties

There were no other transactions between the Company and its related parties during the year (2024: Nil).

NOTE 16 FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks and accounts receivable, payable, financial derivative assets and financial derivative liabilities.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board is responsible for managing the Company's identification and control of financial risks and for evaluating treasury management strategies in the context of the most recent economic conditions and forecasts.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Company incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Company.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. There is no collateral held as security at 30 June 2025 (2024: nil).

Credit risk is reviewed regularly by the Board. It arises from deposits with financial institutions. The Company does not have any material credit risk exposure.

	2025 \$	2024 \$
Cash and cash equivalents	202,450	3,299,421
Non-trade receivables	257,056	306,474
	459,506	3,605,895

Credit risk - Cash and cash equivalents

The counterparty to these financial assets is Westpac a large financial institution with a strong credit rating (AA-).

Credit risk – Other Receivables

Amounts owed to the Company comprise receivables in relation to security bonds for exploration tenements.

NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 16 FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet financial obligations as they fall due.

Liquidity risk is reviewed regularly by the Board. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are maintained.

The table below reflects the contractual maturity financial liabilities. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 30 June 2025. The amounts disclosed represent undiscounted cash flows.

The remaining contractual maturities of the financial liabilities are:

	2025	2024
	\$	\$
<i>Less than one year</i>		
<i>Non-derivatives</i>		
Trade and other payables	501,458	755,129
Borrowings	-	37,210
Lease liabilities	66,655	90,607
Other payable – consultant fee	972,544	972,544
	1,540,657	1,855,490
<i>Between one and five years</i>		
<i>Non-derivatives</i>		
Lease liabilities	116,396	214,638

Terms and conditions relating to the above financial instruments:

- Trade creditors are unsecured, non-interest bearing and are normally settled on 30-day terms
- Other creditors are unsecured and non-interest bearing
- Due to the short-term nature of the current payables the carrying value is assumed to approximate their fair value.

(c) Market Risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Company is not exposed to any significant foreign currency, interest rate or price risk.

(d) Capital Risk Management

Management controls the capital of the Company in order to provide capital growth to shareholders and ensure the Company can fund its operations and continue as a going concern. The Company's capital includes ordinary share capital. Further detail on share capital can be found in Note 9. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

(e) Fair Values

The fair values of financial assets and liabilities approximate their carrying value.

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NOTES TO THE FINANCIAL STATEMENTS

ASX: HIO

NOTE 17 AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company, and its network firms:

	2025 \$	2024 \$
<i>Audit services:</i>		
Audit or review of the financial statements	83,324	112,000
<i>Other services:</i>		
Whistleblowing services	-	3,000
Tax compliance services	10,126	9,695
	10,126	12,695
Total remuneration - BDO	93,450	124,695

NOTE 18 COMMITMENTS

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.

<i>Exploration obligations to be undertaken</i>		
Payable within one year	32,432	29,147
Payable between one year and five years	73,294	78,675
Payable after five years	-	16,667
	105,726	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 19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

There are no material contingent liabilities at 30 June 2025.

Contingent Assets

There are no material contingent assets at 30 June 2025.

NOTE 20 EVENTS AFTER REPORTING DATE

In July 2025, the Company issued a total of 112,315,767 shares at \$0.017 per share through a share purchase plan and share placement, raising \$1,909,369 before costs.

There have been no other events since 30 June 2025 that impact upon the financial report.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

ASX: HIO



CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Hawsons Iron Limited does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements.

Therefore, section 295(3A)(a) of the Corporations Act 2001 does not apply to the Entity.

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DIRECTORS' DECLARATION

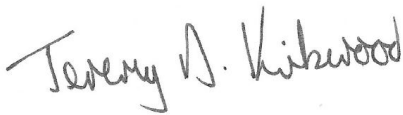
ASX: HIO

DIRECTOR'S DECLARATION

The Directors of the Company declare that:

1. The financial statements, comprising the statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The Consolidated Entity Disclosure Statement is true and correct.
5. The remuneration disclosures included in the Directors' report (as part of audited Remuneration Report), for the year ended 30 June 2025, comply with section 300A of the *Corporations Act 2001*.
6. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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:



Director

Dated 19 August 2025

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INDEPENDENT AUDITOR'S REPORT

To the members of Hawsons Iron Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hawsons Iron Limited (the Company), which comprises the balance sheet as at 30 June 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of Hawsons Iron Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related 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 entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
The Company carries exploration and evaluation assets in accordance with the Company's accounting policy for exploration and evaluation expenditure, as set out in Note 6. The recoverability of exploration and evaluation assets is a key audit matter due to: • The significance of the total balance; and • The level of procedures undertaken to evaluate management's application of the requirements of AASB 6 Exploration for Evaluation of Mineral Resources ('AASB 6') in light of any indicators that may be present.	Our procedures included, but were not limited to the following: • Obtaining evidence that the Company has valid rights to explore the areas represented by the capitalised exploration and evaluation expenditure by obtaining supporting documentation such as license agreements and considering whether the Company maintain tenements in good standing. • Making enquiries on management with respect to the status of ongoing exploration programs in the respective areas of interest and assessing the Company's cashflow budget for the level of budgeted spend with directors of the Company as to their intentions and strategy. • Enquiring of management, reviewing ASX announcement and reviewing directors' minutes to ensure the Company had not decided to discontinue activities in any applicable areas of interest and to assess whether there are any other facts or circumstances that existed to indicate impairment testing was required.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Hawsons Iron Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

BDO Audit Pty Ltd



K L Colyer
Director

Brisbane, 19 August 2025

ADDITIONAL STOCK EXCHANGE INFORMATION

ASX: HIO

DISTRIBUTION OF NUMBER OF HOLDERS OF EQUITY SECURITIES AT 15 AUGUST 2025

Ordinary Shares: HIO

Number of securities held	Ordinary Shares Fully Paid	Number of Holders
1 to 1,000	260,711	451
1,001 to 5,000	4,201,505	1,444
5,001 to 10,000	7,943,095	1,014
10,001 to 100,000	126,652,420	3,279
100,001 and over	989,759,404	1,574
	1,128,817,135	7,762

Number of shareholders holding unmarketable parcels: 4,443

ASX Listed Options: HIOO

Number of securities held	Options Fully Paid	Number of Holders
1 to 1,000	1	1
1,001 to 5,000	-	-
5,001 to 10,000	-	-
10,001 to 100,000	4,127,205	124
100,001 and over	98,313,103	106
	102,440,309	231

Number of option holders holding unmarketable parcels: 168

TWENTY LARGEST HOLDERS OF EACH QUOTED SECURITY

Ordinary Shares: HIO

#	Name	Ordinary Shares	%
1	BNP PARIBAS NOMINEES PTY LTD	21,510,993	1.91
2	DR EDMUND TEOW WONG EK	18,892,952	1.67
3	IGNITE EQUITY PTY LTD	17,456,401	1.55
4	JKS GROUP HOLDINGS PTY LTD	17,061,169	1.51
5	MR KENNETH JOSEPH HALL	17,000,000	1.51
6	MR GLEN CORBY BULL	16,000,000	1.42
7	MR BRANKO SUBOTA	14,542,025	1.29
8	CITICORP NOMINEES PTY LIMITED	11,977,415	1.06
9	FINCLEAR SERVICES PTY LTD	11,748,949	1.04
10	COMO GROUP HOLDINGS PTY LTD	7,695,009	0.68
11	J & L LOCCISANO PTY LTD	7,100,000	0.63
12	1215 CAPITAL PTY LTD	6,849,699	0.61
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,375,465	0.56
14	NALJE PTY LIMITED	5,560,000	0.49
15	MR SURINDER SINGH & MRS SATWINDER KAUR	5,500,000	0.49
16	PAUL GTU BROWN INVESTMENTS PTY LTD	5,401,000	0.48
17	VINACE SUPER PTY LTD	5,373,092	0.48
18	MR JOHN NEVILLE COOK	5,164,705	0.46
19	GAUDION NOMINEES PTY LTD	5,056,120	0.45
20	MR ALIN BENEÀ	5,005,725	0.44
Total		211,270,719	18.72
Balance of register		917,546,416	81.28
Grand total		1,128,817,135	100.00

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ADDITIONAL STOCK EXCHANGE INFORMATION

ASX: HIO

ASX Listed Options: HIOO

#	Name	HIOO Options	%
1	NALJE PTY LIMITED	11,000,000	10.74
2	CITICORP NOMINEES PTY LIMITED	5,892,879	5.75
3	JKS GROUP HOLDINGS PTY LTD	5,879,461	5.74
4	DR EDMUND TEOW WONG EK	4,545,455	4.44
5	GAUDION NOMINEES PTY LTD	4,491,415	4.38
6	MINGENEW HOLDINGS PTY LTD	4,270,000	4.17
7	COMO GROUP HOLDINGS PTY LTD	3,030,304	2.96
8	MR PAUL ANTHONY SHARP	3,000,000	2.93
9	JKS GROUP HOLDINGS PTY LTD	2,764,332	2.70
10	RIYA INVESTMENTS PTY LTD	2,500,000	2.44
11	EVOLUTION CAPITAL ADVISORS PTY LTD	2,385,321	2.33
12	INVIA CUSTODIAN PTY LIMITED	2,272,727	2.22
13	ANTHONY MCGRADY	2,272,727	2.22
14	MR PAUL SHARP & MR VALENTINE DURNIN	2,266,032	2.21
15	GSG & CBG HOLDINGS PTY LTD	1,865,761	1.82
16	FINCLEAR SERVICES PTY LTD	1,646,358	1.61
17	MISHTALEM PTY LTD	1,614,679	1.58
18	MR COLIN GREGORY HOCKEY	1,515,152	1.48
19	MR JAMES ANDREW DIAMANTES	1,505,000	1.47
20	CMD CONSULTING PTY LTD	1,457,016	1.42
Total		66,174,619	64.60
Balance of register		36,265,690	35.40
Grand total		102,440,309	100.00

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction.

No option holder has any voting rights under.

SUBSTANTIAL SHAREHOLDERS

There was no Substantial shareholders of the Company at 15 August 2025.

SCHEDULE OF TENEMENTS

Licence	Note	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
MLA641	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.

ANNUAL MINERAL RESOURCE STATEMENT

In accordance with ASX Listing Rule 5.21, the Company reviews and reports its Mineral Resources at least annually. The date of reporting is 30 June each year, to coincide with the Company's end of financial year balance date. If there are any material changes to its Mineral Resources over the course of the year, the Company is required to promptly report these changes.

The completed Mineral Resource estimates below are reported in accordance with the JORC Code (2012) using a 4% recovered magnetic fraction ("DTR") cut-off constrained to a pit shell:

	Mineral Resources Estimate June 2025			Mineral Resources Estimate June 2024		
Category	Mt	DTR %	Concentrate Mt	Mt	DTR %	Concentrate Mt
Measured	528	12.9	68	528	12.9	68
Indicated	1,882	11.2	210	1,882	11.2	210
Inferred	2,005	11.3	226	2,005	11.3	226
Total	4,415	11.4	504	4,415	11.4	504

Category	Fe %	SiO2 %	Al2O3 %	TiO2 %	P ppm	S ppm	LOI %
Measured	69.0	3.4	0.26	0.05	73	42	-2.8
Inferred	68.6	3.6	0.30	0.06	83	54	-2.6
Indicated	68.2	4.2	0.32	0.06	84	60	-2.7
Total	68.4	3.8	0.30	0.06	82	56	-2.7

Material Changes and Resource Statement Comparison

There were no material changes to the Mineral Resources Estimate during the year.

Governance Arrangements and Internal Controls

HIO has ensured that the Mineral Resources quoted are subject to good governance arrangements and internal controls. The Mineral Resources reported have been generated by suitably qualified personnel who are experienced in best practices in modelling and estimation methods, and HIO has also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate.

Disclosure

The data in this report that relates to Exploration Results and Exploration Targets for the Hawsons Magnetite Project is based on information evaluated by Mr Wesley Nichols who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and who 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 Nichols is a full-time employee of Hawsons Iron Ltd and he consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.

The data in this report that relates to Mineral Resource estimates for the Hawsons Magnetite Project is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who 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 is a director of H & S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.