

# QUARTERLY ACTIVITIES REPORT

ASX: HIO



31 July 2026

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## Highlights

- **Process Waste Handling Optimisation Study Completed**
  - **Updated PFS Released further enhancing Project economics**
  - **Interest received from KfW IPEX for Strategic Debt Funding**
  - **Non-magnetic Iron Byproduct detailed test work continues as part of a high-level Viability Study**
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### Waste Handling Optimisation Study

During the quarter, German-based TAKRAF Group (TAKRAF) [completed the optimisation study](#) assessing the replacement of the planned trucking of the Project's 90Mtpa process waste stream with an integrated conveying and stacking system.

The key outcomes of the study were:

- Significant operating cost savings of \$AU 7.42 per dry metric tonne (**dmt**) concentrate compared to the [December 2025 PFS](#);
- Capital cost savings of approximately \$AU 26M compared to the [December 2025 PFS](#);
- 37% increase in overall Project Pre-tax NPV<sub>8</sub> to \$1.87B compared to the [December 2025 PFS](#);
- Material reduction in ongoing maintenance requirements compared with truck haulage (trucks, roads etc);
- Reduced workforce and associated accommodation requirements;
- Lower reliance on imported diesel through increased electrification of operations, resulting in reduced energy costs and a lower carbon footprint; and
- A simplified and potentially safer waste management system with high operational availability.



Image 1: TAKRAF Conveyor Stacking System (Source: TAKRAF)



## Updated Pre-Feasibility Study (PFS)

An [updated PFS was released in May 2026](#) following the completion of the process waste handling optimisation study.

The key outcomes of the updated PFS were:

- **2.3Bt Ore Reserves Estimate declared**
  - PFS supports the reporting of a JORC compliant Probable Ore Reserve Estimate for the Project of 2,300Mt at an average grade of 11.7% DTR and 16.7% total iron.
- **PFS Completed**
  - The independently prepared PFS for the Project has defined a robust project development strategy based on producing up to 12Mtpa of +68% Fe, magnetite concentrate with a Life of Mine of 26 years, based only on the Company's 2,300Mt Ore Reserve;
  - The outcomes of the PFS resulted in positive technical and financial outcomes and support the development potential of the Project in the current iron price environment;
  - The PFS results provide Hawsons the confidence to advance the Project towards a full Feasibility Study and also provide a clear road map of upside opportunities to pursue.
- **Project Physicals**
  - Production target of 257 million tonnes (**Mt**) of magnetite concentrate over 26 year mine life;
  - Average magnetite concentrate grade of 68.6%;
  - Production target limited to Probable Ore Reserves only.
- **Project Economics**
  - Pre-tax IRR of 11.9%;
  - Pre-tax NPV<sub>8</sub> of \$AU 1.87B at a product price of \$US140/t and an AU/US exchange rate of \$0.65/\$1.00;
  - Approximate payback period of 13 years from commencement of Engineering, Procurement, and Construction Management and 10 years from first concentrate production;
  - Undiscounted Life of Mine revenue of \$AU 55.2B and cumulative pre-tax cashflows of \$AU 14.9B;
  - Total initial capital of \$AU 4.94B for mine development, processing, and infrastructure over 2 construction stages:
    - \$AU 3.88B Phase 1 production; and
    - \$AU 1.06B deferred for 4 years post-production (Phase 2).
  - C1 cost of \$US 44.20 and CFR cost of \$US 85.12 per dry metric tonne.
  - Total Project funding requirement of \$AU 4.34B

The PFS demonstrates the economic viability of the Project, using a 26 year mine plan utilising only Ore Reserves, based on the current iron ore premium pricing, excluding premiums attributable to direct iron reduction feed.

The production target and forecast financial information referred to in this announcement were first reported in the ASX announcement dated 26 May 2026 titled "[Strong PFS Update Delivers 37% Increase in Project NPV to AU \\$1.87B](#)". The Company confirms that all material assumptions underpinning the production target and the forecast financial information in that announcement continue to apply and have not materially changed.



## Non-binding debt funding Expression of Interest (EOI) from major European lender - KfW IPEX.

In May 2026, Hawsons received an [Expression of Interest \('EOI'\) from KfW IPEX](#) for the financing of German mining and processing equipment for the Hawsons Iron Project. KfW IPEX is a specialist in international project and export finance within the German KfW Banking Group, focused on renewable energy, infrastructure and industrial financing. The EOI provides for an indicative financing of 85% of eligible mining and processing equipment exports. Hawsons is currently evaluating a range of German equipment including crushers, vertical roller mills, magnetic separators, conveyors and filters.

KfW IPEX's participation in financing the Hawsons Iron Project is subject to the outcome of the detailed technical and financial appraisal of the Project.

## Non-magnetic Iron Byproduct Study

Work has continued on the study focused on liberating the non-magnetic iron from the process waste stream to potentially generate a hematite byproduct revenue stream.

Activities included during the quarter included:

- Review of all relevant test work carried out in the previous quarter by the Company's specialist flotation consultant, to compile the next phase of work;
- Flotation and Reverse flotation trials undertaken;
- Investigation into the effects of fine clays and its impact on flotation efficiency; and
- Tests to upgrade the material pre-flotation using a number of fines removal processes.

During the September quarter, the Company plans to undertake larger-scale test work using a variety of flotation reagents following slimes removal. The program will assess a range of operating conditions aimed at further optimising the extraction process and enhancing project outcomes. Subject to favourable technical and financial evaluation, the results may be incorporated into the final Feasibility Study.

## Community and Stakeholder Engagement

During the quarter, Hawsons engaged in the following community and stakeholder activities:

- Board visit in to Broken Hill in May which included:
  - Forum with the local community to discuss and take questions on the Project;
  - Project update and Q&A session with members of the Broken Hill City Councils;
  - Meeting with Foundation Broken Hill;
  - Landcare Broken Hill site visit.
- Attended the 4th European Green Steel Summit 2026 in Dusseldorf, Germany; and
- Attended the Iron Ore and Steel and Green Steel Forums 2026 in Singapore.



*Image 2: Community Forum held in Broken Hill in May*



*Image 3: Hawsons attended the Conference in Singapore*

## Financial Position

At 30 June 2026, Hawsons had cash reserves of \$0.5M. Operating cash outflows for the quarter were \$0.38M, and Investing cash outflows were \$0.25M, attributable to the operational activities outlined below.

Further details of financial activities during the June 2026 quarter are set out in the Appendix 5B Quarterly Cashflow Statement which accompanies this report.

The Company announced a share purchase plan to raise up to \$1.5M on 31 July 2026.



## Operational Activities

During the quarter, activities focused on:

- Waste handling optimisation and by-product studies;
- Associated metallurgical test work; and
- The updated Pre-feasibility Study released in May.

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

## Related Party Payments

During the quarter, Hawsons paid a total of \$153,062 of non-executive director fees and managing director wages. 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:

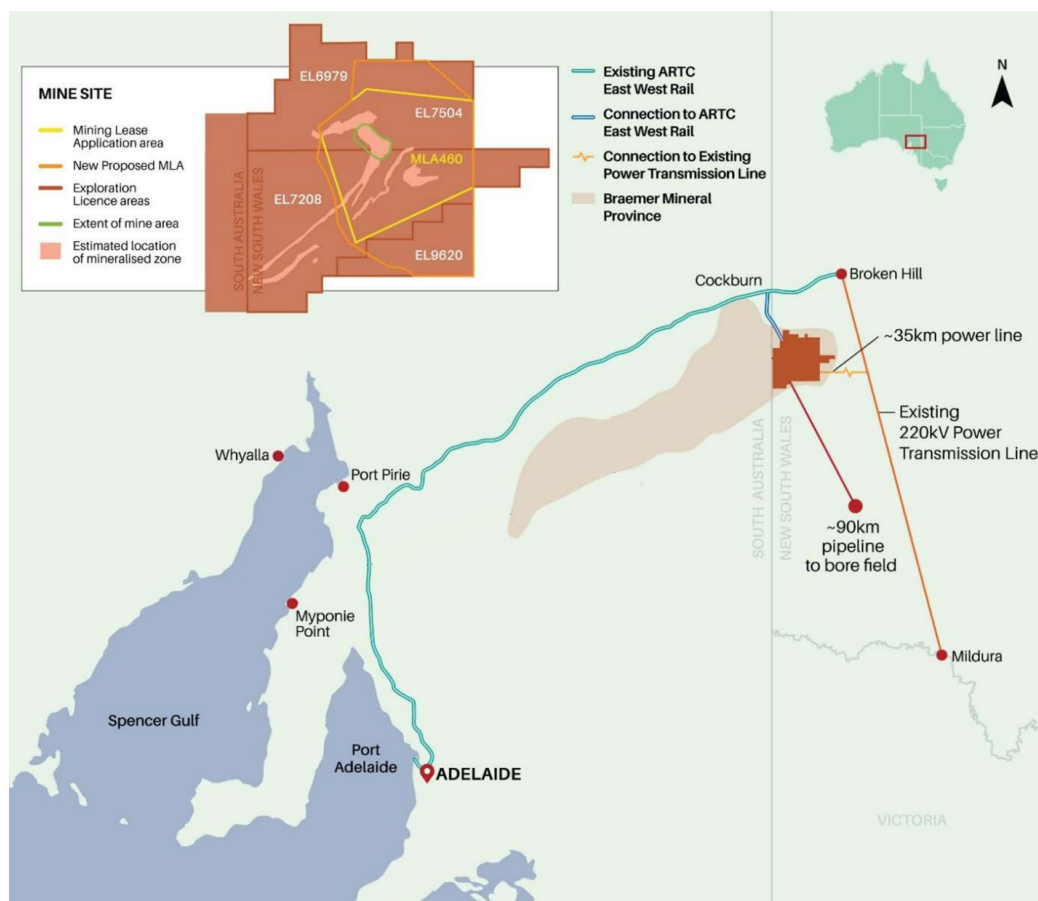
- 1,266,317,135 shares on issue (inclusive of 3,569,857 non-recourse employee shares)
- 177,825,000 options on issue, being:
  - 150,125,000 options exercisable at \$0.028, expiring 6 February 2029
  - 700,000 lead manager options exercisable at \$0.030, expiring 16 July 2028
  - 27,000,000 Director and employee incentive options with various vesting milestones, exercise prices and expiry dates.

## Tenement Schedules

| Licence | Notes | Name         | Grant / issue date | Expiry date | Equity | Units | Area (km2) |
|---------|-------|--------------|--------------------|-------------|--------|-------|------------|
| EL6979  | 1     | Redan        | 11/12/2007         | 11/12/2026  | 100%   | 62    | 180        |
| EL7208  |       | Burta        | 22/09/2008         | 22/09/2031  | 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         | NA          | 100%   | NA    | 287        |

<sup>1</sup> 1.5% NSR royalty.

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



*Hawsons Iron Project and Tenement Map*

**This announcement is authorised by the Board.**

### Head Office

Level 3  
410 Queen Street  
Brisbane Q 4000  
Phone: +61 7 3554 1003  
Website: [www.hawsons.com.au](http://www.hawsons.com.au)

### Share Registry

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

For further information contact:

### Tom Revy

#### Managing Director

+61 411 475 376  
[tom.revy@hawsons.com.au](mailto:tom.revy@hawsons.com.au)

## Appendix 5B

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

Name of entity

|                             |
|-----------------------------|
| <b>HAWSONS IRON LIMITED</b> |
|-----------------------------|

ABN

|                       |
|-----------------------|
| <b>63 095 117 981</b> |
|-----------------------|

Quarter ended ("current quarter")

|                     |
|---------------------|
| <b>30 June 2026</b> |
|---------------------|

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|-------------------------|
| <b>1.</b>                            | <b>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                                       | (230)                      | (891)                   |
|                                      | (e) administration and corporate costs                | (145)                      | (894)                   |
| 1.3                                  | Dividends received (see note 3)                       | -                          | -                       |
| 1.4                                  | Interest received                                     | 2                          | 7                       |
| 1.5                                  | Interest and other costs of finance paid              | (4)                        | (17)                    |
| 1.6                                  | Income taxes paid                                     | -                          | -                       |
| 1.7                                  | Government grants and tax incentives                  | -                          | -                       |
| 1.8                                  | Other – Pure Metals settlement                        | -                          | -                       |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(376)</b>               | <b>(1,795)</b>          |
| <b>2.</b>                            | <b>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                          | (252)                      | (2,335)                 |
|                                      | (e) investments                                       | -                          | -                       |
|                                      | (f) other – security bonds                            | -                          | (5)                     |

| <b>Consolidated statement of cash flows</b> |                                                       | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>\$A'000</b> |
|---------------------------------------------|-------------------------------------------------------|------------------------------------|---------------------------------|
| 2.2                                         | Proceeds from the disposal of:                        |                                    |                                 |
|                                             | (a) entities                                          | -                                  | -                               |
|                                             | (b) tenements                                         | -                                  | -                               |
|                                             | (c) property, plant and equipment                     | -                                  | -                               |
|                                             | (d) investments                                       | -                                  | -                               |
|                                             | (e) other – security bonds                            | -                                  | 188                             |
| 2.3                                         | Cash flows from loans to other entities               | -                                  | -                               |
| 2.4                                         | Dividends received (see note 3)                       | -                                  | -                               |
| 2.5                                         | R&D tax concession received                           | -                                  | 489                             |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>(252)</b>                       | <b>(1,663)</b>                  |

|             |                                                                                         |            |              |
|-------------|-----------------------------------------------------------------------------------------|------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                             |            |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 180        | 4,109        |
| 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 | (23)       | (251)        |
| 3.5         | Proceeds from borrowings                                                                | -          | -            |
| 3.6         | Repayment of borrowings                                                                 | (19)       | (51)         |
| 3.7         | Transaction costs related to loans and borrowings                                       | -          | -            |
| 3.8         | Dividends paid                                                                          | -          | -            |
| 3.9         | Other – lease principal repayments                                                      | (14)       | (53)         |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>124</b> | <b>3,754</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                             | 1,002        | 202            |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | <b>(376)</b> | <b>(1,795)</b> |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | <b>(252)</b> | <b>(1,663)</b> |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | <b>124</b>   | <b>3,754</b>   |

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

| Consolidated statement of cash flows |                                                   | Current quarter<br>\$A'000 | Year to date<br>\$A'000 |
|--------------------------------------|---------------------------------------------------|----------------------------|-------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | -                          | -                       |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b> | <b>498</b>                 | <b>498</b>              |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Bank balances                                                                                                                                                        | 498                        | 1,002                       |
| 5.2 | Call deposits                                                                                                                                                        | -                          | -                           |
| 5.3 | Bank overdrafts                                                                                                                                                      | -                          | -                           |
| 5.4 | Other (provide details)                                                                                                                                              | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                     | <b>498</b>                 | <b>1,002</b>                |

| 6.  | Payments to related parties of the entity and their associates                          | Current quarter<br>\$A'000 |
|-----|-----------------------------------------------------------------------------------------|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 114                        |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | 39                         |

*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 and Managing Director's salary recognised as an expense - \$114,196.

**Item 6.2**  
Managing Director salary capitalised as Exploration and Evaluation assets - \$38,866.

|           |                                                                                                                                                                                                                                                                                                                                             |                                                                 |                                                    |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------|
| <b>7.</b> | <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>                                                                                              | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
| 7.1       | Loan facilities                                                                                                                                                                                                                                                                                                                             | -                                                               | -                                                  |
| 7.2       | Credit standby arrangements                                                                                                                                                                                                                                                                                                                 | -                                                               | -                                                  |
| 7.3       | Other (insurance financing)                                                                                                                                                                                                                                                                                                                 | 27                                                              | 27                                                 |
| 7.4       | <b>Total financing facilities</b>                                                                                                                                                                                                                                                                                                           | <b>27</b>                                                       | <b>27</b>                                          |
| 7.5       | <b>Unused financing facilities available at quarter end</b>                                                                                                                                                                                                                                                                                 |                                                                 | -                                                  |
| 7.6       | 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. |                                                                 |                                                    |
|           | <b>Insurance Financing</b><br><br>Hawsons Iron has entered into a insurance premium financing facility on the following terms: <ul style="list-style-type: none"> <li>Insurance premium amount financed: \$78,125</li> <li>Interest rate 9.01%</li> <li>12 monthly repayments ending October 2026.</li> </ul>                               |                                                                 |                                                    |

|           |                                                                                                                                                                                                                                                                                                             |                |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>8.</b> | <b>Estimated cash available for future operating activities</b>                                                                                                                                                                                                                                             | <b>\$A'000</b> |
| 8.1       | Net cash from / (used in) operating activities (item 1.9)                                                                                                                                                                                                                                                   | (376)          |
| 8.2       | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))                                                                                                                                                                                                                    | (252)          |
| 8.3       | Total relevant outgoings (item 8.1 + item 8.2)                                                                                                                                                                                                                                                              | (628)          |
| 8.4       | Cash and cash equivalents at quarter end (item 4.6)                                                                                                                                                                                                                                                         | 498            |
| 8.5       | Unused finance facilities available at quarter end (item 7.5)                                                                                                                                                                                                                                               | -              |
| 8.6       | Total available funding (item 8.4 + item 8.5)                                                                                                                                                                                                                                                               | 498            |
| 8.7       | <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>                                                                                                                                                                                                                               | 0.79           |
|           | <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?                                                                                                                                                           |                |
|           | <b>Answer:</b><br><br>The Company expects increased administration and corporate cash expenditure for the for the first quarter of 2027 financial year due to annual ASX listing fees and audit fees.<br><br>Expenditure on the Hawsons Iron project is expected to remain similar for the next 2 quarters. |                |

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:**

The Company has announced a share purchase plan on 31 July 2026, to raise up to \$1.5M.

Further capital raisings will be contemplated as and when required. The Company is confident, based on the success of recent capital raisings, that the share purchase plan and future raisings will be successful.

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:**

Yes. Based on current funds and the proceeds of the recently announced share purchase plan, the Company expects to be able to continue its operations and meet its business objectives. The Company has the ability to scale its short term works program in accordance with amount of funds raised through the share purchase plan.

To the extent future longer term funding is delayed or not available, the Company has the ability postpone proposed project development activities.

*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.*

## **Compliance statement**

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

Date: 31 July 2026.

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.