
FINANCIAL REPORT

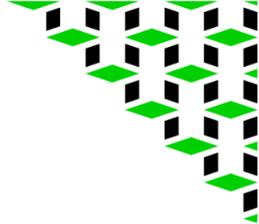
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

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DIRECTORS REPORT

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DIRECTORS' REPORT

Your Directors present their report on Hawsons Iron Limited for the half-year ended 31 December 2025.

DIRECTORS

The names and details of the Directors of Hawsons Iron Limited ("Hawsons" or "the Company") in office at the date of this report or at any time during the financial period are:

Name	Position during the year	Period of directorship
Jeremy Kirkwood	Non-executive Chairman	Appointed 10 May 2023
Paul Cholakos	Non-executive Director	Appointed 2 April 2012
Meredith Champion	Non-executive Director	Appointed 1 December 2025
Tom Revy	Managing Director	Appointed 25 November 2025
Hon. Tony McGrady AM	Non-executive Director	Appointed 3 October 2022, Retired 1 December 2025

REVIEW OF OPERATIONS

Preliminary Feasibility Study and Ore Reserve Estimate

During the period Hawsons completed the Preliminary Feasibility Study (PFS) and Maiden Ore Reserves on the Hawsons Iron Project (Project).

The key outcomes of the 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 10.93%;
 - Pre-tax NPV₈ of \$AU 1,360M at a product price of \$US140/t and an AU/US exchange rate of \$0.65/\$1.00;
 - Approximate payback period of 13.5 years from commencement of Engineering, Procurement, and Construction Management and 10.5 years from first concentrate production;
 - Undiscounted Life of Mine revenue of \$AU 55.2B and cumulative pre-tax cashflows of \$AU 13.1B;
 - Total initial capital of \$AU 4.96B for mine development, processing, and infrastructure over 2 construction stages:
 - \$AU 3.91B Phase 1 production; and

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- \$AU 1.05B deferred for 4 years post-production (Phase 2).
- C1 cost of \$US 49.34 and CFR cost of \$US 89.94 per dry metric tonne.
- Total Project funding requirement of \$AU 4.427B

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 PFS identified key risks to be focused on as part of the full Feasibility Study and highlighted a number of opportunities that may have a material positive impact on the Project's metrics.

Collaborative Research Project with CSIRO

During the period Hawsons entered into a collaborative research project through CSIRO's Kick-Start Program, focusing on:

- understanding the mineralogy of the non-magnetic iron stream with a view to developing a secondary product recovery strategy; and
- optimising pelletisation of Hawson's magnetite concentrate

To date Hawsons has received encouraging results from the first phase of works which provides the basis for further investigations into the potential economic recovery of non-magnetic iron from the tailings stream. Hawsons plans to undertake this work in the coming months.

July 2025 Share Purchase Plan and Share Placement

In July 2025, the Company completed a Share Purchase Plan (**SPP**). Total funds received for the SPP were \$1,209,368. The Board decided to accept all valid applications received, resulting in a total of 71,139,296 shares issued under the SPP at \$0.017 per share, represents a 18% discount to the 5-day volume-weighted average price per share up to the close of trade on 15 July 2025.

In addition to the SPP, the Company completed a small Share Placement to raise \$700,000 at the same price as the SPP. The total shares under the placement were 41,176,471 shares.

Hawsons Directors and Management actively participated alongside shareholders in the SPP and Share Placement, contributing a total of \$95,000 to the raising.

OPERATING RESULTS

Commentary and comparison with prior year

For the half-year ended 31 December 2025, the loss after tax for the Company was \$1,071,515 (Dec 2024: \$1,376,214). The movement in loss between the periods is primarily attributed to:

- Net loss on the fair value movements on the LDA financial instruments of \$54,192 compared to a loss of \$241,135 in the prior period;
- \$195,604 reduction in corporate advisory, IT and other administrative expenses compared to the prior year.

Cash Position

The Company's cash position as at the end of the reporting period was \$524,122 (June 2025: \$202,450). Cash expenditure, net of the R&D incentive grant, on the Hawsons Iron Project during the period was \$759,003 (Dec 2024: \$404,329). The Company raised cash proceeds of \$1,818,343 (after costs) from the capital raise during the period (Dec 2024: \$230,354).

Subsequent to half-year end, the Company raised an additional \$2,020,000 (before costs) through a share placement. Hawsons Directors have also committed a further \$180,000 under the share placement, with these funds to be received following approval by shareholders at a general meeting to be held in April 2026.

DIRECTORS REPORT

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REVIEW OF FINANCIAL POSITION

As at 31 December 2025 the Company had cash reserves of \$524,122, net current liabilities of \$1,107,391 and net assets of \$60,259,790.

During the year the Company had net cash outflows of \$882,678 (Dec 2024: \$1,317,774) from operating activities and net cash outflows used in investing activities of \$574,689 (Dec 2024: \$407,249). Investing activities includes payments for exploration and evaluation assets.

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

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- Subsequent to period end, the Company raised an additional \$2,020,000 (before costs) through a share placement. Hawsons Directors have also committed a further \$180,000 under the share placement, with these funds to be received following approval by shareholders at a general meeting to be held in May 2026.
- To date the Company has funded its activities through issuance of equity securities, and it is expected that the Company will be able to fund its future activities through further issuances of equity securities; and
- The level of existing cash reserves.

CAPITAL STRUCTURE

At the date of the report the Company had 1,255,067,135 shares on issue (including 3,569,857 non-recourse employee shares) and 269,015,309 options on issue.

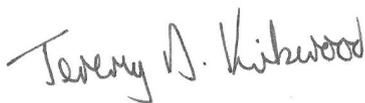
AUDITOR'S INDEPENDENCE DECLARATION

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

EVENTS AFTER REPORTING DATE

Subsequent to half-year end, the Company raised an additional \$2,020,000 (before costs) through a share placement. Hawsons Directors have also committed a further \$180,000 under the share placement, with these funds to be received following approval by shareholders at a general meeting to be held in April 2026. Placement participants also received one free attaching option per share subscribed for, exercisable at \$0.028 with an expiry date of 6 February 2029.

There have been no other events since 31 December 2025 that impact upon the financial report.



Director
24 February 2026

AUDITORS INDEPENDENCE DECLARATION

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DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF HAWSONS IRON LIMITED

As lead auditor for the review of Hawsons Iron Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'T R Mann', with a long horizontal flourish extending to the right.

T R Mann
Director

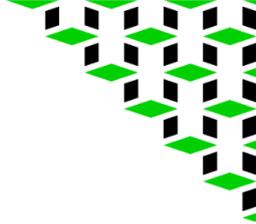
BDO Audit Pty Ltd

Brisbane, 24 February 2026

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STATEMENT OF COMPREHENSIVE INCOME

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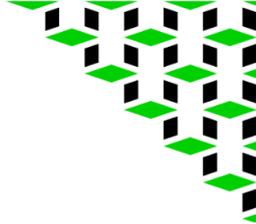
Statement of Comprehensive Income For the half-year ended 31 December 2025

	Note	December 2025 \$	December 2024 \$
Interest income		3,622	23,085
Net fair value gain/(loss) on financial instruments measured at fair value through profit or loss	5	(54,192)	(241,135)
Employment benefit expenses		(514,278)	(456,000)
Depreciation and amortisation expense		(52,808)	(89,442)
Corporate compliance and legal fees		(274,625)	(240,235)
Corporate advisory		(24,000)	(93,580)
Computer, IT and telecommunications		(21,858)	(62,430)
Rent expense relating to short-term leases		(70,052)	(67,701)
Other expenses		(63,324)	(148,776)
Loss before income tax		(1,071,515)	(1,376,214)
Income tax		-	-
Loss after income tax		(1,071,515)	(1,376,214)
Other comprehensive income		-	-
Total comprehensive income		(1,071,515)	(1,376,214)
Earnings per share		Cents	Cents
Basic and diluted loss per share		(0.10)	(0.14)

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

BALANCE SHEET

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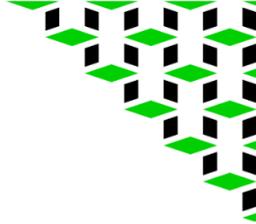
Balance Sheet As at 31 December 2025

	Note	December 2025 \$	June 2025 \$
CURRENT ASSETS			
Cash and cash equivalents		524,122	202,450
Trade and other receivables		87,997	62,982
Other current assets		79,878	41,973
Financial assets at fair value through profit or loss	5	-	115,324
TOTAL CURRENT ASSETS		691,997	422,729
NON-CURRENT ASSETS			
Trade and other receivables		94,648	257,056
Plant and equipment		13,809	37,276
Exploration and evaluation assets	3	61,208,887	60,278,410
Right of use assets		127,143	156,483
TOTAL NON-CURRENT ASSETS		61,444,487	60,729,225
TOTAL ASSETS		62,136,484	61,151,954
CURRENT LIABILITIES			
Trade and other payables	4	678,565	501,458
Short-term provisions		25,684	41,463
Lease liabilities		57,008	53,039
Borrowings		65,587	-
Financial liability at fair value through profit and loss	5	972,544	1,033,676
TOTAL CURRENT LIABILITIES		1,799,388	1,629,636
NON-CURRENT LIABILITIES			
Lease liabilities		77,306	106,727
TOTAL NON-CURRENT LIABILITIES		77,306	106,727
TOTAL LIABILITIES		1,876,694	1,736,363
NET ASSETS		60,259,790	59,415,591
EQUITY			
Contributed capital	6	101,709,262	99,885,182
Reserves		2,929,615	3,074,181
Accumulated losses		(44,379,087)	(43,543,772)
TOTAL EQUITY		60,259,790	59,415,591

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

STATEMENT OF CHANGES IN EQUITY

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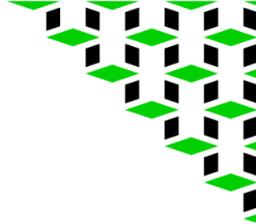
Statement of Changes in Equity For the half-year ended 31 December 2025

	Note	Contributed Capital \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2024		99,603,591	3,526,349	(42,244,756)	60,885,184
Transactions with owners in their capacity as owners					
Issue of share capital	6	300,000	-	-	300,000
Capital raising costs	6	(4,623)	-	-	(4,623)
Share based payments – employees & directors		-	204,940	-	204,940
Transfer of expired options		-	(436,225)	436,225	-
Total		295,377	(231,285)	436,225	500,317
Comprehensive income					
Loss after income tax		-	-	(1,376,214)	(1,376,214)
Total comprehensive income		-	-	(1,376,214)	(1,376,214)
Balance at 31 December 2024		99,898,968	3,295,064	(43,184,745)	60,009,287
Balance at 1 July 2025		99,885,182	3,074,181	(43,543,772)	59,415,591
Transactions with owners in their capacity as owners					
Issue of share capital	6	1,909,368	-	-	1,909,368
Capital raising costs	6	(85,288)	-	-	(85,288)
Share based payments – employees & directors		-	83,585	-	83,585
Share based payments – consultants		-	8,049	-	8,049
Transfer of expired options		-	(236,200)	236,200	-
Total		1,824,080	(144,566)	236,200	1,915,714
Comprehensive income					
Loss after income tax		-	-	(1,071,515)	(1,071,515)
Total comprehensive income		-	-	(1,071,515)	(1,071,515)
Balance at 31 December 2025		101,709,262	2,929,615	(44,379,087)	60,259,790

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

STATEMENT OF CASH FLOWS

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Statement of Cash Flows For the year ended 31 December 2025

	Note	December 2025 \$	December 2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees (inclusive of GST)		(877,709)	(1,338,705)
Interest received		3,622	23,085
Finance costs		(8,591)	(2,154)
Net cash used in operating activities		(882,678)	(1,317,774)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts / (payments) for security deposits		183,000	(2,920)
Payments for exploration and evaluation assets		(1,247,731)	(582,475)
Receipts from government grants		488,728	178,146
Net cash used in investing activities		(576,003)	(407,249)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	6	1,909,368	250,000
Cost associated with the issue of shares		(91,025)	(19,646)
Insurance premium finance repayments		(12,538)	(37,210)
Lease principal payments		(25,452)	(67,785)
Net cash provided by financing activities		1,780,353	125,359
Net decrease in cash and cash equivalents held		321,672	(1,599,664)
Cash and cash equivalents at the beginning of the year		202,450	3,299,421
Cash and cash equivalents at the end of the year		524,122	1,699,757

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

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Reporting Entity

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

Statement of Compliance

The interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report. The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2025.

This interim financial report was approved by the Board of Directors on 24 February 2026.

New and revised standards

A number of new or amended standards became applicable for the current reporting period. The impact of the adoption of these standards did not have any impact on the Company’s accounting policies and did not require retrospective adjustments.

Going Concern

As at 31 December 2025 the Company had cash reserves of \$524,122, net current liabilities of \$1,107,391 and net assets of \$60,259,790.

During the year the Company had net cash outflows of \$882,678 (Dec 2024: \$1,317,774) from operating activities and net cash outflows used in investing activities of \$574,689 (Dec 2024: \$407,249). Investing activities includes payments for exploration and evaluation assets.

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

Subsequent to half-year end, the Company raised an additional \$2,020,000 (before costs) through a share placement. Hawsons Directors have also committed a further \$180,000 under the share placement, with these funds to be received following approval by shareholders at a general meeting to be held in April 2026.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- The ability of the Company to raise additional capital in the future. To date the Company has funded its activities through issuance of equity securities, and it is expected that the Company will be able to fund its future activities through further issuances of equity securities; and
- The successful exploration and subsequent exploitation of the Company’s tenements.

As a result of the items noted above the directors believe the going concern basis of preparation is appropriate, and accordingly have prepared the financial report on this basis. The going concern basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities will occur in the normal course of business.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 2 SEGMENT INFORMATION

Reportable Segments

The Company has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Company does not yet have any products or services from which it derives an income.

Accordingly, management currently identifies the Company as having only one reportable segment, being exploration for minerals in Australia. The financial results from this segment are equivalent to the financial statements of the Company. There have been no changes in the operating segments during the period. All assets are located in Australia.

NOTE 3 EXPLORATION AND EVALUATION ASSETS

	December 2025 (half-year) \$	June 2025 (full year) \$
Movements during the period		
Opening balance	60,278,410	58,765,175
Exploration expenditure during the period	1,419,205	1,691,381
Government grants relating to exploration	(488,728)	(178,146)
Closing balance	61,208,887	60,278,410

NOTE 4 TRADE AND OTHER PAYABLES

Trade payables	542,273	431,072
Other payables	136,292	70,386
Total trade and other payables	678,565	501,458

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

LDA put option asset: current	-	115,325
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Financial liabilities

LDA derivative liability	-	61,132
Other payable: consultant fee	972,544	972,544
	972,544	1,033,676

LDA Put Option Asset and LDA Derivative Liability

On 21 December 2021, the Company entered into a Put Option Agreement with LDA Capital to provide the Company with up to \$200 million in committed equity capital over 4 years. The terms of the agreement gave rise to a derivative liability and derivative asset held at fair value through profit or loss.

The Put Option Agreement expired on 21 December 2025, with the remaining value of the derivative liability and derivative asset recognised through the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Other Payable – Consultant Fee

In 2013, the Company entered into an agreement with a consultant to provide financial modelling, financing negotiation support and other related services for the Hawsons Iron Project. The consultant provided these services to the Company at a discounted rate on the basis that a success fee of 5 times the foregone fees would be payable upon the first sale of iron ore/concentrate from the Hawsons Iron Project (“foregone fees”). The gross amount of the foregone was \$1,945,087.

In 2019, the Company entered into another agreement with the consultant to assist the Company to obtain the necessary equity and other funding to carry out a bankable feasibility study in respect of the Hawsons Iron Project. In the event the consultancy relationship service was terminated by the Company without cause, the Company must pay the consultant a fee (“Break Fee”) equal to the greater of:

- 0.25% of the debt funds arranged by the consultant; or
- a break fee being the cumulative sum calculated by multiplying the number of hours worked by the consultant from each month from July 2018 until termination of the consultancy by \$1,000 less the fees paid to the consultant over that period. The break fee is payable upon the commitment to undertake a bankable feasibility study (or equivalent) for the Hawsons Iron Project should the consultancy arrangement be terminated without cause before such commitment or otherwise at financial investment decision for the development of the Hawsons resource.

The gross amount of the break fee was \$1,097,500. The Company paid \$1,094,500 + GST on 24 August 2021.

On 21 January 2020, the Company entered into a further agreement with the consultant which provided as follows. In the event that a takeover bid is made under Chapter 6 of the Corporations Act for the ordinary shares in the Company and the consultant believes reasonably that the bid will be successful and result in a change of control of the Company, then the consultant may serve notice upon the Company that it wishes to receive the Foregone Fee (together with the Break Fee that the consultant would be entitled to if the Company were to terminate the consultancy arrangement without cause before a termination event) by payment in HIO shares.

In such event, the Company must to the extent that it can do so in compliance with the ASX Listing Rules (in particular Chapter 7) allot and issue to the consultant or its nominee the number of fully-paid ordinary shares that is equal in value to the Foregone Fee plus the Break Fee, with each HIO share having a price equal to the prevailing price at which the takeover bid will succeed and do so in such time that the consultant may accept the offer. In the event that the takeover bid is withdrawn before completion, then the Company’s obligation to pay the Foregone Fee and Break Fee in HIO shares will for the purposes of that takeover bid cease to exist. In the event that there is more than one concurrent takeover bid, the pricing of the HIO shares will be based on the bid that involves the highest offer price.

As a result of the 21 January 2020 agreement the consultant became entitled, in certain circumstances, to an equity settled share-based payment (as noted above). As such, the accounting for the arrangement is now based on the requirement of AASB2 Share-Based Payments applicable to compound instruments as follows:

- The right to cash, in certain circumstances, is recognised as a cash-settled share-based payment. In this regard, the Company recognises the expense at grant date and/or as services are received, as appropriate, with a corresponding credit as a liability. The liability is measured at fair value taking into account the potential gross amount payable and the impact of non-vesting conditions (being the success conditions of the first sale of iron ore and/or a commitment to undertake a bankable feasibility study).

The liability and equity-settled share-based payment recognised at 31 December 2025 were as follows:

	December 2025 \$	June 2025 \$
Fair value of liability recognised	972,544	972,544
Fair value of share-based payment recognised in equity share-based payment reserve	152,129	152,129

Movement in Other Payable – Consultant Fee

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

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Fair value hierarchy

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

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

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

Other Payable – consultant fee

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

Put & Call Options

The valuation of the derivative asset was determined using a common pricing model. A derivative liability was recognised based on the fair value of the 71,500,000 options issued determined using a binomial pricing methodology.

Level 3 Assets and Liabilities

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

	December 2025 \$	June 2025 \$
Assets		
Balance at the beginning of the year	115,324	391,738
Loss recognised in profit or loss of financial asset – put option	(115,324)	(276,414)
Closing balance	-	115,324
Liabilities		
Balance at the beginning and end of the year	972,544	972,544

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The level 3 liabilities unobservable inputs are as follows:

Description	Unobservable Inputs	2025	2024	Sensitivity
Other payable consultant fee	First sale of concentrate probability range	50.0%	50.0%	Estimated fair value would increase/(decrease) if probability % was higher/(lower)
LDA financial derivative asset put option	Market placement discount	14.5%	14.5%	Estimated fair value would increase/(decrease) if market placement discount rate was higher/(lower) – refer below for sensitivity analysis
	Discount rate	14.0%	14.0%	

Sensitivity analysis

Reasonably possible changes in the unobservable inputs included below, holding other assumptions constant, would have affected the fair value of the financial derivative assets and liabilities at balance date by the amounts shown in the following table:

	Dec 2025 Increase \$	Dec 2025 Decrease \$	Jun 2025 Increase \$	Jun 2025 Decrease \$
LDA financial derivative asset:				
Market placement discount +/- 2%	-	-	(495)	507
Other payable consultant fee:				
First sale of concentrate probability range +/- 10%	194,509	(194,509)	194,509	(194,509)

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 6 SHARE CAPITAL

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

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

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

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

	December 2025 \$	June 2025 \$	December 2025 #	June 2025 #
Ordinary Shares				
At the beginning of the year	99,885,182	99,603,591	1,012,931,511	1,003,425,610
SPP & Share placement (\$0.017 per share)	1,909,368	-	112,315,767	-
Share placement (\$0.033 per share)	-	250,000	-	7,575,758
Transfer from NRE shares	-	50,000	-	1,930,143
Total shares issued during the year	1,909,368	300,000	112,315,767	9,505,901
Share issue costs	(85,288)	(18,409)	-	-
At reporting date	101,709,262	99,885,182	1,125,247,278	1,012,931,511
Non-recourse employee shares (NRE)				
At the beginning of the period	-	-	3,569,857	5,500,000
Transfer to ordinary shares	-	-	-	(1,930,143)
At reporting date	-	-	3,569,857	3,569,857
Total Ordinary and NRE Shares	101,709,262	99,885,182	1,128,817,135	1,016,501,368

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 7 SHARE BASED PAYMENTS AND PUT OPTIONS

The Company has granted options over ordinary shares to employees (including Directors) in recognition of services provided to the Company. The options were granted for nil consideration and are not quoted on the ASX. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

Tranche	Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Lapsed	Closing Balance	Vested & / or exercisable
25	20-Aug-21	20-Aug-26	\$0.15	1,000,000	-	-	1,000,000	1,000,000
26C	20-Aug-21	05-Jul-25	\$0.25	2,000,000	-	(2,000,000)	-	-
26D	20-Aug-21	20-Aug-26	\$0.25	1,000,000	-	-	1,000,000	-
27C	20-Aug-21	05-Jul-25	\$0.35	2,000,000	-	(2,000,000)	-	-
27D	20-Aug-21	20-Aug-26	\$0.35	1,000,000	-	-	1,000,000	-
28C	20-Aug-21	05-Jul-25	\$0.50	2,000,000	-	(2,000,000)	-	-
28D	20-Aug-21	20-Aug-26	\$0.50	2,000,000	-	-	2,000,000	-
45	21-Dec-21	21-Dec-25	\$0.055	71,500,000	-	(71,500,000)	-	-
55	15-Nov-22	15-Nov-27	\$0.65	1,250,000	-	-	1,250,000	-
56	15-Nov-22	15-Nov-27	\$0.85	1,250,000	-	-	1,250,000	-
57	15-Nov-22	15-Nov-27	\$0.85	1,250,000	-	-	1,250,000	-
58	15-Nov-22	15-Nov-27	\$1.05	1,250,000	-	-	1,250,000	-
59	10-May-23	28-Nov-28	\$0.65	1,250,000	-	-	1,250,000	-
60	10-May-23	28-Nov-28	\$0.85	1,250,000	-	-	1,250,000	-
61	10-May-23	28-Nov-28	\$0.85	1,250,000	-	-	1,250,000	-
62	10-May-23	28-Nov-28	\$1.05	1,250,000	-	-	1,250,000	-
67	03-May-24	30-May-26	\$0.05	5,010,000	-	-	5,010,000	5,010,000
69	27-May-24	01-Jun-29	\$0.05	1,000,000	-	-	1,000,000	-
70	27-May-24	01-Jun-29	\$0.15	2,500,000	-	-	2,500,000	-
71	27-May-24	01-Jun-29	\$0.25	2,500,000	-	-	2,500,000	-
74	01-Dec-24	30-Nov-29	\$0.05	500,000	-	-	500,000	-
75	01-Dec-24	30-Nov-29	\$0.15	1,250,000	-	-	1,250,000	-
76	01-Dec-24	30-Nov-29	\$0.25	1,250,000	-	-	1,250,000	-
77	01-Dec-24	30-Nov-29	\$0.05	500,000	-	-	500,000	-
78	01-Dec-24	30-Nov-29	\$0.15	1,250,000	-	-	1,250,000	-
79	01-Dec-24	30-Nov-29	\$0.25	1,250,000	-	-	1,250,000	-
80	16-Jul-25	16-Jul-28	\$0.03	-	700,000	-	700,000	700,000
				109,510,000	700,000	(77,500,000)	32,710,000	6,710,000

NOTE 8 COMMITMENTS

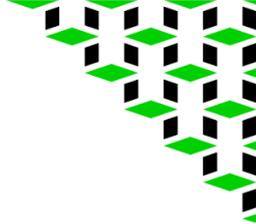
The Company has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company.

	December 2025 \$	June 2025 \$
<i>Exploration obligations to be undertaken</i>		
Payable within one year	131,752	32,432
Payable between one year and five years	437,694	73,294
Payable after five years	67,521	-
	636,967	105,726

To keep tenements in good standing, work programmes should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements or to meet expenditure requirements by joint venture or farm in agreements.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

There are no material contingent liabilities at 31 December 2025.

Contingent Assets

There are no material contingent assets at 31 December 2025.

NOTE 10 EVENTS AFTER REPORTING DATE

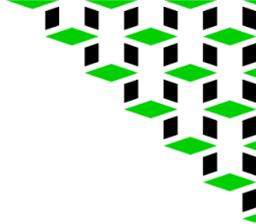
Subsequent to half-year end, the Company raised an additional \$2,020,000 (before costs) through a share placement. Hawsons Directors have also committed a further \$180,000 under the share placement, with these funds to be received following approval by shareholders at a general meeting to be held in April 2026.

Placement participants also received one free attaching option per share subscribed for, exercisable at \$0.028 with an expiry date of 6 February 2029.

There have been no other events since 31 December 2025 that impact upon the financial report.

DIRECTORS' DECLARATION

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DIRECTOR'S DECLARATION

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Director

Dated 24 February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Hawsons Iron Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Hawsons Iron Limited (the Company), which comprises the balance sheet as at 31 December 2025, the statement comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the company's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 24 February 2026