Hawsons Iron Limited
ACN 095 117 981

OPTIONS PROSPECTUS

For the offer of up to 136,363,636 Options for nil consideration, on the basis of one (1) Option for every Share issued to investors under the SPP (**SPP Option Offer**)

Opening and Closing Date

The SPP Option Offer opens on Thursday, 6 August 2026 and closes at 7.00pm (AEST) on Wednesday, 19 August 2026 (unless varied or extended).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Options Prospectus you have any questions about the Options being offered under this Options Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered under this Options Prospectus should be considered speculative.

Not for release to US wire services or distribution in the United States

IMPORTANT NOTICES

About this Options Prospectus

This Options Prospectus is issued by Hawsons Iron Limited ACN 095 117 981 (**Hawsons** or the **Company**) and is a transaction specific prospectus for an offer of options to acquire 'continuously quoted securities' (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

The SPP Option Offer under this Options Prospectus is only being made to investors under the SPP. It is not being made to the general public.

Lodgement

This Options Prospectus is dated 6 August 2026 and was lodged with ASIC on that date. ASIC, the ASX and their respective officers take no responsibility for the contents of this Options Prospectus or the merits of the investment to which this Options Prospectus relates.

Please refer to Section 2.1 for information on accepting the SPP Option Offer.

This Options Prospectus expires on the date that is 13 months after the date of this Options Prospectus. No Options will be allotted, issued or sold on the basis of this Options Prospectus after that date.

No investment advice

It is important that you read this Options Prospectus in its entirety and in conjunction with the other documents which accompany this Options Prospectus and seek professional advice where necessary. The Options the subject of this Options Prospectus should be considered highly speculative.

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. Some of the more material risks associated with an investment in the Company are set out in Section 4 of this Options Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future.

This Options Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Options under this Options Prospectus.

Applicants should seek independent taxation advice having regard to their personal circumstances before making a decision to subscribe for Options.

Notice to nominees

Nominees and custodians may not distribute this Options Prospectus and may not permit any beneficial shareholder to participate in the SPP Option Offer, in any country outside Australia and New Zealand, except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the SPP Option Offer.

Obtaining an Options Prospectus and Application Form

Paper copies of this Options Prospectus and an Application Form can be obtained free of charge during the Offer Period by contacting the Company Secretary at michael.harvey@hawsons.com.au or +61 7 3554 1003.

Disclaimer and forward-looking statements

This Options Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Options Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

No person is authorised to give information or to make any representation in connection with the SPP Option Offer, which is not contained in this Options Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or any other person in connection with the SPP Option Offer. You should rely only on information in this Options Prospectus.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Options Prospectus, or on the exercise of the Options issued under this Options Prospectus.

This Options Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Options Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Options Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Options Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause actual results and outcomes to differ materially from the results or intentions expressed or anticipated in these statements. These risk factors are set out in Section 4 of this Options Prospectus.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at www.asx.com.au). The contents of any website or filing with ASIC or ASX by the Company are not incorporated into this Options Prospectus and do not constitute part of the SPP Option Offer unless otherwise expressly stated. This Options Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest the Company or subscribe for Options under this Options Prospectus.

No cooling off rights

Cooling off rights do not apply to an investment in Options. You cannot withdraw your application once it has been accepted.

Foreign jurisdictions

This Options Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Options Prospectus.

In particular, the Options have not been, and will not be, registered under the *US Securities Act 1933* and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the *US Securities Act* and applicable US state securities laws.

The distribution of this Options Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Options Prospectus should observe any of these restrictions, including those details in Section 2.7. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Website

No document or information included on the Company's website is incorporated by reference into this Options Prospectus.

Privacy

Refer to Section 5.14 for important information about how your personal information will be treated.

Defined terms and abbreviations

Defined terms and abbreviations used in this Options Prospectus, unless otherwise specified, have the meaning given to them in Section 7. Unless otherwise specified or implied, reference to times in this Options Prospectus are references to the time in Brisbane, Queensland. References to "$" or "dollars" in this Options Prospectus are, unless otherwise specified or implied, a reference to the lawful currency of the Commonwealth of Australia.

Questions

If you have any questions in relation to the SPP Option Offer, please contact the Company Secretary at michael.harvey@hawsons.com.au or +61 7 3554 1003.

KEY DATES

Event	Date (and time if relevant)
Record Date for Share Purchase Plan ("SPP")	7:00pm (AEST) on Thursday, 30 July 2026
Announcement Date of SPP	Friday, 31 July 2026
SPP Offer Booklet sent to Eligible Shareholders **Options Prospectus lodged with ASIC and ASX** **SPP Offer and SPP Options Offer opens**	Thursday, 6 August 2026
Opening date of the SPP Option Offer	9:00am (AEST) on Thursday, 6 August 2026
Closing date of the SPP Option Offer	7.00pm (AEST) on Wednesday, 19 August 2026
Issue of Shares under SPP **Issue of SPP Options under SPP Options Offer**	Tuesday, 25 August 2026
Quotation of trading of Shares issued under SPP	Wednesday, 26 August 2026

Note: This timetable is indicative only and subject to change. The Company reserves the right to alter the above dates at any time, including amending the period for the SPP Option Offer or accepting late applications, either generally or in particular cases, at its discretion and without notice to you, subject to the Listing Rules, the Corporations Act and any other applicable rules. The commencement of trading and quotation of Shares is subject to ASX confirmation.

1 BACKGROUND TO THE SPP OPTION OFFER

1.1 Overview

On 31 July 2026, the Company announced a Share Purchase Plan (**SPP**) to enable eligible shareholders to apply for up to $30,000 worth of Shares at an issue price of A$0.011 per Share, together with one (1) free attaching unlisted Option for each Share subscribed for and issued under the SPP. The issue price under the SPP represents a 15.7% discount to the volume weighted average price over the last five days on which Shares traded immediately prior to announcement of the SPP.

This prospectus is issued in respect of the Options attached to Shares for which Eligible Shareholders apply under the SPP.

The SPP seeks to raise up to an aggregate of $1.5 million (before costs).

2 OVERVIEW OF THE SPP OPTION OFFER

2.1 Summary

The terms of the SPP Option Offer is set out below:

Key Option Terms	
Grant price	Nil
Exercise Price	A$0.015
Expiry Date	31 December 2027
No ASX listing	The Options will not be listed on ASX.
Further information	Refer to Schedule 1 of this Options Prospectus for further information regarding the terms and conditions of the Options.
Details of SPP Option Offer	
How to apply	Applications under the SPP Option Offer can only be made by SPP Subscribers or SPP Shortfall Participants (if any). If you are participating in the SPP and therefore are eligible to participate in the SPP Option Offer, your application form submitted under the SPP (which was accompanied by this Options Prospectus) will constitute an Application Form for Options under the SPP Option Offer. Details of how to pay for your Shares under the SPP are included in the SPP Offer Booklet. By making payment for Shares under the SPP, you will be deemed to have applied for the number of Options appropriate for the parcel of Shares applied for (on the basis of one (1) Option for every Share applied for and issued under the SPP). The Options will be issued for nil consideration and therefore Option Participants are not required to make any payment in respect of the Options. The Application Form submitted under the SPP process must

	be completed and submitted in accordance with the instructions set out in the Application Form by no later than the Closing Date. **General** Entitlements to Options are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you will be unable to transfer your entitlement to Options to another party. All applications, once received, are irrevocable. If a person makes an application, that person acknowledges that they have read and understood the Target Market Determination and that they fall within the target market set out in the Target Market Determination. Subscribers should seek and rely on their own taxation advice regarding the acquisition and exercise of Options as the taxation consequences will depend on the particular circumstances of each subscriber.
Offer Period	Offer opens: Thursday, 6 August 2026. Offer closes: Wednesday, 19 August 2026. The Company reserves the right to extend or shorten the Offer Period or withdraw this Options Prospectus and the SPP Option Offer at any time prior to the grant of Options, by making an announcement to the ASX. The Company also reserves the right to, subject to applicable law, waive strict compliance with any provision of the terms and conditions of the SPP Option Offer. The Company may also accept late applications at its discretion.
Entitlement	The SPP Option Offer is being made in accordance with the Company's announced intention to offer free-attaching unlisted Options to investors who subscribe for Shares under the Company's SPP announced on Friday, 31 July 2026, on the basis of one (1) free Option for every Share subscribed by, and issued to, them under the SPP.
Options being offered	Up to 136,363,636 Options (subject to rounding) may be granted to SPP Subscribers under the SPP Option Offer.[1]
Timetable	The Options will be granted in accordance with the Listing Rules (as applicable) and the indicative timetable above.
Eligibility	Only SPP Subscribers and SPP Shortfall Participants (if any) may participate in the SPP Option Offer set out in this Options Prospectus.
Use of funds	The Options are being offered for nil consideration.

[1] Assumes $1.5 million (before costs) is raised under the SPP. Please refer to Section 3.1 for further details.

	Accordingly, no funds will be raised from their grant. The Company will assess the use of funds raised from the exercise of Options at the relevant time, which may include using such funds for the exploration at the Company's projects, general working capital and corporate purposes.
Other	All Shares issued on exercise of the Options offered under this Options Prospectus will rank equally with all Shares currently on issue. Please refer to Schedule 1 for further information regarding the rights and liabilities attaching to the Shares and Options. Fractional entitlements under the SPP Option Offer will be rounded down to the nearest whole number. There is no minimum subscription under the SPP Option Offer. No person may apply (and the Company will not issue) Options under the SPP Option Offer in excess of the person's entitlement to Options. The SPP Option Offer is not underwritten.

2.2 Purpose of the SPP Option Offer

The SPP Option Offer is being made in accordance with the Company's announced intention to offer free attaching options to SPP Subscribers.

The SPP Option Offer entitles SPP Subscribers to be issued one (1) free attaching unlisted Option for every Share subscribed for and issued under the SPP Offer or SPP Shortfall (as applicable).

No funds will be raised from the SPP Option Offer other than funds raised if the Options are subsequently exercised.

2.3 Purpose of this Options Prospectus

The primary purpose of this Options Prospectus is to make the SPP Option Offer with the information and disclosure required under Chapter 6D of the Corporations Act to:

- enable the Options to be granted to the SPP Subscribers and SPP Shortfall Participants (if any); and
- ensure that the Shares that are issued on exercise of the Options may be on-sold without disclosure in accordance with *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

2.4 Issue of Options

The issue of the Options the subject of the SPP Option Offer will take place as soon as practicable after the Closing Date.

2.5 Quotation

The Company will not apply for official quotation of the Options offered under this Options Prospectus. However, the Company will apply to ASX for official quotation of the Shares issued upon exercise of Options within the time period required by the ASX Listing Rules.

2.6 Key risks

The grant of Options pursuant to this document are granted for nil consideration. Participants are not obliged to either make payment for the grant of Options or to ultimately exercise the

Options granted to them.

There are a number of factors which may affect the development, future operation and financial performance and/or financial position of the Company, its prospects, and/or the value of Shares and Options. Section 4 of this Options Prospectus sets out a non-exhaustive list of risks which the Directors regard as the major risks associated with an investment in the Company.

Potential investors should consider that any investment is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Options Prospectus.

2.7 Restrictions on the distribution of the Options Prospectus

This Options Prospectus does not constitute an offer of Options in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Options may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

For SPP Subscribers who subscribe for Shares under the SPP Offer, the Company will issue Options for no consideration.

This Options Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Options Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

2.8 Grant of power of attorney

Participants under the SPP will, in subscribing for Shares under the SPP, appoint the Company and each of its directors as their attorney to sign all documents and to do all things required to be done in connection with the issue and allotment to the participant of the number of Options that the participant is entitled to. SPP Shortfall Participants (if any) will, in the applicable subscription documents, appoint the Company and each of its directors as their attorney to sign the Application Form on their behalf in relation to their entitlement to Options.

2.9 Enquiries

Any questions concerning the SPP Option Offer should be directed to the Company Secretary at michael.harvey@hawsons.com.au or +61 7 3554 1003.

3 EFFECT OF THE OFFER

3.1 Effect on capital structure

The principal effect of the SPP Option Offer, assuming $1.5 million (before costs) is raised under the SPP, will be to issue up to approximately 136,363,636 Options (subject to rounding).

One (1) Option will be offered for every Share issued under the SPP. The final number of Shares issued under the SPP (and hence the final number of Options) will depend on the level of applications received and accepted under the SPP.

The effect of the SPP Option Offer on the Company’s capital structure is set out below (assuming $1.5 million (before costs) is raised under the SPP and no other options are exercised):

Class	Shares	Options
Currently on issue	1,266,317,135	177,825,000 [2]
Shares to be issued pursuant to SPP	136,363,636 [3]	-
Options to be issued pursuant to SPP Option Offer	-	136,363,636 [4]
Total	1,402,680,771	314,188,636
Shares to be issued upon exercise of all Options the subject of the SPP Option Offer	136,363,636	(136,363,636)
Diluted capital position	1,539,044,407	177,825,000

3.2 Use of proceeds raised from the exercise of Options

No funds are being raised from the grant of Options. Accordingly, the issue of the Options pursuant to the SPP Option Offer will not have a material impact on the Company's current financial position. However, if all Options granted pursuant to this Options Prospectus are exercised, the Company will receive approximately $2,045,454 million in additional funds.

The Company will assess the use of funds raised from the exercise of Options at the relevant time, which may include using such funds for the exploration at the Company's projects, general working capital and corporate purposes.

3.3 Pro-forma balance sheet

A pro forma balance sheets that shows the financial effect of the SPP on the Company is set out below. The Pro Forma Statement is for illustrative purposes only to assist investors with understanding the potential financial effect on the Company as if the SPP had completed at 30 June 2026.

The Company's audit reviewed balance sheet as at 31 December 2025 has been prepared on the basis of the accounting policies adopted by the Company as more fully disclosed in the Company's Annual Report for the financial year ended 30 June 2025. The unaudited Pro Forma Statement as at 30 June 2026 has been prepared for illustrative purposes only using the Company's audit reviewed 31 December 2025 balance sheet as the base, adjusting for subsequent events after that date to 30 June 2026 and assuming that the SPP is fully subscribed to raise $1.50 million (before costs). To the extent that the Company raises less than that amount, the cash balance of the Company will be reduced by the corresponding shortfall.

The Pro Forma Statement has been prepared to provide investors with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company. The historical financial information and the pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The Options to be issued pursuant to this Options Prospectus will be issued for nil consideration. Accordingly, there will be no immediate effect on the Company's financial position. However, capital will be raised if those Options are subsequently exercised. This will have a positive effect on the Company's balance sheet by raising current assets by a corresponding amount. However, the Company is not able to specify with any certainty the extent of any change to the balance sheet given the uncertainty around the number of Options to be ultimately issued and whether and when (if at all) the Options may be exercised.

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[2] Comprising 177,825,000 unlisted options.
[3] Assumes the Company raises $1.5 million (before costs) under the SPP.
[4] Assumes the Company raises $1.5 million (before costs) under the SPP. Includes the Options to be issued to any participating Directors, which remain subject to Shareholder approval.

Historical and Pro-Forma Financial Information

	Audit Reviewed Balance Sheet 31 December 2025	Unaudited Balance Sheet 30 June 2026 *	Pro forma Adjustments	Consolidated Pro-Forma Balance Sheet
CURRENT ASSETS				
Cash and cash equivalents	524,122	498,102	1,426,087	1,924,189
Trade and other receivables	87,997	37,715	-	37,715
Other current assets	79,878	67,893	-	67,893
TOTAL CURRENT ASSETS	691,997	603,710	1,426,087	2,029,797
NON-CURRENT ASSETS				
Trade and other receivables	94,648	94,648	-	94,648
Plant and equipment	13,809	3,319	-	3,319
Exploration and evaluation assets	61,208,887	61,901,296	-	61,901,296
Financial assets	127,143	97,803	-	97,803
TOTAL NON-CURRENT ASSETS	61,444,487	62,097,066	-	62,097,066
TOTAL ASSETS	62,136,484	62,700,776	1,426,087	64,126,863
CURRENT LIABILITIES				
Trade and other payables	678,565	171,442	-	171,442
Short-term provisions	25,684	33,326	-	33,326
Borrowings	57,008	61,211	-	61,211
Lease liabilities	65,587	26,825	-	26,825
Financial liabilities	972,544	972,544	-	972,544
TOTAL CURRENT LIABILITIES	1,799,388	1,265,348	-	1,265,348
NON-CURRENT LIABILITIES				
Lease liabilities	77,306	45,515	-	45,515
TOTAL LIABILITIES	1,876,694	1,310,863	-	1,310,863
NET ASSETS	**60,259,790**	**61,389,913**	**1,426,087**	**62,816,000**
EQUITY				
Share capital	101,790,262	103,628,493	1,426,087	105,054,580
Reserves	2,929,615	3,049,070	-	3,049,070
Accumulated losses	(44,379,087)	(45,287,650)	-	(45,287,650)
TOTAL EQUITY	**60,340,790**	**61,389,913**	**1,426,087**	**62,816,000**

* Unaudited 30 June 2026 figures remain subject to final audit by the Company's auditors and may be subject to change. The unaudited 30 June 2026 figures are included for illustrative purposes only and in order to provide shareholders with latest changes to the Company's financial position since the last audited financial information at 31 December 2025.

Notes to the Pro-forma Consolidated Balance Sheet

Note 1

Reconciliation of movements in Pro-forma Share Capital

	Number of shares	Share Capital
	#	$
Unaudited Balance Sheet 30 June 2026	1,266,317,135	103,628,493
Issue of shares via the SPP	136,363,636	1,500,000
Total costs expected to be incurred in connection with the SPP offset against share capital	-	(73,913)
Pro-forma Balance Sheet 30 June 2026	1,402,680,771	105,054,580

Note 2

Reconciliation of movements in Pro-forma Cash and Cash equivalents

	Cash and cash equivalents
	$
Unaudited Balance Sheet 30 June 2026	498,102
Issue of shares via the SPP	1,500,000
Total cash costs expected to be incurred in connection with the offers offset against share capital	(73,913)
Pro-forma Balance Sheet 30 June 2026	1,924,189

3.4 Effect on control of the Company

The SPP Option Offer will not have a material impact on the control (as defined in section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have Voting Power (as defined in the Corporations Act) of greater than 20% as a result of the completion of the SPP Option Offer.

Assuming the Company raises $1.5 million (before costs) under the SPP, the Company will issue approximately 136,363,636 Options (subject to rounding). If all of these Options are exercised, the Shares issued on exercise will represent approximately 9.72% of the Shares on issue following completion of the SPP Option Offer (assuming no other Shares are issued).

3.5 Ownership structure

Based on publicly available information as at the date of this Options Prospectus, assuming the Company raises $1.5 million (before costs) under the SPP, there are no persons who (together with their associates) will have a Relevant Interest in 5% or more of Shares on issue.

3.6 The amount raised under the SPP may vary

As announced on 31 July 2026, the Company is seeking to raise approximately $1.5 million (before costs) under the SPP. The Company has assumed that the SPP will raise $1.5 million (before costs). The amount raised under the SPP may be less (due to there being a shortfall) or more (due to oversubscriptions) than $1.5 million. In the event that less than $1.5 million is applied for under the SPP the Company may, at its absolute discretion, seek to place that number of Shares and attaching options equivalent to the SPP Shortfall at the same issue price and same terms to raise A$1.5 million (before costs), subject to compliance with the Corporations Act and ASX Listing Rules. Any such fund raising may be subject to broker management and selling fees.

The Directors also reserve the right, in their absolute discretion, to accept oversubscriptions under the SPP. If oversubscriptions are accepted, the Company may issue such additional SPP Shares and attaching Options as are required to satisfy those oversubscriptions, subject to compliance with the Corporations Act and the ASX Listing Rules.

The SPP is not underwritten.

4 RISK FACTORS

4.1 Introduction

The Options offered under this Options Prospectus (and the underlying Shares into which those Options are convertible into) are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Options Prospectus and to consult their professional advisers before deciding whether to apply for Options pursuant to this Options Prospectus.

The Options offered under this Options Prospectus, and the Shares to be issued pursuant to the exercise of those Options, carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options or Shares.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the value and market price of Options and the underlying Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

4.2 Company-specific risks

(a) Key Personnel

In advancing the Hawsons Iron Project (**Project**) through feasibility, financing and development, the Group relies to a significant extent upon the experience and expertise of its directors and management, including a limited number of key personnel who are important to attaining the business goals of the Group. One or more of these key personnel could leave their employment, and the Group may be unable to attract and retain suitably qualified and experienced personnel, particularly given the specialised nature of the Project and its location. Any such loss or inability may adversely affect the ability of the Group to conduct and progress its business and, accordingly, affect the financial performance of the Group and its share price.

(b) Future Capital Raisings

The Group has no material operating cash flow and its ongoing activities will require substantial further financing. Any additional equity financing may be dilutive to Shareholders, may be undertaken at prices below the then current market price, and may include securities with rights, preferences or privileges senior to those of existing Shareholders. Debt financing, if available, may involve restrictions on the Group's financing and operating activities. Although the Directors believe that additional capital can be obtained, no assurance can be given that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Group is unable to obtain additional financing as and when needed, it may be required to reduce, delay or suspend its operations, and this could have a material adverse effect on the Group's activities and could affect the Group's ability to continue as a going concern.

(c) Development and Funding Risk

The development of the Project as contemplated by the Company's Pre-Feasibility Study will require very substantial capital expenditure, currently estimated in the order of several billion dollars, which materially exceeds the Company's current market capitalisation and existing financial resources. The Company will therefore be reliant on securing project-level funding, which may comprise a combination of equity, debt, offtake pre-payment, strategic investment and/or government support. There is no assurance that such funding will be available when required, in the amounts required, or on terms acceptable to the Company (or at all). The Company's ability to secure development funding is likely to depend on factors largely beyond its control, including prevailing commodity prices, capital market conditions, the outcomes of the Feasibility Study, and the willingness of financiers, offtake partners and strategic investors to support a project of this scale and stage. A failure or delay in obtaining development funding, or obtaining it only on unfavourable terms, would have a material adverse effect on the Company's ability to develop the Project and on the value of the securities.

(d) Single Project and Concentration Risk

The Company's business, prospects and financial position are substantially dependent on the successful development of the single Project. Unlike a company with a diversified portfolio of assets, the Company is not able to spread the risks associated with its activities across multiple projects, commodities or jurisdictions. Any event or circumstance that adversely affects the Project (including delays, cost overruns, technical, geological, metallurgical, permitting, funding, infrastructure, environmental, native title or market issues) is likely to have a disproportionate and material adverse effect on the Company, the value of the securities and the Company's ability to continue as a going concern.

(e) Exploration, Resource and Ore Reserve Estimate Risk

The Company's mineral resource and ore reserve estimates for the Project are expressions of judgement based on knowledge, experience and industry practice, and are estimates only. They may prove to be inaccurate or require adjustment as further information becomes available, including from ongoing and future infill and extensional drilling. By their nature, such estimates are imprecise and depend on interpretations and assumptions (including as to geology, grade, metallurgical recoveries, commodity prices and costs) that may ultimately prove unreliable. Should the Company encounter mineralisation or geological formations different from those predicted, or should its assumptions prove incorrect, the value of the Project and the Company's evaluation, development and production plans may be adversely affected. Exploration and evaluation costs are also based on certain assumptions with respect to method and timing and are subject to significant uncertainties; accordingly, actual costs may differ materially from these estimates and, if higher than expected, may adversely affect the financial position of the Group. The Group may also experience unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(f) Feasibility and Development Risk

The Project is at a pre-development stage. While a Pre-Feasibility Study has been completed, the Company is progressing towards a Feasibility Study and, ultimately, a final investment decision. The Pre-Feasibility Study is preliminary in nature, is based on a range of assumptions (including as to capital and operating costs, production rates, recoveries, commodity prices and exchange rates), and is not a statement that the Project will be developed or will be economic. There is a risk that the Feasibility Study and associated technical, engineering and economic work will not achieve the results expected, or will conclude that the Project is not technically or commercially viable. Even if a positive Feasibility Study is produced, there is no guarantee that the Project will proceed to development, or be successfully developed, for commercial, financial, technical, approvals, environmental or other reasons. Development at the scale contemplated will require the Company to obtain all necessary licences, approvals, funding, offtake and infrastructure arrangements, to satisfy conditions and, in some cases, to rely on the exercise of discretions by third parties and government authorities. It may not be possible for all such matters to be satisfied, or satisfied on acceptable terms or within expected timeframes, and any delay, cost overrun or failure may have a material adverse effect on the Group.

(g) Commodity Price and Exchange Rate Risk

The Company's future revenue and the economic viability of the Project will be substantially dependent on the prevailing market price for iron ore and magnetite concentrate. Commodity prices fluctuate and are affected by numerous factors beyond the Company's control, including global and regional demand for and supply of iron ore and steel, the pace of decarbonisation of the steel industry, inventory levels, forward selling, production costs, and general economic and geopolitical conditions. In addition, as iron ore is generally priced in United States dollars while a significant portion of the Company's costs are (or will be) incurred in Australian dollars, the Company is exposed to movements in the AUD/USD exchange rate. A sustained decline in iron ore prices, a narrowing of any premium available for high-grade or low-impurity concentrate, or unfavourable movements in exchange rates, may materially adversely affect the economics of the Project, the Company's ability to secure development funding and offtake, and the value of the securities.

(h) Product, Offtake and Market Risk

The Company's strategy is premised on demand for a premium, high-grade magnetite concentrate as a feedstock for lower-emission ("green") steel production. There is a risk that anticipated demand for such product, and any associated price premium, does not materialise or is not sustained, whether due to slower-than-expected adoption of low-emission steelmaking technologies, changes in customer requirements, competing sources of supply, or broader changes in the steel industry. The Company does not currently have binding long-term offtake arrangements in place for the full volume of contemplated production, and there is no assurance that it will be able to secure offtake on acceptable terms, or at all. A failure to secure sufficient offtake, or the loss of a material customer, would adversely affect the Company's ability to fund and develop the Project and its financial performance.

(i) Infrastructure Risk

The development and operation of the Project is dependent on access to, and the availability and reliability of, essential infrastructure, including rail, port, power and water, as well as the Company's proposed concentrate slurry pipeline. Much of this infrastructure is, or will be, owned or controlled by third parties. There is a risk that the Company may be unable to secure access to such infrastructure on acceptable commercial terms or within required timeframes, that third-party infrastructure may be unavailable, insufficient, subject to competing demand or interruption, or that new infrastructure required for the Project cannot be constructed on time or on budget. Any such event may delay or prevent development, increase costs, or otherwise have a material adverse effect on the Group.

(j) Title Risk

There is no guarantee that the Company will be able to obtain all licences (for example, mining leases) and other permits and approvals required for mining activities to proceed. All licences are subject to compliance with certain requirements, including but not limited to meeting the minimum exploration and expenditure commitments, lodgement of reports, payment of rent and compliance with environmental conditions and environmental legislation, and government policies. Consequently, the Group could lose title to, or its interest in, any of the licences relating to its assets and the Project if these requirements are not met.

(k) Land Access Risk

Land access is critical for exploration and development to succeed. Holding title, or a licence, to mineral rights does not necessarily confer the right of surface access to pursue those rights. In the case of freehold land, leasehold land and crown land, the Company may be required to negotiate access rights with the holders of such land, and the Company's rights to obtain access vary from state to state. The Company may not be successful in acquiring or obtaining the necessary approvals or agreements to access the surface in order to conduct exploration, evaluation or development activities. Furthermore, holding mineral rights under an exploration licence is no guarantee that the Company will be able to obtain all licences (for example, mining leases) and other permits and approvals required for mining activities to proceed.

(l) Native Title, First Nations and Aboriginal Heritage Risk

Access to land for exploration and development purposes can be adversely affected by the rights of traditional owners, including native title claims under the Native Title Act 1993 (Cth) (**NTA**) and by Aboriginal cultural heritage legislation applicable in the jurisdiction in which the Group operates. The effect of the NTA is that existing and new tenements held by the Group may be affected by native title claims and procedures, and the Company may be required to enter into agreements with traditional owners. The Company may not be successful in acquiring or obtaining the necessary approvals or agreements with traditional owners (including statutory heritage-related agreements) required for the grant of tenement applications or for activities to proceed. Furthermore, holding mineral rights under an exploration licence is no guarantee that the Company will be able to obtain all licences (for example, mining leases) and other permits and approvals required for mining activities to proceed.

(m) Regulatory Risk

The Group's operations are subject to various Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, land access, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that the Group will be successful in obtaining or maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Group may be curtailed or prohibited from continuing or proceeding with its activities. The Group's business and results of operations could be adversely affected if applications lodged for approvals or tenements are not granted. Mining and exploration tenements are also subject to periodic renewal, the renewal of which may be subject to the discretion of the relevant Minister, and may include increased expenditure and work commitments or compulsory relinquishment of areas. The imposition of new conditions, or the inability to meet those conditions, may adversely affect the operations, financial position and/or performance of the Group.

(n) Environmental Risk

The operations and activities of the Group are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, there is potential for the Group's operations and activities to have an impact on the environment, particularly if mine development proceeds. While the Group intends to conduct its operations and activities to a high standard of environmental compliance (including through its proposed dry-processing method, which is designed to avoid conventional wet tailings storage and reduce water use), the Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations. There can be no assurance that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expense and undertake significant investment, which could have a material adverse effect on the Group's business, financial condition and performance.

(o) Climate Change Risk

The operations and activities of the Group are subject to changes to local and international laws and regulations relating to climate change mitigation, including specific taxes or penalties for carbon emissions or environmental damage, and other possible constraints on industry, that may impact the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be adversely affected by these occurrences. Climate change may also give rise to physical risks that cannot be predicted by the Group, including increased severity and frequency of extreme weather events and longer-term shifts in climate patterns, which may affect the Group's activities and the development and operation of the Project.

(p) Macro-Economic Risk

The operations and activities of the Group are exposed to a number of global external factors, including macroeconomic conditions affecting profitability and business continuity, movements in interest rates, inflation and input costs, significant fluctuations in foreign exchange rates, changes in commodity prices, and the availability of equity and debt funding. While the Group has limited direct control over these factors, continued oversight is essential to the ongoing operations and activities of the Group.

(q) Taxation

The acquisition and disposal of Options and underlying Shares may have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Options and underlying Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Options or underlying Shares.

4.3 General investment risks

(a) General Economic and Political Risks

Changes in the general economic and political climate in the jurisdictions in which the Group and its assets are located, or on a global basis, could impact on economic growth, commodity prices, interest rates, the rate of inflation, taxation and tariff laws and domestic security, which may affect the value and viability of any mining activity that may be conducted by the Group.

The operating and financial position of the Group is influenced by a range of general domestic and global economic and business conditions that are outside the control of the Group. These conditions may include, but are not limited to, political movements, stock market movements, interest rates, industrial disruption, environmental impacts, natural disasters, taxation changes and legislative or regulatory changes. A prolonged deterioration in market, business or economic conditions may potentially have an adverse impact on the Group and its operations.

(b) Investment in capital markets

As with all stock market investments, there are risks associated with an investment in the Company. Securities listed on stock markets, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies.

These factors may materially affect the market price of Options and Shares regardless of the Company’s performance.

4.4 Legislative

Changes in relevant taxes, legal and administrative regimes, accounting practice and government policies may adversely affect the financial performance of the Group.

5 ADDITIONAL INFORMATION

5.1 Litigation

As at the date of this Options Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5.2 ASIC instrument

The SPP Option Offer is made pursuant to *ASIC Corporations (Exposure Period) Instrument 2016/74* which exempts the Company from complying with section 727(3) of the Corporations Act, to the extent that that section prohibits the Company from issuing the Options in the seven-day period after the date of lodgement of the Options Prospectus with ASIC.

5.3 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Options under this Options Prospectus.

Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Options Prospectus is a “transaction specific prospectus”. In general terms, a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Options Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company’s annual financial report for the financial year ended 30 June 2026 to the issue of this Options Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Options Prospectus other than that which is considered necessary to make this Options Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Options Prospectus and the Closing Date of the SPP Option Offer:

    (i) the Company's annual financial report for the year ended 30 June 2026, being the annual financial report most recently lodged by the Company with ASIC;

    (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in Section 5.3(c)(i) and before lodgement of this Options Prospectus with the ASIC; and

    (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in Section 5.3 (c)(i) and before the lodgement of this Options Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company are available, free of charge, at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since 19 August 2025 (being the date of lodgement of the Company's most recent annual financial report referred to in Section 5.3(c)(i) and before the lodgement of this Options Prospectus with ASIC) are set out in the table below.

Date	Description of Announcement
31 July 2026	Proposed issue of securities - HIO
31 July 2026	Quarterly Activities/Appendix 5B Cash Flow Report
31 July 2026	Security Purchase Plan
1 June 2026	Change of Director's Interest Notice
1 June 2026	Change of Director's Interest Notice
26 May 2026	Strong PFS Update Delivers Increase in Project NPV
7 May 2026	Change of Director's Interest Notice
7 May 2026	Change of Director's Interest Notice
7 May 2026	Change of Director's Interest Notice
7 May 2026	Change of Director's Interest Notice
7 May 2026	Cleansing Notice - Share Placement
7 May 2026	Notification regarding unquoted securities - HIO
7 May 2026	Application for quotation of securities - HIO
6 May 2026	Interest received from KfW IPEX for Strategic Debt Funding
24 April 2026	Quarterly Activities/Appendix 5B Cash Flow Report
23 April 2026	Results of Meeting
22 April 2026	HIO Investor Presentation April 2026
24 March 2026	EGM Letter to Shareholders
24 March 2026	Notice of General Meeting/Proxy Form

9 March 2026	Variability Process Test Work Update
24 February 2026	Half Year Accounts
6 February 2026	Cleansing Notice - Share Placement
6 February 2026	Application for quotation of securities - HIO
6 February 2026	Notification regarding unquoted securities - HIO
2 February 2026	Proposed issue of securities - HIO
2 February 2026	Hawsons secures $2.2M Share Placement
30 January 2026	Quarterly Activities/Appendix 5B Cash Flow Report
29 January 2026	Trading Halt
23 January 2026	Revised - Dry Grinding Test Work Update
15 January 2026	Dry Grinding Test Work Update
22 December 2025	Notification of cessation of securities - HIO
18 December 2025	Change of Director's Interest Notice
17 December 2025	Hawsons Iron PFS and Ore Reserve Estimate
1 December 2025	Final Director's Interest Notice
1 December 2025	Initial Director's Interest Notice
25 November 2025	Initial Director's Interest Notice
25 November 2025	Results of Meeting
25 November 2025	Chair Address AGM 2025
25 November 2025	Changes to Board of Directors
4 November 2025	Revised - Phase 1 Test Results from CSIRO Research Program
31 October 2025	Quarterly Activities/Appendix 5B Cash Flow Report
29 October 2025	Phase 1 Test results from CSIRO Research Program
24 October 2025	Notice of Annual General Meeting/Proxy Form
26 September 2025	2025 AGM and closing date for Director nominations
19 August 2025	Appendix 4G
19 August 2025	FY2025 Corporate Governance Statement
19 August 2025	FY2025 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at https://hawsons.com.au/

Other than as set out in this Options Prospectus and the accompanying documents, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Options Prospectus.

5.4 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Options Prospectus with ASIC and the respective dates of those sales were:

	($)	Date
Highest	$0.017	6 May 2026
Lowest	$0.011	30 June 2026*
Last**	$0.013	30 July 2026

*The lowest market sale price of $0.011 was also recorded on 29 June 2026 and 30 June 2026 during the three-month period. The date shown in the table is the most recent date on which that price was recorded.

**Price as at the close of trade on the latest practicable date prior to finalising this Options Prospectus, being 30 July 2026.

5.5 Interests of Directors

Other than as set out below or elsewhere in this Options Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Options Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

  (i) its formation or promotion; or

  (ii) the SPP Option Offer; or

(c) the SPP Option Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

  (i) the formation or promotion of the Company; or

  (ii) the SPP Option Offer.

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director.

The Relevant Interest of each of the Directors in the securities of the Company as at the date of this Options Prospectus, together with the number of Shares and Options to be issued to each Director under the SPP and SPP Option Offer (subject to Shareholder approval in respect of the Options), is set out in the table below:

Director	As at the date of this Options Prospectus		Participation in SPP and SPP Option Offer [5]		Post SPP and SPP Option Offer [5]	
	Shares	Options	Shares	Options	Shares	Options
Paul Cholakos	9,984,474	8,125,000	2,727,272	2,727,272	12,711,746	10,852,272
Jeremy Kirkwood	13,953,886	8,125,000	2,727,272	2,727,272	16,681,158	10,852,272
Meredith Campion	3,125,000	3,125,000	1,818,181	1,818,181	4,943,181	4,943,181
Tom Revy	3,163,235	7,875,000	909,090	909,090	4,072,325	8,748,090

The Voting Power of each of the Directors in the Company as at the date of this Options Prospectus, together with the Voting Power after completion of the SPP and SPP Option Offer (subject to Shareholder approval in respect of the Options), is set out in the table below:

Director	Voting power as at the date of this Options Prospectus	Voting power post SPP and SPP Option Offer [5]
Paul Cholakos	0.79%	0.91%
Jeremy Kirkwood	1.10%	1.19%
Meredith Campion	0.25%	0.35%
Tom Revy	0.25%	0.29%

5.6 Director Remuneration

Please refer to the Remuneration Report, which is contained on pages 13 to 19 of the Company's Annual Report for the financial year to 30 June 2025, for full details of the remuneration of the Company's executive and non-executive directors. The Company confirms that the remuneration details included in the Annual Report remain current for this financial year.

The 2025 Annual Report was lodged with ASX on 19 August 2025 and is available on the Company's website at https://hawsons.com.au/announcements/#annual-reports

A hard copy of the Annual Report is also available free of charge by contacting the Company at its registered address.

5.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Options Prospectus, no:

(a) person named in this Options Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this

[5] Paul Cholakos and Jeremy Kirkwood intend to participate in the SPP for the maximum parcel of A$30,000 worth of SPP Shares. Meredith Campion intends to participate in the SPP for A$20,000 worth of SPP Shares. Tom Revy intends to participate in the SPP for A$10,000 worth of SPP Shares. The Options to be issued to the Directors under the SPP Option Offer remain subject to Shareholder approval.

Options Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Options Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Options Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

  (i) its formation or promotion; or

  (ii) the SPP Option Offer; or

(c) the SPP Option Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(a) the formation or promotion of the Company; or

(b) the SPP Option Offer.

5.8 Consents

The Registry:

(a) has not authorised or caused the issue of this Options Prospectus;

(b) does not make, or purport to make, any statement in this Options Prospectus other than those referred to in this Section;

(c) has not made any statement on which a statement in this Options Prospectus is based, other than as specified in this Section; and

(d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Options Prospectus other than a reference to its name and a statement included in this Options Prospectus with the consent of the party as specified in this Section.

The Registry has given and, at the time of this Options Prospectus, has not withdrawn its written consent to being named in this Options Prospectus as the share registry to the Company in respect of the SPP Option Offer in the form and context in which it is named.

5.9 Expenses of the SPP Option Offer

The total expenses of the SPP Option Offer* are estimated to be approximately $73,913 (excluding GST) as follows:

Expense	$
ASIC	$5,000
ASX fees	$8,517
Registry fees	$25,396
Legal expenses	$20,000
Printing, mail and related services	$15,000
Total	**$73,913**

* The expenses set out in the table above are estimates only and represent the total expenses expected to be incurred in connection with both the offer of SPP Options under this Prospectus and the offer of SPP Shares under the SPP Offer Booklet issued by the Company in conjunction with this Prospectus.

There are no broker or underwriting fees payable under the SPP Option Offer.

The estimated expenses will be paid out of the Company's existing working capital.

5.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to include forecast future earnings in this Prospectus.

5.11 Taxation

The Directors do not consider it appropriate to give SPP Subscribers advice regarding the taxation consequences of applying for (or exercising) securities offered under this Options Prospectus. The Company does not accept any responsibility for any such taxation consequences. SPP Subscribers should consult their professional tax adviser if they have any queries regarding the taxation consequences of applying for (or exercising) securities offered under this Options Prospectus.

5.12 Target market determination

The product design and distributions obligations under the Corporations Act (**DDO Obligations**) are intended to help consumers obtain appropriate financial products by requiring issuers and distributors to have a consumer-centric product. The DDO Obligations require product issuers to make publicly available a target market determination that explains the target market for certain securities, any distribution conditions and any information related to reviewing and monitoring conduct in relation to the target market determination.

The Company has prepared a target market determination in respect of the Options which is available at https://hawsons.com.au/announcements/. By making an application, you warrant that you have read and understood the target market determination and that you fall within the target market set out in the target market determination.

5.13 Electronic Prospectus

If you have received this Options Prospectus as an electronic Options Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company Secretary at michael.harvey@hawsons.com.au or +61 7 3554 1003 and the Company will send you, for free, either a hard copy or a further electronic copy of the Options Prospectus, or both. Alternatively, you may obtain a copy of this Options Prospectus from the Company's website at https://hawsons.com.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Options Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

5.14 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company and the Registry. The Company and the Registry collect, hold and will use that information to assess your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Registry at the relevant contact number set out in this Options Prospectus.

Tax and company law requires some of the information to be collected in connection with your application. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

5.15 Governing law

This Options Prospectus, the SPP Option Offer and the contracts formed on acceptance of applications under the SPP Option Offer are governed by the laws applicable in Queensland, Australia.

Each applicant for Options submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

6 DIRECTORS' AUTHORISATION

This Options Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Options Prospectus with the ASIC.

7 DEFINITIONS

In this document the following terms have these meanings unless the context requires otherwise.

$ means an Australian dollar.

AEST means Australian Eastern Standard Time as observed in Brisbane, Queensland, Australia.

Application Form means an application form accompanying this Options Prospectus in respect of the SPP Option Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange as the context requires.

Closing Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Company or **Hawsons** means Hawsons Iron Limited (ACN 095 117 981).

Company Secretary means the company secretary of the Company from time to time.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Feasibility Study means the definitive/bankable feasibility study in respect of the Project that the Company is progressing following completion of the Pre-Feasibility Study

Group means the Company and its Subsidiaries.

Listing Rules means the official listing rules of ASX.

Offer Period means the period between the Opening Date and the Closing Date.

Opening Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Option means a free attaching unlisted option granting the holder the right to acquire one (1) Share on the exercise of the option on the terms and conditions in Schedule 1.

Option Participant is a party to whom an Offer is made.

Options Prospectus means this prospectus.

Pre-Feasibility Study means the pre-feasibility study in respect of the Project, as most recently updated and announced by the Company to ASX on 26 May 2026.

Project means the Hawsons Iron Project located approximately 70 kilometres south-west of Broken Hill in New South Wales.

Registry means MUFG Corporate Markets IR Pty Ltd ACN 010 142 453.

Relevant Interest has the meaning given to that term in the Corporations Act.

Section means a section of this Options Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

SPP means the Company's share purchase plan announced on 31 July 2026.

SPP Offer Booklet means the offer booklet issued by the Company in respect of the SPP.

SPP Option Offer means the offer of Options to SPP Subscribers and any SPP Shortfall Participants (if any).

SPP Shortfall means the difference between:

(a) the amount sought to be raised under SPP, being $1.5 million (before costs); and

(b) the dollar value of valid applications received under the SPP.

SPP Shortfall Participants means a subscriber for any Shares representing the SPP Shortfall.

SPP Subscriber means an eligible Shareholder under the SPP who has subscribed for Shares under the SPP.

Subsidiary has the meaning given to that term in the Corporations Act.

Target Market Determination means the target market determination in respect of the Options which is available at https://hawsons.com.au/announcements/.

Voting Power has the meaning given to that term in the Corporations Act.

CORPORATE DIRECTORY

Directors

Paul Cholakos
Jeremy Kirkwood
Meredith Campion
Tom Revy

Registered Office

Level 3
410 Queen Street
Brisbane QLD 4000

Company Secretary

Michael Harvey

ASX Code

HIO

Share Registry

MUFG Corporate Markets IR Pty Ltd
10 Eagle Street
Brisbane QLD 4000
Telephone: +61 1300 554 474

Auditors

BDO Audit Pty Ltd

SCHEDULE 1 - RIGHTS ATTACHING TO SECURITIES

1 TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

Each Option will entitle the holder to subscribe for one (1) fully paid ordinary share in the Company (**Share**).

All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then existing Shares.

(b) Exercise Price

The Options are exercisable at A$0.015 each (**Exercise Price**).

Each Option shall entitle the holder to acquire one (1) Share upon payment of the Exercise Price to the Company.

(c) Exercise of Options

The Options may be exercised at any time prior to 31 December 2027 (**Expiry Date**) in whole or in part, by completing and delivering a duly completed form of notice of exercise to the registered office of the Company together with the payment of the exercise price in immediately available funds for the number of Shares in respect of which the Options are exercised.

An Option not exercised on or before the Expiry Date will lapse.

Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued, and a holding statement or share certificate provided to the holders of Options in respect of those Shares, on the above terms and conditions not more than ten Business Days after the receipt of a duly completed form of notice of exercise and the exercise amount in immediately available funds in Australian dollars in respect of the Options exercised.

(d) Quotation

Application will not be made to ASX for official quotation of the Options. Provided the Company is listed on ASX at the time, application will be made for official quotation of the Shares issued upon exercise of Options not later than five (5) Business Days after the date of allotment.

(e) Participation and entitlements

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options.

(f) Reorganisation of share capital

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of holders of Options shall be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(g) Bonus issue

If, from time to time, before the expiry of the Options the Company makes a pro-rata issue of Shares to shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the date for calculating entitlements to the pro-rata issue.

(h) Pro-rata issue

If the Company makes a pro-rata issue of securities (except a bonus issue) to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of a dividend reinvestment) the Exercise Price of an Option shall be reduced according to the following formula and in accordance with the Listing Rules:

where:

$$O' = O - (E(P - (S + D))) / (N + 1)$$

O' = the new exercise price for an Option

O = the old exercise price for an Option

E = the number of underlying securities into which an Option is exercisable

P = the average market price per security (weighed by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date

S = the subscription price for a security under the pro-rata issue

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue)

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

2 RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote for every fully paid share and, in respect of each partly paid share held, has a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share (excluding amounts paid in advance of a call or credited without payment in money or money's worth).

(c) Dividend rights

Subject to the Corporations Act, Listing Rules and the Constitution, the Directors may determine or declare that a dividend (whether interim, final or otherwise) is payable.

Subject to the terms on which Shares (or any class of shares) are issued, all dividends will be payable equally on all shares, save and except that a partly paid share confers an entitlement on the holder only to that proportion of the dividend that the amount actually paid (not credited as paid) on that share bears to the total amounts paid and payable on the shares.

Interest is not payable on a dividend.

Subject to the Constitution, the Directors may set aside out of the profits of the Company, any provision or reserve as they determine.

The Directors may establish a dividend reinvestment plan on terms they decide, under which dividends or interest due to Shareholders who participate in the plan on their shares may be applied in subscribing for or purchasing securities in the Company.

(d) Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the Company's property and decide how the division is to be carried out as between the Shareholders or different classes of shareholders.

(e) Shareholder liability

As the Shares issued on exercise of the Options offered under this Options Prospectus will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to certain formal requirements and the Constitution, the Corporations Act and the Listing Rules.

(g) Future increase in capital

Subject to the Corporations Act, the Listing Rules and the Constitution, the Directors may allot and issue shares in the Company, or options to acquire shares in the Company, to any person on such terms and with such rights as the Directors determine.

(h) Non-marketable parcels

The Constitution permits the Directors to sell the shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules. The Company must give the Shareholder notice of the intended sale and if the Shareholder does not want their shares sold, they may notify the Company accordingly.

(i) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied with the written consent of the holders of 75% of the shares of the class or by a special resolution passed at a separate meeting of the holders of shares of that class.

(j) Powers of the Board

Subject to the Constitution, the Corporations Act and the Listing Rules, the activities of the Company are to be managed by, or under the direction of, the Directors.

(k) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.