



30 July 2024

Highlights

- Updated geological model resulting in a total Mineral Resource quantity of 4,415Mt, an increase over the previous Mineral Resource quantity by 491Mt (+12.5%).
- Completion of the 2023/204 drilling program confirming prospectivity of the Fold Zone.
- Commencement of a Strategic Investor process to assist in funding engineering, further Resource definition drilling and other activities to deliver a Definitive Feasibility Study.
- Appointment of experienced resource executive Tom Revy appointed as CEO.
- Successful completion of \$3.25M capital raising program.

Mineral Resource Update

Following completion of the drill program by Hawsons Iron Ltd (“Hawsons Iron” or the “Company”), an updated geological model resulted in a revised Mineral Resource Update¹.

Mineral Resource Update - June 2024

Res Class	Mt	DTR %	DTR Mt	Density t/m ³	Fe % Conc	SiO ₂ %	Al ₂ O ₃ %	TiO ₂ %	P ppm	S ppm	LOI %
Measured	528	12.9	68	3.04	69.0	3.36	0.26	0.05	73	42	-2.81
Indicated	1,882	11.2	210	2.94	68.6	3.62	0.30	0.06	83	54	-2.60
Inferred	2,005	11.3	226	2.89	68.2	4.18	0.32	0.06	84	60	-2.67
Total	4,415	11.4	504	2.93	68.4	3.85	0.30	0.06	82	56	-2.66

Note: Tonnage calculations are at a DTR cut-off grade of 4%.

The Mineral Resource modelling and reporting conducted by Helman and Schofield Consultants from the data produced in the recent drilling programs has confirmed an increase in Mineral Resource and product tonnes (DTR Mt).

Critical to further development of the Project was the 34% increase in Measured Mineral Resources to 528Mt and 19% increase in Indicated Mineral Resources to 1882Mt.

2023/2024 Drilling Program Completion

The recently completed two stage drilling program completed a total of 6,696m and successfully focused on identifying the edge of mineralisation along the northern and eastern margins¹. A total of 43 reverse circulation holes were drilled, together with one twin diamond drill core hole.

The program successfully further defined the extent, tonnage and grade of shallow magnetite mineralisation in the Fold Zone south of the existing mineral resource, confirming the existence of additional magnetite resources at a depth of 30-150 metres.

¹ https://hawsons.com.au/wp-content/uploads/2024/06/Hawsons-Drilling-Program-and-Resource-Update-Completed_July-2024.pdf

These resources have the potential to act as an early feed source for the Hawsons project and help to further improve the Project's cash flow during the first critical years of operation.



Figure 1: Sampling from the final hole (RCFO24011) in the 2024-H1 program.

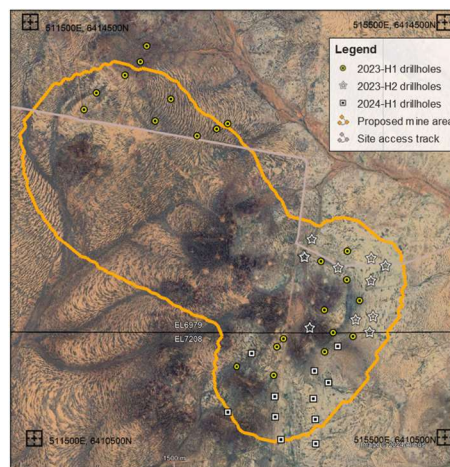


Figure 2: Location of drilling performed since the previous Mineral Resource update in Sept 2022.

Strategic Investor Process

During the quarter, Hawsons Iron commenced a process with a number of potential Strategic Investors to assist in funding engineering, further Resource definition drilling and other activities to deliver a Definitive Feasibility Study (DFS).

Strategic Investors were provided a comprehensive Information Memorandum, financial model, market study by consultant AME Mineral Economics Pty Ltd and other associated documents. Hawsons Iron has been assisting these parties with their due diligence review of this material. Stage 2 of the process has now commenced with a smaller group of selected parties and will involve site visits and a detailed data room shared under strict confidentiality.

New management has identified potential capital and operating cost saving opportunities. These will be evaluated congruent with Stage 2 which may involve refinements to Project and process scope and design.

Stage 2 is anticipated to take several months with a targeted outcome later this year. Further updates on the strategic investor process will be announced as soon as the Company is able to do so.

Appointment of CEO

Following a competitive selection process, Mr Tom Revy was appointed Chief Executive Officer effective from 27 May 2024². Mr Revy is an experienced 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.

² https://hawsons.com.au/wp-content/uploads/2024/05/ASX-Annoucement_Appointment-of-CEO-20240524.pdf

Capital Raising Program

During the quarter, Hawsons undertook a \$3.25M (before costs) capital raising program. The capital raise was well supported by both shareholders and institutional investors, with a total of 89,854,551 shares issued at \$0.033 per share. Participants also received a free attaching option for each share subscribed. Each option is exercisable at \$0.05 and has an expiry date of 30 May 2026.

Following shareholder approval, Hawson's Directors also participated in the capital raising a further \$250,000 through the issue of 7,575,758 shares at \$0.03 per share. Directors also received a free attaching option for each share subscribed, exercisable at \$0.05 with an expiry date of 30 May 2026.

Financial Position

At 30 June 2024, Hawsons Iron had cash reserves of \$3.3M. Further details of financial activities during the June 2024 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this report.

Operational Activities

During the quarter, activities focused on:

- Finalisation of the drill program, resource modelling and resource reporting;
- Commenced an optimization / review program has commenced targeting process plant design and equipment selection to identify further potential reductions in both capital and operating costs;
- Stakeholder engagement with a focus on heritage aspects in the area;
- Surveys as a mandatory precursor to future drilling activities in the Fold Zone; and
- Aggregate test work to identify suitable sources of material capable of supplying the Project's construction and operational needs.

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

Related Party Payments

During the quarter, Hawsons Iron paid a total of \$118,400 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)
- 211,940,309 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 2026
 - 38,000,000 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

- 1.5% NSR royalty to Perilya Broken Hill Pty Ltd.
- MLA made on 18 December 2013. Tenement application subject to unspecified grant date and conditions.

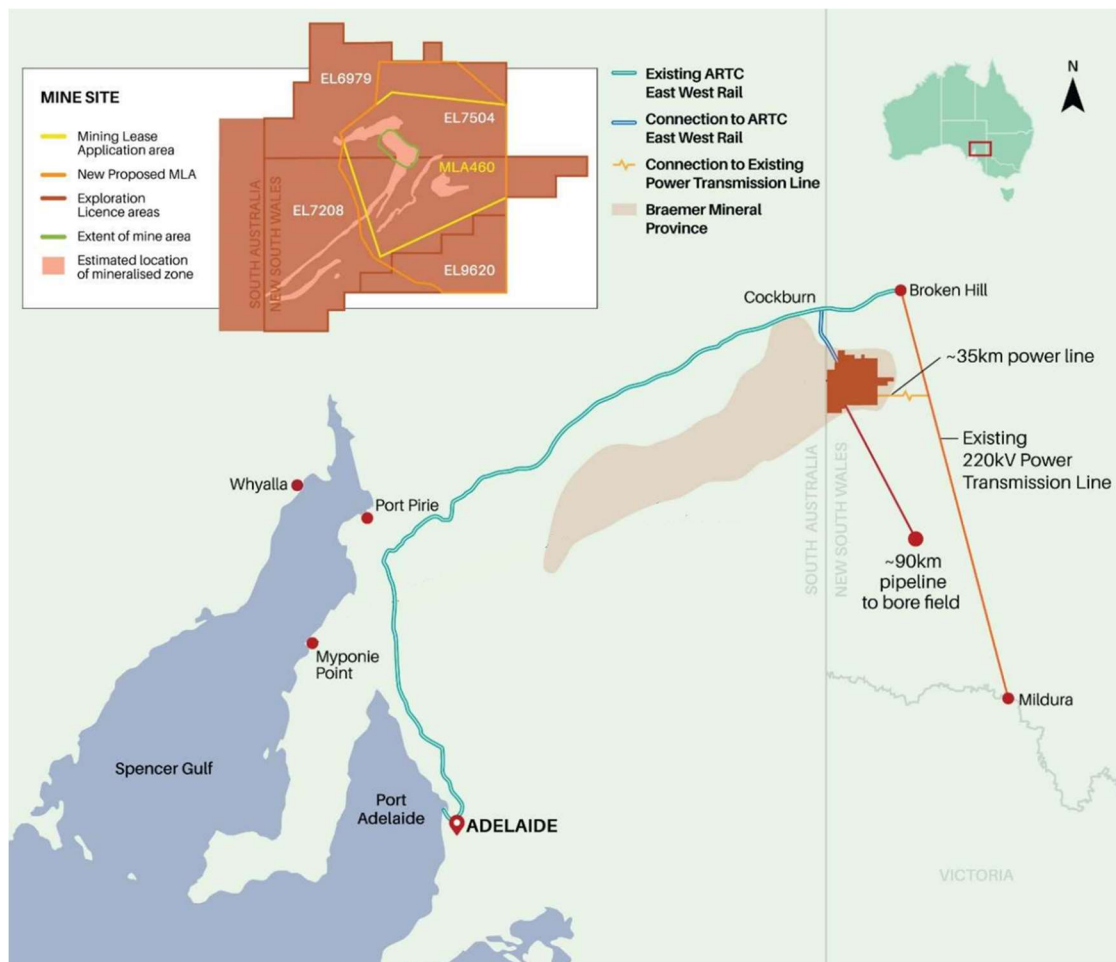


Figure 3: Hawsons Iron Project and Tenement Map

Competent Person 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.

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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

HAWSONS IRON LIMITED

ABN

63 095 117 981

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(246)	(752)
(e) administration and corporate costs	(291)	(1,636)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	59
1.5 Interest and other costs of finance paid	(3)	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(531)	(2,338)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(3)	(12)
(d) exploration & evaluation	(1,121)	(4,807)
(e) investments	-	-
(f) other – security bonds	-	(31)

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	96	96
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 R&D tax concession received	-	615
2.6 Net cash from / (used in) investing activities	(1,028)	(4,139)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,965	2,965
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	(258)	(258)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(22)	(50)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – lease principal repayments	(33)	(127)
3.10 Net cash from / (used in) financing activities	2,652	2,530

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,206	7,246
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(573)	(1,807)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(360)	(3,111)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(53)	(122)

Appendix 5B

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,299	3,299

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,192	2,206
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,192	2,206

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	118
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 \$47,175
- Executive director fees \$71,224

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities – insurance premium funding	37	37
7.2	Credit standby arrangements	-	-
7.3	Other (Put Option Agreement)	7,492	-
7.4	Total financing facilities	7,529	37
7.5	Unused financing facilities available at quarter end		7,492
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>Insurance Premium Funding Insurance premium funding facility provided by Hunter Premium Funding. The amount is unsecured, repayable in monthly instalments by October 2024 and bears interest at 13% per annum.</p> <p>LDA Capital Hawsons Iron has entered into a Put Option Agreement with United States investment group LDA Capital Limited. The company may access equity capital over four years at its sole discretion.</p> <p>The Company can draw down funds during the term of the Agreement by issuing ordinary shares of the Company (Shares) for subscription to LDA Capital. The Company may issue call notices to LDA Capital with each call notice being a put option on LDA Capital to subscribe for and pay for those Shares. A Call Notice draws upon the Companies placement capacity which there must be available capacity to initiate a Call Notice on LDA Capital.</p> <p>The issue price of the Shares is calculated at the completion of the 30-Day pricing period, following the Capital Call Notice as the higher of 90% of the 30-day Volume Weighted Average Price (VWAP) after the issue of the Call Notice, and the 'minimum acceptable price' (as defined in the LDA facility) notified by Hawsons to LDA Capital, in each case subject to adjustments for various factors. Based on the historical trading volumes and the HIO share price at the end of the quarter ending 30 June 2024, Hawsons has estimated the total capital limit of the facility at 30 June 2024 at \$7,492,000 (refer 7.3).</p> <p>LDA has the right to reduce the Proposed Capital Call Shares (Subject to adjustments) by up to 50% or increase the number of Proposed Capital Call Shares by up to 100%. Except for option shares, LDA must not, on any Trading Day during the Pricing Period sell Collateral Shares representing more than 1/30th of the Shares specified in the Capital Call Notice.</p> <p>The Agreement includes unlisted share options under which HIO will issue 71,500,000 options to LDA Capital. The strike price of the options is \$0.055. Each option has an exercise period of four years.</p> <p>The Company paid an Option Premium Fee to LDA Capital of A\$4 million on 21 December 2022 – 50% (A\$2 million) in cash and 50% in shares (9,173,897 shares) based on 90% of the average VWAP of Shares in the 90-trading day period preceding the 12-month anniversary date from signing of the Agreement. HIO has paid AUD\$21,258 on 16th December 2021 to cover LDA Capital legal costs which were capped at US\$25,000, and AUD\$14,423 on 24th August 2022 for costs related to the Call Notice.</p> </div>		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(531)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,121)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,652)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,299
8.5 Unused finance facilities available at quarter end (item 7.5)	7,492
8.6 Total available funding (item 8.4 + item 8.5)	10,791
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.53
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date: 30 July 2024

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

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

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.