

30 April 2025

## Highlights

- **Process optimisation activities successfully completed as planned;**
- **Process optimisation has resulted in a simplified process flow sheet, significantly de-risking the project using a proven technical process, but new to treating magnetite material;**
- **Project Study report focused on optimisation works near completion;**
- **Site visit to major plant manufacturer GEBR Pfeiffer in Kaiserslautern Germany – large scale pilot plant trial on target for completion in 2H 2025;**
- **Attendance at industry events:**
  - **Green Steel Summit 2025 in Dusseldorf Germany, resulting in formal approaches from several new potential investors; and**
  - **AMEC meeting with the NSW Resource Minister**

## Process Optimisation Activities

### 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, Geopyörä 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. The outcome of this work will be critical in propelling Hawsons in the direction of dry milling technology, which has previously been reported to offer major capital (~30 %) and operating cost (25-30%) savings <sup>1</sup>.

<sup>1</sup> <https://hawsons.com.au/wp-content/uploads/2024/11/20241119-Optimisation-Works-Dry-Milling-Processing.pdf>



Figure 1: Comminution circuit testing at JK Tech Centre

### 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.



Figure 2: Sample preparation for variability & metallurgical test work

### Project Study

Following the successful completion of the recent optimisation works, in particular the dry grinding circuit, Hawsons engaged Stantec Australia Pty Ltd (Stantec) to prepare a Project Study, the primary objectives of which include to:

- evaluate the viability of a dry grinding circuit and its impact on processing efficiency and costs;
- evaluate indicative capital costs, operating costs and mine design optimisation on a, up to, 100 Mtpa basis;
- validate prospective economies of scale and identify key drivers of cost and value; and
- identify key opportunities for subsequent optimisation and growth.

The Project Study is expected to be finalised shortly.

### GEBR Pfeiffer Site Visit

During March, Hawsons CEO Tom Revy undertook a visit to GEBR Pfeiffer, manufacturers of large VRM unit, based in Kaiserslautern, German. A review of their facilities included the pilot plant, laboratory, small foundry and engineering/manufacturing facility.

Technical discussions were held with key personnel providing valuable insight to processing circuit options, GEBR Pfeiffer capabilities and requirements for large scale pilot work.



*Figure 3: Plant visit at GEBR Pfeiffer's Facility in Kaiserslautern*

### Industry Events

During March, Hawsons CEO Tom Revy attended the Green Steel Summit 2025 in Dusseldorf Germany. The summit focused on the future development direction of the green steel industry, technological advancements, and practical action plans to help the steel industry to achieve significant carbon emission reduction targets. The summit was well attended by many international steel producers, equipment manufacturers, financiers and technology providers. Following the Green Steel Summit 2025, Hawsons has received approaches from several parties looking to formally engage with Hawsons.

Hawsons also attend an AMEC hosted event with the NSW Resources Minister, Courtney Houssos which focussed on a range of specific NSW matters in particular, environmental approvals, land access, and government red tape / delays.

### 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.

### Financial Position

At 31 March 2025, Hawsons had cash reserves of \$1.03M. Operating cash outflows for the quarter were \$0.28M, reflecting Hawsons continued focus on minimising overhead costs to ensure the maximum amount of funds can be invested directly into the Project.

Investing cash outflows were \$0.36M, attributable to the operational activities outlined below.

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

### Operational Activities

During the quarter, activities focused on:

- Resource variography modelling and interpretation.
- Process optimisation and by-product studies;
- Project Study works; and
- Discussions with key industry and Government representatives.

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

### Related Party Payments

During the quarter, Hawsons paid a total of \$50,375 of director wages and fees. There were no other related party transactions.

### Capital Structure

As at the date of this report, the Company had the following shares and options on issue:

- 1,016,501,368 shares on issue (inclusive of 3,569,857 non-recourse employee shares)
- 207,940,309 options on issue, being:
  - 102,440,309 options exercisable at \$0.050, expiring 30 May 2026
  - 71,500,000 LDA options exercisable at \$0.055, expiring 21 December 2025
  - 29,000,000 Director and employee incentive options with various vesting milestones, exercise prices and expiry dates.

### Tenement Schedules

Licence	Notes	Name	Grant	Expiry	Equity	Units	Area
EL6979	1	Redan	11/12/2007	11/12/2026	100%	62	180
EL7208		Burta	22/09/2008	22/09/2025	100%	100	290
EL7504		Little Peak	08/04/2010	08/04/2029	100%	14	41
EL9620		Wonga	05/12/2023	05/12/2029	100%	41	41
MLA461	2	Hawsons Iron	18/12/2023	18/12/2025	100%	NA	287

1 1.5% NSR royalty to Perilya Broken Hill Pty Ltd.

2 MLA made on 18 December 2013. Tenement application subject to unspecified grant date and conditions.

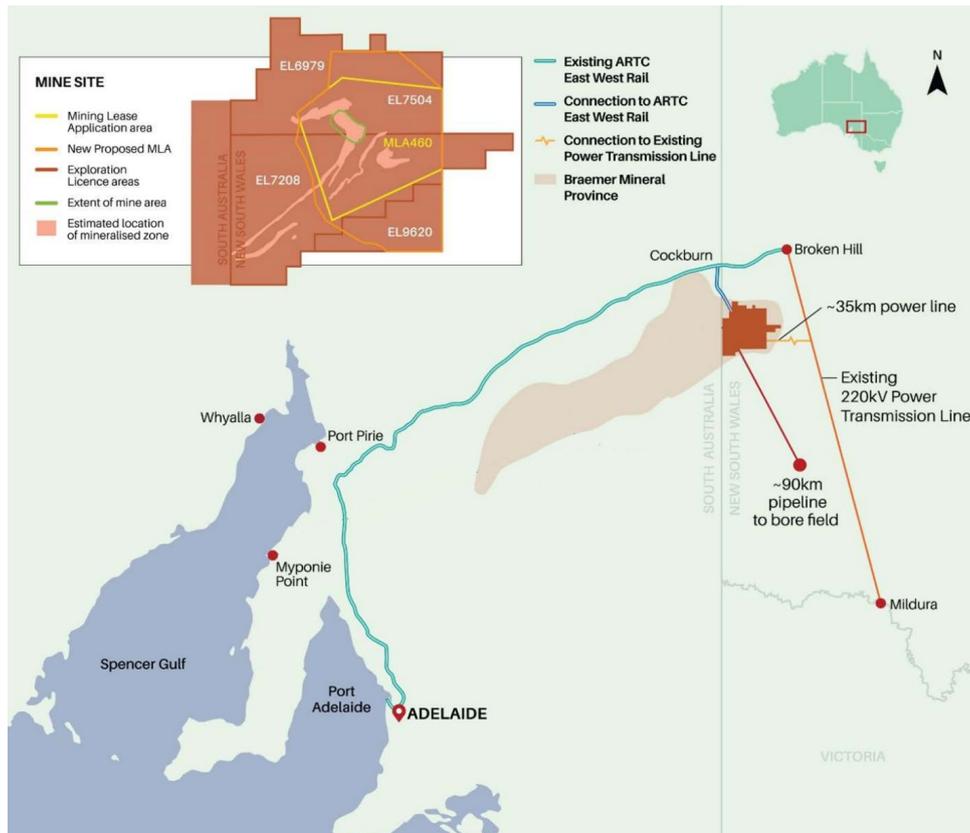


Figure 4: Hawsons Iron Project and Tenement Map

## Head Office

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## Share Registry

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10 Eagle Street  
Brisbane Q 4000  
Phone: 1300 554 474

This announcement is authorised by the Board.

For further information contact:

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## Appendix 5B

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

Name of entity

<b>HAWSONS IRON LIMITED</b>
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ABN

<b>63 095 117 981</b>
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Quarter ended ("current quarter")

<b>31 March 2025</b>
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(156)	(775)
(e) administration and corporate costs	(129)	(598)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	26
1.5 Interest and other costs of finance paid	(2)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Pure Metals settlement	-	(250)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(284)</b>	<b>(1,601)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or refunds for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(415)	(997)
(e) investments	-	-
(f) other – security bonds	-	(3)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other – security bonds	55	55
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	R&D tax concession received	-	178
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(360)</b>	<b>(767)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	250
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(20)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(37)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease principal repayments	(26)	(95)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(26)</b>	<b>98</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,699	3,299
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(284)	(1,601)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(360)	(767)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(26)	98

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,029</b>	<b>1,029</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,029	1,699
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,029</b>	<b>1,699</b>

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

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

**Item 6.1**

- Non-executive director fees \$50,375

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Put Option Agreement)	1,526	-
7.4	<b>Total financing facilities</b>	1,526	-
7.5	<b>Unused financing facilities available at quarter end</b>		1,526
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <div style="border: 1px solid black; padding: 10px;"> <p><b>LDA Capital</b> Hawsons Iron has entered into a Put Option Agreement with United States investment group LDA Capital Limited.</p> <p>The Company can draw down funds during the term of the Agreement by issuing ordinary shares of the Company (Shares) for subscription to LDA Capital. The Company may issue call notices to LDA Capital with each call notice being a put option on LDA Capital to subscribe for and pay for those Shares. A Call Notice draws upon the Companies placement capacity which there must be available capacity to initiate a Call Notice on LDA Capital.</p> <p>The issue price of the Shares is calculated at the completion of the 30-Day pricing period, following the Capital Call Notice as the higher of 90% of the 30-day Volume Weighted Average Price (VWAP) after the issue of the Call Notice, and the 'minimum acceptable price' (as defined in the LDA facility) notified by Hawsons to LDA Capital, in each case subject to adjustments for various factors. Based on the historical trading volumes and the HIO share price at the end of the quarter ending 31 March 2025, Hawsons has estimated the total capital limit of the facility at 31 March 2025 at \$1,526,000 (refer 7.3).</p> <p>LDA has the right to reduce the Proposed Capital Call Shares (Subject to adjustments) by up to 50% or increase the number of Proposed Capital Call Shares by up to 100%. Except for option shares, LDA must not, on any Trading Day during the Pricing Period sell Collateral Shares representing more than 1/30<sup>th</sup> of the Shares specified in the Capital Call Notice.</p> <p>The Agreement includes unlisted share options under which HIO will issue 71,500,000 options to LDA Capital. The strike price of the options is \$0.055. Each option has an exercise period of four years.</p> <p>The Company paid an Option Premium Fee to LDA Capital of A\$4 million on 21 December 2022 – 50% (A\$2 million) in cash and 50% in shares (9,173,897 shares) based on 90% of the average VWAP of Shares in the 90-trading day period preceding the 12-month anniversary date from signing of the Agreement. HIO paid AUD\$21,258 on 16<sup>th</sup> December 2021 to cover LDA Capital legal costs which were capped at US\$25,000, and AUD\$14,423 on 24<sup>th</sup> August 2022 for costs related to the Call Notice.</p> </div>		

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(284)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(415)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(699)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,029
8.5 Unused finance facilities available at quarter end (item 7.5)	1,526
8.6 Total available funding (item 8.4 + item 8.5)	2,555
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.65
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

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

Date: 30 April 2025

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

**Notes**

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