QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 SEPTEMBER 2022

ASX RELEASE
31 October 2022

DIRECTORS / MANAGEMENT

Russell Davis
Chairman

Daniel Thomas
Managing Director

Ziggy Lubieniecki
Non-Executive Director

David Church
Non–Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (28/10/2022)	$0.066
Shares on Issue	820m
Market Cap	$54m
Options Unlisted	21m
Performance Rights	8m

MOUNT ISA COPPER-GOLD PROJECTS

Northern Copper Corridor – Ajax, Ajax East and Kalman (100% HMX)

- **Initial ~4,000m Reverse Circulation "RC" drilling program** commenced to test several highly prospective targets at Ajax, Ajax East, Lord Nelson, Mount Hope, as well as extensions of the Kalman Cu-Au-Mo-Re resource.
- **Loupe EM and ground magnetic surveys completed at Ajax and Ajax East**, to assist in differentiating between pyrrhotite and chalcopyrite mineralisation.
- IP surveys completed at Kalman, Hammertime and Overlander. Significant chargeability anomaly (>30mv/v) identified along strike from the Overlander South JORC Mineral Resource by a 3D IP survey.
- **Kalman ore-sorting beneficiation test work in progress** on an initial 500kg composite sample.

Southern Tenure – Mount Hope, Pilgrim Fault South, Mascotte (100% HMX)

- **Strong Induced Polarisation (IP) anomalies (>42mv/v) identified within Hammer's 100%-owned tenement (EPM26777) at Mount Hope.**
- South Hope workings recorded an anomalous IP response and returned face sampling assays with an **average grade of 1.7% Cu and 0.2g/t Au over 20.3m** (recently drilled – see ASX announcement 25 October 2022).
- **Drilling program continuing at South Hope, Stubby and Mascotte**.
- Rock chip sampling along Hammer's **Mount Hope trend extended over an area approximately 5.5km long by 1.7km wide, with sampling returning assays of up to 6.2% Cu and 0.2% Mo**.
- **Mascotte and Mascotte Junction** historical workings and surrounds have been mapped with drill targets defined – maximum rock chip assays of **9.5% Cu and 0.4g/t Au recorded**.
- **Multiple EM targets identified by a regional VTEM** geophysical survey covering Hammer's tenure **along 25km of strike along the Pilgrim Fault**, to the south of the Kalman deposit.
- Classic IOCG signatures of broad-scale gravity and magnetic highs identified under cover at Bullrush, located on the margin of the Wimberu granite intrusion.

Mount Isa – Rare Earths (100% HMX)

- **Hammer successfully incorporated the former Hardway Copper Mining Lease into its Exploration Permit (EPM 14022)** at no cost.
- Rare Earth Element (REE) potential identified at Hardway following a review of historic data and soil and rock chip sampling.
- Heavy Rare Earth Oxide dominant REE's identified in multiple rock chips – maximum individual grades of 0.56%TREOY and 0.39% HREOY.

- **Broad Yttrium-in-soil response** (pXRF analysis only) recorded over a strike length of 1.9km.
- **Average HREOY/TREOY ratio of 62%.** Maximum element grades of note recorded as follows: 2,430ppm Yttrium, 298pmm Dysprosium, 752ppm Neodymium, 900ppm Cerium, 336ppm Lanthanum, and 210ppm Samarium.

Mount Isa East JV (MIE JV) (SMMO earning 60% interest)

- Induced Polarisation ("IP") surveys at Pearl confirm and upgrade the potential of the defined EM plates.
- **High grade copper-gold rock chip** samples returned from the sampling program **at Pearl, with maximum assays of 7.3% Cu, 0.5g/t Au, 0.14% Co and 0.3% Ni**.
- In-fill IP lines completed along the Trafalgar trend **with new target zones identified**.
- High-grade copper-gold intercepts from diamond drilling at Trafalgar including:
    - **6.5m at 2.7% Cu and 0.8g/t Au from 147m in HMTRDD001, including:**
        - **1.1m at 7.7% Cu and 0.5g/t Au.**
    - Maximum individual grades of 5.2g/t Au and 7.7% Cu.
- **Drilling has been completed testing strong EM, IP and geochemical targets at Pearl.** Drilling has also been completed along the Trafalgar trend with assays awaited.
- **New copper-molybdenum targets** identified at Jimmy Creek in a similar structural setting to Kalman.
- Soil sampling programs have been impacted by unseasonal rain events but continue at Pearl, Agamemnon, Secret/Shakespeare and Malbon.

BRONZEWING SOUTH GOLD PROJECT

- **Anomalous gold zones** confirmed at the Bower and Harrier prospects, located ~**3km south-east of the former 3Moz Bronzewing gold mine.**
- **Gold target defined across multiple soil sample lines at Sam Well South,** located approximately 4km south-east of the former Empire Gold deposit and 4km north-east of Northern Star's (ASX: NST) Corboys gold deposit.
- **Anomalous lithium and gold response recorded at Kens Bore South**, to be subject to further ground review.
- **Nickel anomalies** defined on the Sam Well East soil sample grid.
- Follow-up field work will be completed to further evaluate each prospective target before planning future air-core drilling programs.

CORPORATE

- Cash balance at the end of September is $3.6 million, which includes $0.44 million held on behalf of the Company's Joint Ventures.
- Hammer has been notified that it is the prioritised applicant for EPM28285, located directly west of its Mount Hope tenement (EPM26777), along-trend and less than 5km north of Carnaby Resources' (ASX: CNB) Lady Fanny and Nil Desperandum copper discoveries.

MOUNT ISA COPPER-GOLD PROJECTS

Northern Copper Corridor – Ajax, Ajax East (100% HMX)

Ajax Trend

Follow-up drilling was undertaken to test EM targets along the Ajax and Ajax East trends. These holes have tested the conductor along its 1km strike length in addition to testing higher frequency conductive zones occurring near-surface and in close proximity to the original copper intercept encountered at Ajax (refer to ASX Announcement 9 March 2022):

- **11m at 5% Cu and 2.5g/t Au from 24m in HMLVRC014**, within a broader interval of:
  - **16m at 3.5% Cu and 1.8g/t Au from 22m**.

Figure 1. *Hammer geologists inspecting drilling of HMLVRC0021 at Ajax.*

Lord Nelson

Lord Nelson is a new prospect located at the southern end of the Neptune trend on the northern side of the regional-scale Fountain Range Fault Zone. Recent prospecting at the site has returned a number of rock chip samples with copper grades of up to 8.34% Cu. Gold assays are yet to be reported.

Drilling at the Lord Nelson prospect is underway at the time of finalising this report.

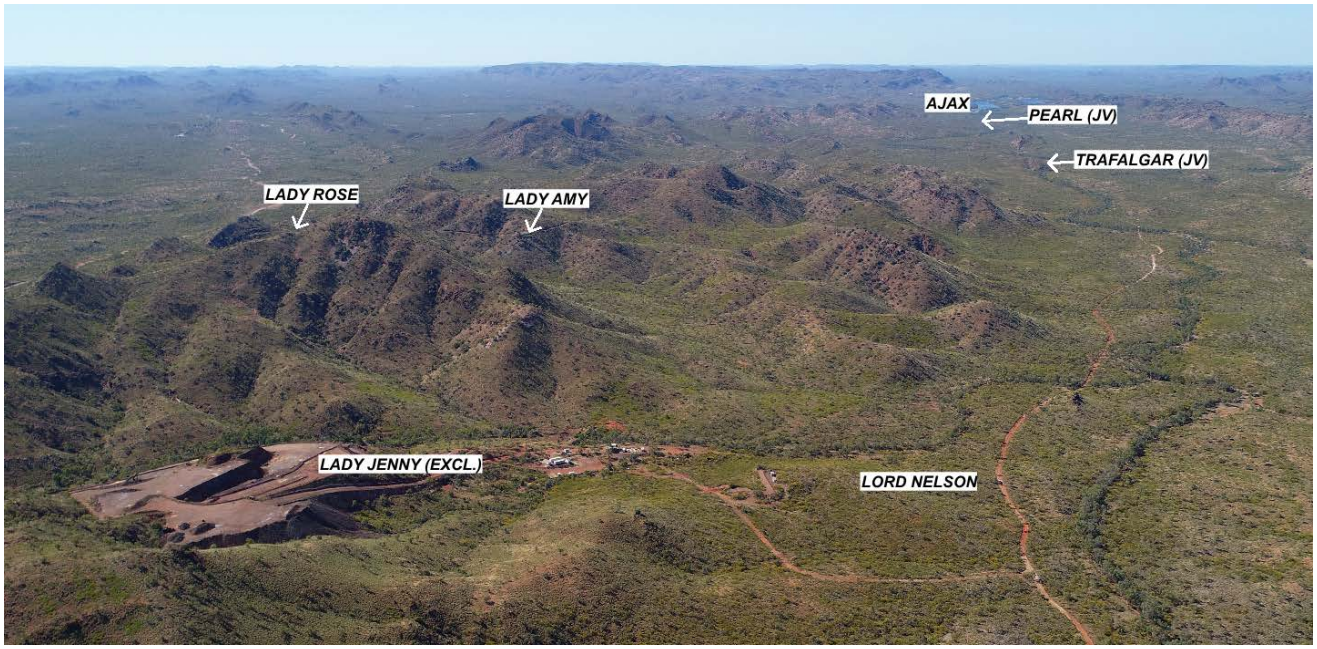

Figure 2. *Oblique view showing the location of Lord Nelson through to Ajax.*

Kalman Cu-Au-Mo-Re Deposit

Drilling at Kalman is planned to test for northern extensions to the deposit's northern resource envelope at shallow depths (refer to ASX release dated 15/2/2022). Several other high-priority target zones have also been selected for testing along trend from Kalman.

Hammer continues to review the project's development potential and has now collected a 500kg composite bulk sample for an initial ore sorting trial. Samples were obtained from historical diamond core drilling and chosen to replicate the overall grade of the copper/gold/molybdenum/rhenium system.

Two lines of Induced Polarisation were conducted as a test over the Kalman deposit. These lines presented subtle responses to the mineralisation defined within the JORC Mineral Resource.

Overlander South

The extensive copper mineralisation system at Overlander continues to be investigated following Hammer's previous test of an IP anomaly beneath the Overlander South JORC compliant Mineral Resource.

One three-dimensional array was conducted at Overlander South to the south of the existing Overlander South copper Resource. Preliminary 2D sections have been received. Both sections show elevated chargeability responses to the south of the Overlander Resource envelope. The peak response of >30mv/v remains to drill tested.

Down-hole EM was also conducted on drill-hole OVDD004 at Overlander South. The survey identified three EM plates, two of which are located in positions which are down-plunge of the known mineralisation. Hammer will consider drill testing these plates, most likely with diamond drilling. The third plate is located in a position previously untested for copper mineralisation.

Hammertime

Three lines of Induced Polarisation were conducted over the Hammertime Prospect. Preliminary imagery was received and interpretation is in progress.

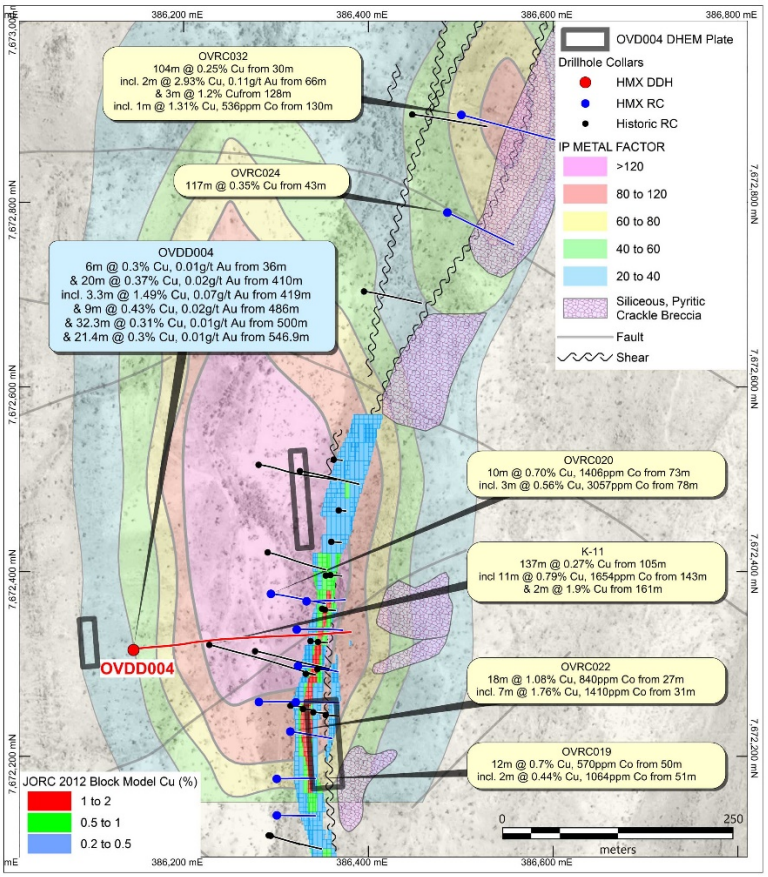

Figure 3. *Plan view showing the plates developed from the DHEM survey on OVDD004.*

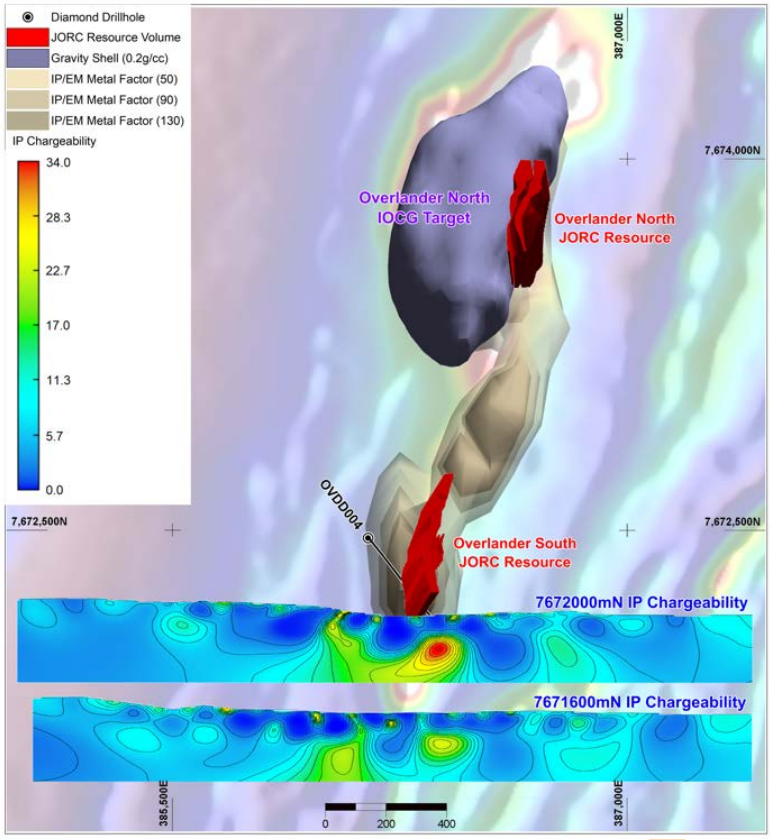

Figure 4. *Overlander South IP Survey Results relative to the Overlander JORC Mineral Resources.*

Southern Tenure – Mount Hope, Pilgrim Fault South, Mascotte (100% HMX)

Mount Hope

Hammer's Mount Hope prospects are located within EPM26777, along trend from Carnaby Resources Limited's (Carnaby) (ASX: CNB) Nil Desperandum and Lady Fanny prospects and within Carnaby's interpreted "IOCG structural corridor".

Following the report of a substantial IP anomaly in Hammer's Exploration Licence, Hammer completed an IP survey over several of its Mount Hope prospects.

The surveys have delineated several significant anomalies which will be prioritised for further investigation and potential drill testing. A maximum IP anomaly of **>42mv/v** was recorded in the survey along trend from nearby copper workings which represents an immediate drilling prospect (see Figures 5 and 6).

A total of five IP lines were completed covering prospective trends to the east, south and north of the main Mount Hope historic workings. The survey outlined a number of anomalies, with two targets considered suitable for immediate drilling and a number of further zones identified for further ground review. (ASX announcement 20 July 2022)

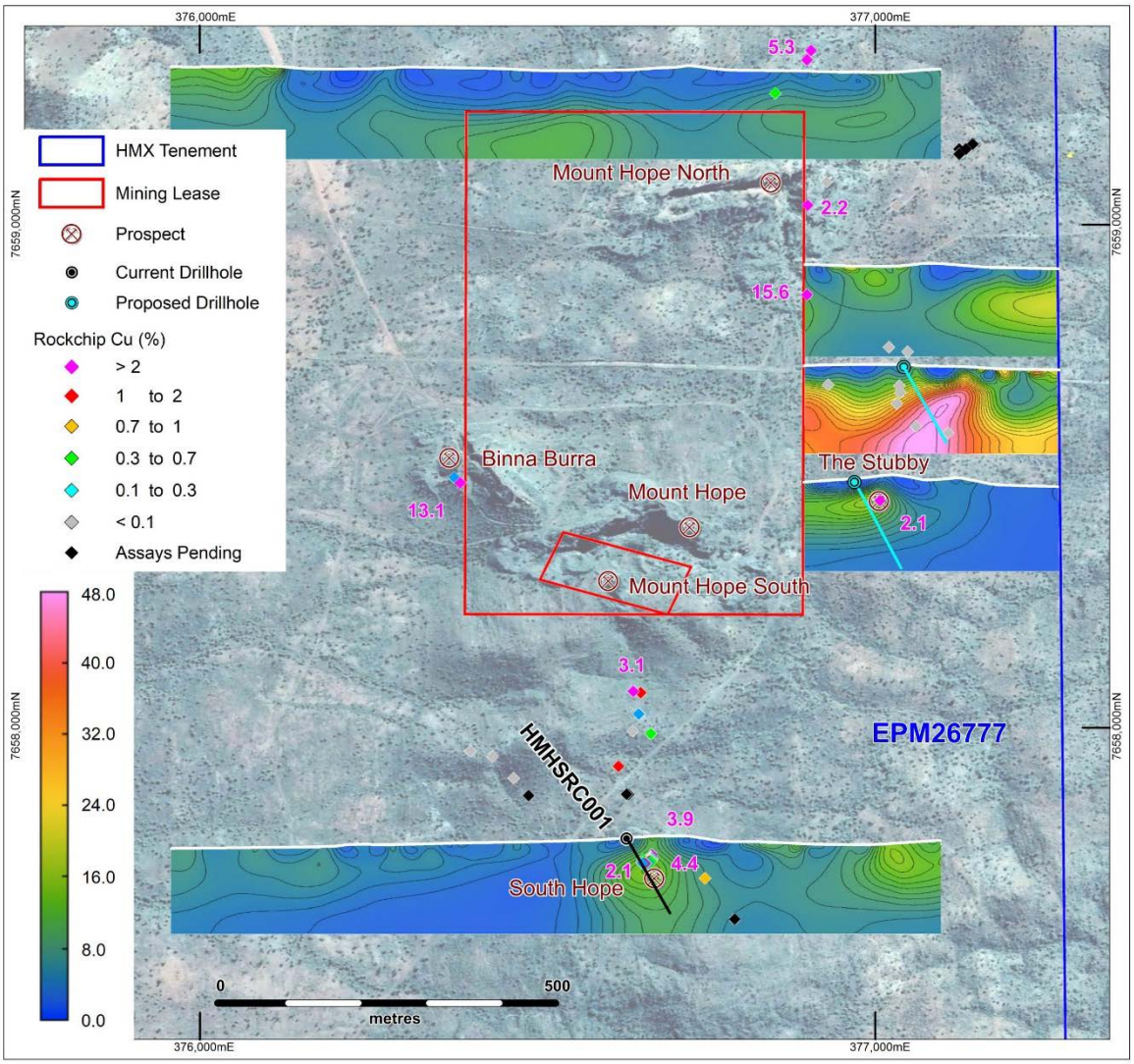

Figure 5. *EPM26777 – Mount Hope EPM and IP survey results.*

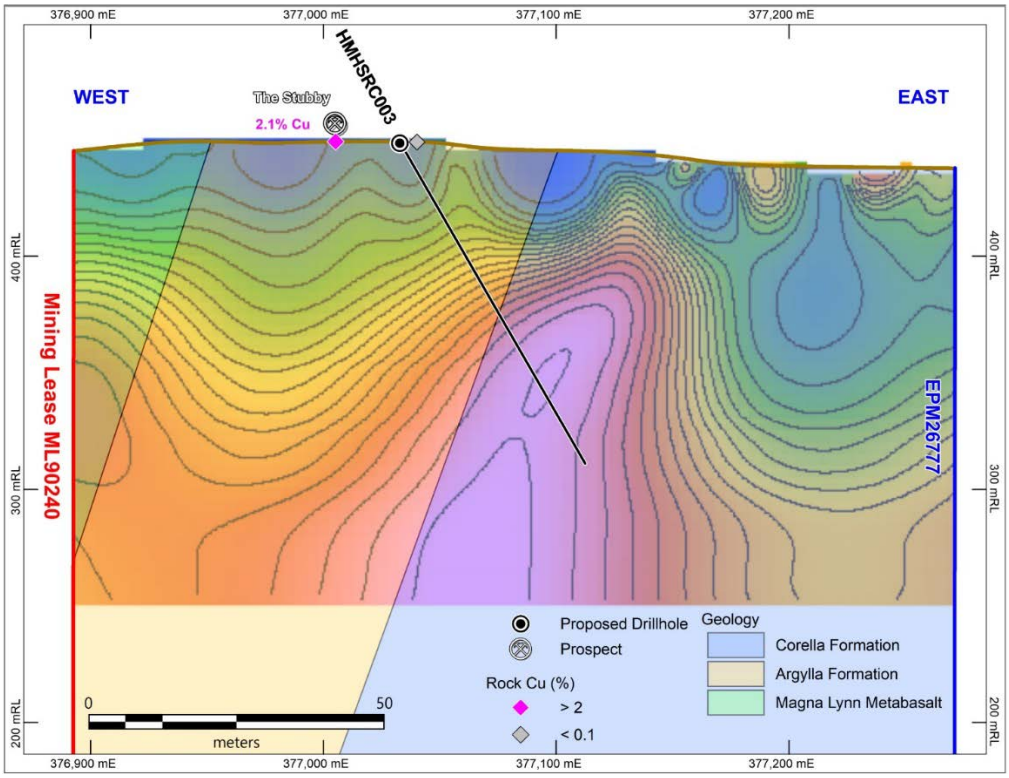

Figure 6. *Mount Hope East Anomaly chargeability cross-section showing the projected position of the Stubby prospect.*

As outlined in Hammer's announcement on 20 July 2022, Figure 5 shows the current tenure boundaries as recorded by the Queensland Department of Resources.

Hammer was alerted to potential changes to the southern boundary of the Mining Lease encapsulated within Hammer's EPM26777 tenement. Hammer has submitted a formal response to the issue, seeking clarification and certainty with respect to the status of the Mining Lease and its boundary. Hammer will keep the market informed of any further developments.

South Hope

Hammer completed rock chip sampling and detailed mapping of the **South Hope prospect.** Key results are summarised below (also refer ASX announcement 20 July 2022).

- Channel sample results of 1.7% Cu and 0.22g/t Au over 20.3m with individual samples of 4m at 3.89% Cu, 1m at 4.35% Cu and 1m at 2.07g/t Au from within the **South Hope workings;** and
- Rock chip samples collected immediately along strike to the north of **South Hope** which contained elevated individual grades of 6.24% Cu, 2.6g/t Au and 0.2% Mo (Table 2).

Several target zones **at South Hope** have been identified and drilling is in progress at the time of finalising this report.

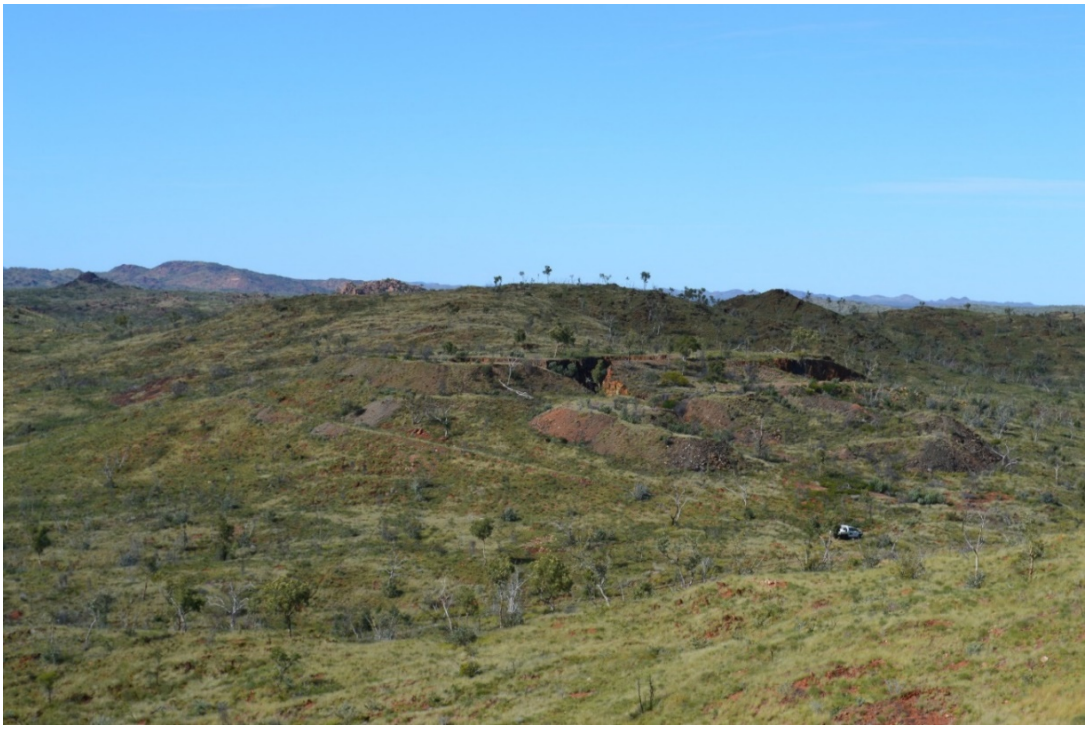

Figure 7. South Hope workings *looking south-east.*

The Plus

The Plus prospect is a group of copper workings located 1.5km south-west of the South Hope open pit. Mineralisation is shear zone hosted and extends over a strike length of approximately 200m. The workings consist of multiple small pits, and one shaft with a depth of greater than 20m (Figure 8). Preliminary rock chip grab samples reported Cu grades up to 2.72% (see ASX Announcement 20 July 2022).

Mascotte and Mascotte Junction

Mascotte is located approximately 20km to the south-west of Kalman and is a former copper mine, mined in the early 1900's. There are no records of historical drilling at Mascotte with recent Hammer rock chips confirming the presence of a high-grade zone of mineralisation (maximum rock chip assays of 9.5% Cu and 0.4g/t Au) (see ASX Announcement 26 July 2022). A drilling program to test the prospective zones at both Mascotte and Mascotte Junction is underway.

EPM28285 "The Plus" tenement application

Early in 2022, Hammer Metals applied for an area immediately to the north of Carnaby Resources' Lady Vampire prospect. This tenement application was in competition with another party. Hammer has recently been notified that it is the preferred candidate for this tenement area.

The Plus application covers the northern extension of the Nil Desperandum mineralised trend being explored by Carnaby.

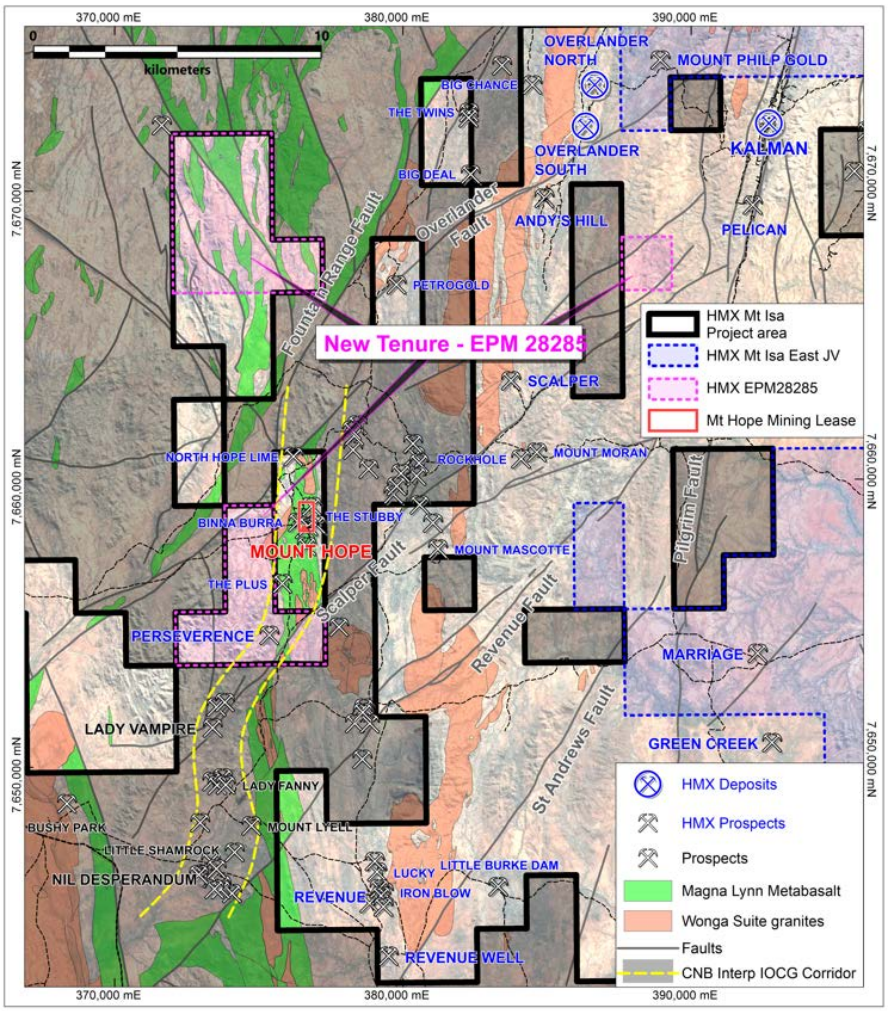

Figure 8. *HMX Tenement Position with regional geology underlay.*

Pilgrim South

A heliborne VTEM survey to identify conductive targets along the regional-scale Pilgrim fault zone between Dronfield and the former Trekelano Copper Mine was completed. Extending over a total strike length of approximately 27km at a line spacing of 200m, the survey covered approximately 2,000-line kilometres to identify conductors located on secondary structures within 2km of the main fault zone.

The survey covered an area of 180km^2 (988 line-km) including the zone of the Pilgrim fault to the south of Hammer's Kalman Project.

Several conductive zones were detected by this survey, including a target near the Brothers gold prospect.

The Brothers prospect has a broad gold-in-soil geochemical anomaly. A limited drilling program comprising four Reverse Circulation holes tested zones of soil anomalism but did not test the prospective target identified by this VTEM survey. The significant strike extent of the soil geochemical anomaly and the coincident broad VTEM response make this a high priority target for further field investigations.[1]

The survey data is undergoing final processing before being modelled. A field review of the target zones continues with a potential to drill test the prospective horizons in early 2023 (ASX announcement 19 September 2022).

[1] *Sourced from open file report CR27375 (EPM7723). The data underlying statements in this report has been validated by Hammer personnel and it is the opinion of Hammer Metals that the historic exploration data is reliable.*

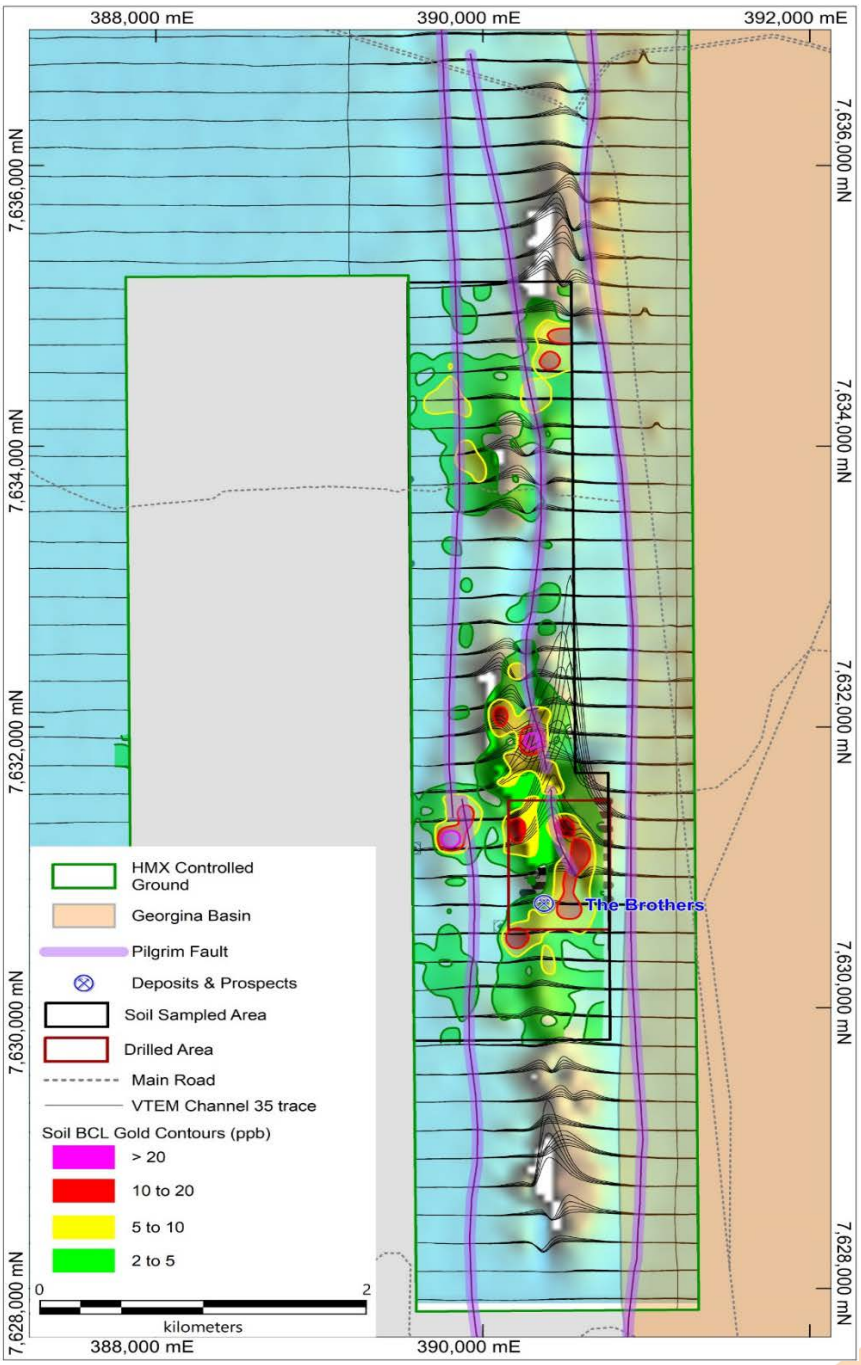

Figure 9. *Background VTEM channel 35 image (B Field Z component), B Field Channel 35 to 40, line responses (black lines), Historic Au soil geochemical contours. Additional anomalies also evident.*

Georgina – Bullrush

Hammer completed airborne magnetics and ground-based gravity surveys to better delineate blind IOCG targets beneath the Cambrian Georgina Basin cover.

Recent work by Rio Tinto Exploration over the multi-phase Wimberu granite met with success at the Devoncourt Project, where Rio has discovered a blind IOCG system hosted by a late-stage intrusive breccia body within the Wimberu Intrusive complex[2]. (ASX announcement 19 September 2022)

[2] Geological Survey Queensland New Discovery Workshop: IOCG North-west Qld – Devoncourt Project – Joel Blake, Rio Tinto

IOCG deposits all have a genetic and spatial association with intrusive events. Magnetic imaging and drilling by Hammer at Dronfield indicate that the Wimberu granite is a multi-phase intrusive complex. Late-stage hydrothermal events related to these intrusive phases, given the right conditions, have the potential to form an IOCG deposit (for example Olympic Dam).

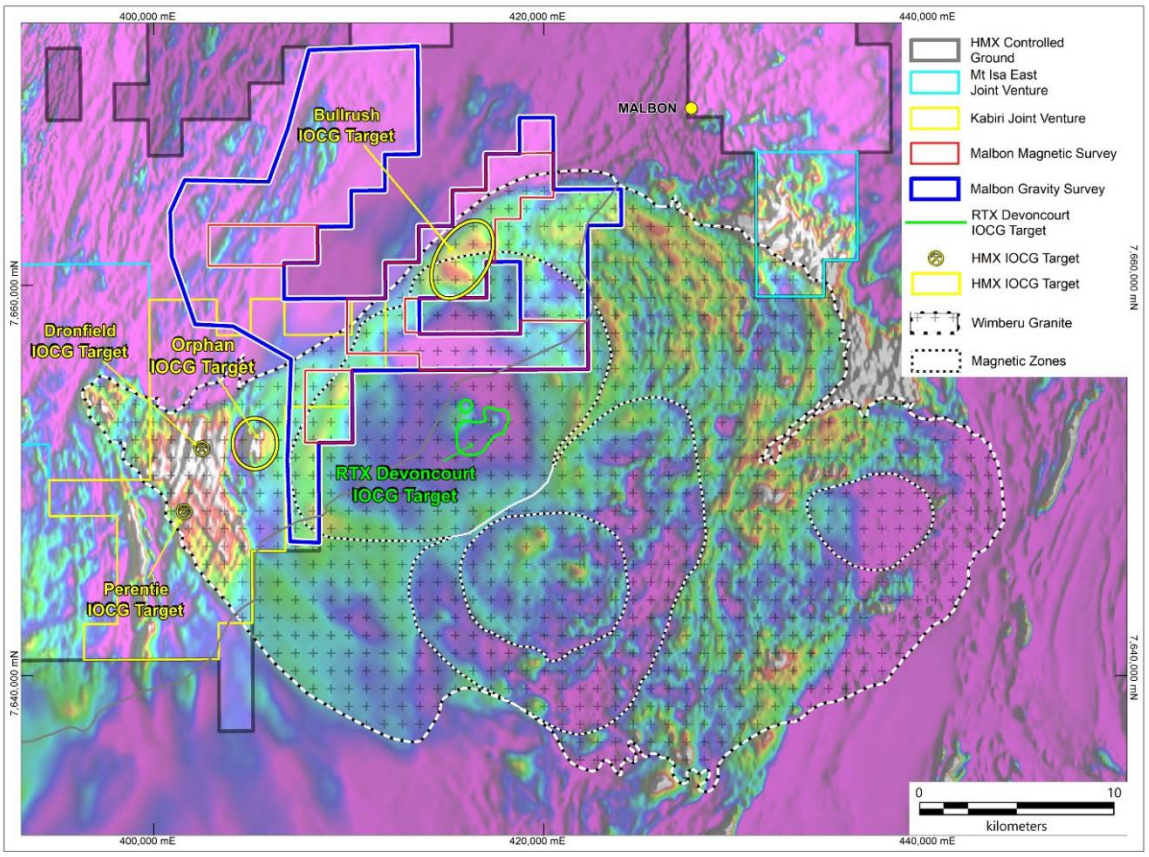

Figure 10. *Detailed view of the Bulrush magnetic and gravity survey area showing the location of the Rio Tinto Exploration Devoncourt Project.*

Further refinement of recent gravity and magnetic surveys will be completed for the Bullrush area. Concurrently, basement depth modelling will be conducted to ascertain the best drill method to test the identified targets with a view to potential drill testing in 2023. Hammer will also consider offering the Bullrush prospect to selective groups for possible Joint Venture.

Mount Isa – Rare Earths (100% HMX)

Hardway

The Hardway Copper mine is an open cut mine, located along a long quartz breccia structure trending north-west. It is hosted within the Corella formation, a geological unit which also hosts mineralisation at Hammer's Kalman Au-Cu-Mo-Re deposit, Jubilee Cu-Au deposit, Elaine Cu-Au deposit and other Hammer prospects such as Ajax, Trafalgar, Overlander and Hammertime.

The former mine pit is approximately 30m in diameter at its widest point and approximately 15m deep, with secondary workings approximately 400m and 700m to the south-east. The workings extend for over a distance of approximately 1,000m.

Figure 11. *Hardway North Pit looking south.*

A drilling program by Goldsearch in 2007 along strike from the main workings noted Yttrium assays exceeding 500ppm, which, at the time, was the upper limit of the analytical method utilised. A grade of >500ppm was recorded over 3m in MKRC023 (see Table 3). No over grade or rare earth element analyses were conducted on the samples and no further investigations to determine the nature of Yttrium were completed. It is Hammer's view that Goldsearch's drilling did not focus on the Yttrium potential of the project area, with Hammer's geochemical soil survey highlighting two broad Yttrium highs which remain untested by drilling (see Figure 13).[3]

Hammer's recent rock chip sampling and assaying of an extensive element suite identified a unique mix of high-value heavy rare earth oxides. Individual samples recorded Total Rare Earth Oxide of 0.56% TREOY with maximum HREOY grades of 0.39%. The average ratio across the samples collected of HREOY to TREOY is 62% (see Figure 12). (ASX announcement 26 July 2022)

Maximum individual grades of rare earth elements were recorded as follows: 2,430ppm Yttrium, 298pmm Dysprosium, 752ppm Neodymium, 47ppm Terbium, 31ppm Thulium, 900ppm Cerium, 336ppm Lanthanum, 192ppm Scandium, 40ppm Europium, 222ppm Erbium, 70ppm Holmium, 30ppm Lutetium, 198ppm Ytterbium, 147ppm Praseodymium and 210ppm Samarium.

A recent soil sampling program was completed with PXRF analysis confirming broad trends of soils containing Yttrium anomalism. These zones will be subject to further field interrogation and in-fill soil sampling with the aim of identifying drill ready targets. Scanning Electron Microscope examination of a selected sample indicated the Yttrium-bearing mineral within that sample was Xenotime.

[3] *Sourced from data obtained during the acquisition of EPM14022, in addition to Goldsearch Limited ASX release dated 7/10/2008. The data underlying these intercepts have been validated by Hammer Metals Limited personnel and it is the opinion of Hammer Metals that the historic exploration data are reliable.*

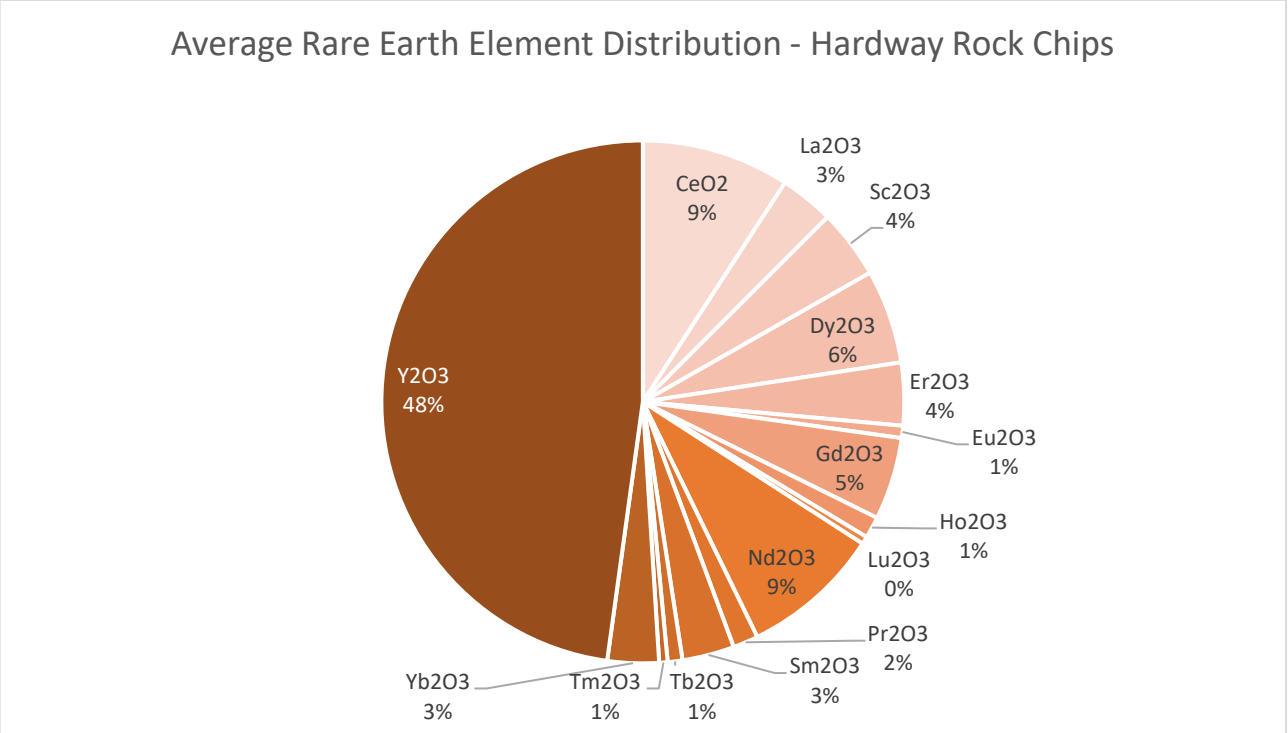

Figure 12. *Average Rare Earth Element Distribution Hardway rock chip samples (DT001 through DT006). See Tables 1 and 2 for individual analyses.*

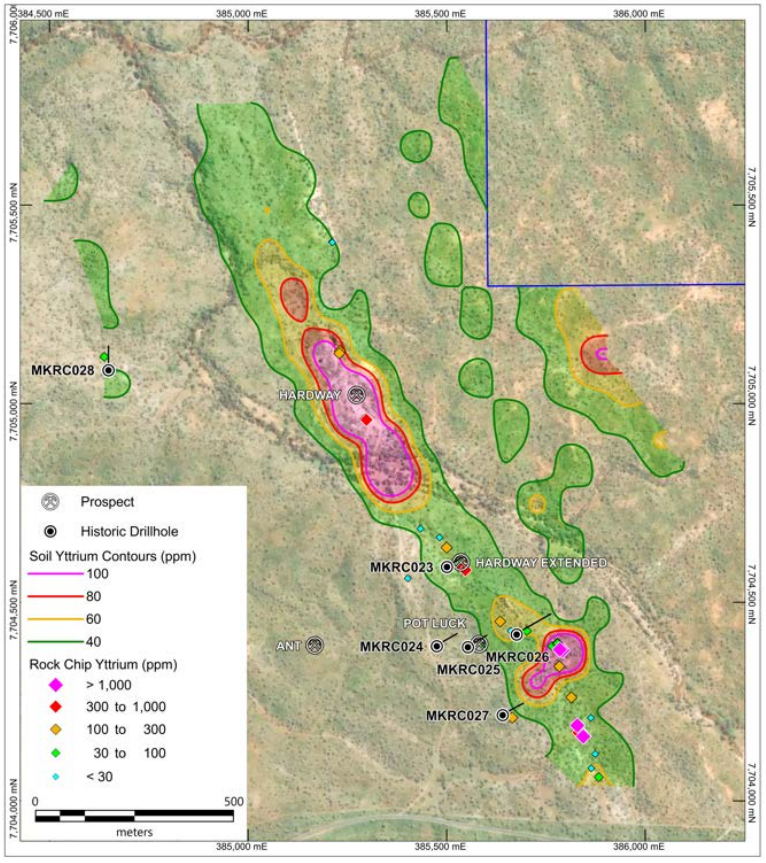

Figure 13. *Hardway soil (PXRF contours) and rock chip sampling.*

Mount Isa East JV (MIE JV) (SMMO earning 60% interest)

Pearl and Pearl Extended

The Pearl prospect is located on the Trafalgar-to-Jubilee trend, approximately 2km south of Ajax East and on the same magnetic ridge which characterises this trend. Numerous artisanal copper workings and shafts on five structures are located along 800m of strike length.

Fixed-Loop Electromagnetic surveys identified a significant cluster of conductors at Pearl, with the individual conductors aligning to the regional foliation and broadly related to the position of workings at surface. An extension of the JV's IP surveys has now been completed over Pearl with significant chargeability anomalies also recorded in line with the previous EM anomalies (see ASX announcement 29 June 2022).

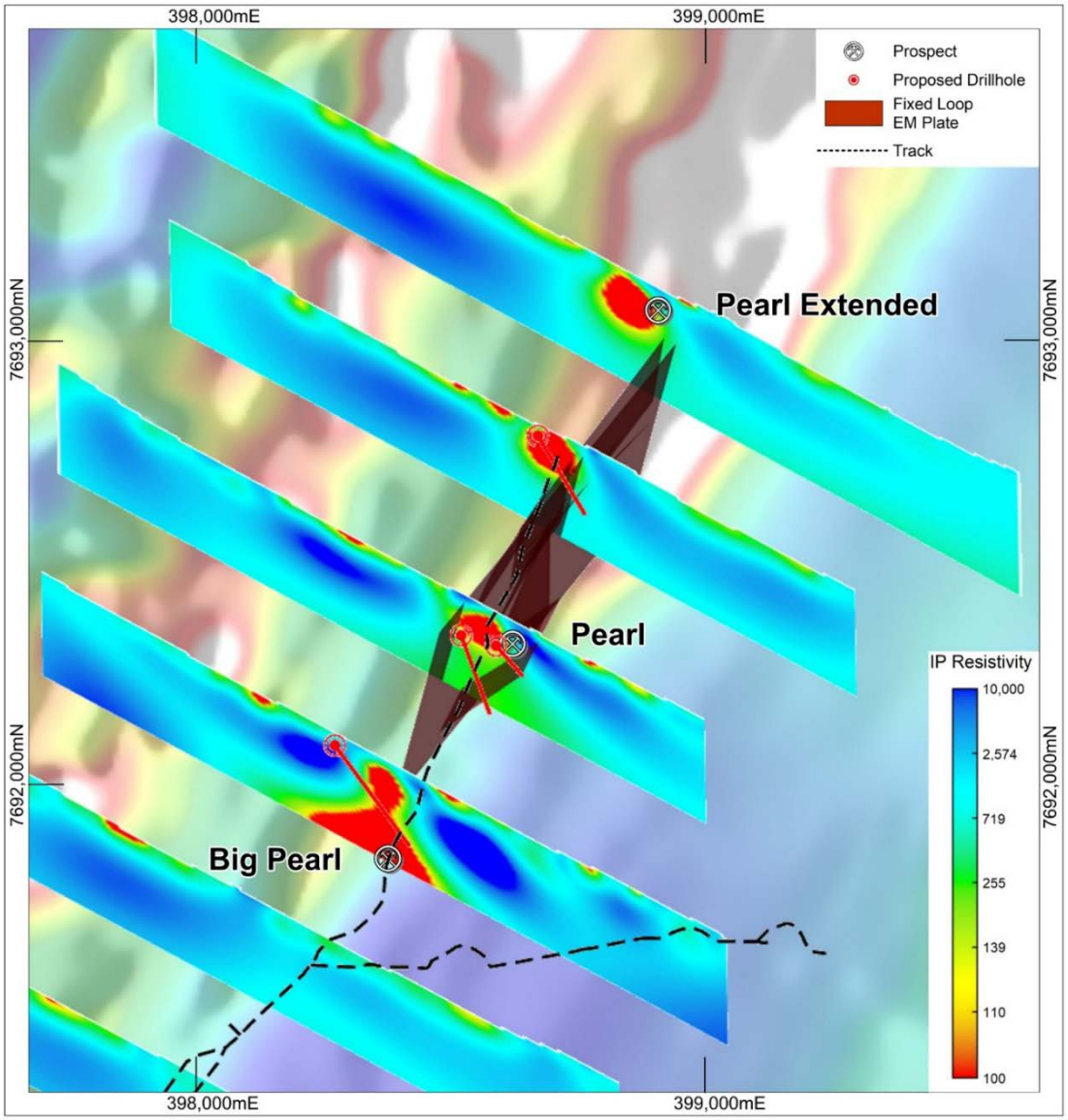

Figure 14. *Pearl prospect conductive EM plates and IP conductivity profiles on magnetics RTP background.*

Geological mapping, check rock chip sampling and soil sampling has been conducted over the area. Soil samples were analysed via portable XRF to discern the anomalous trends. Rock chip sampling identified individual maximum assays of 7.31% Cu, 0.52g/t Au, 0.14% Co and 0.33% Ni

The Pearl prospect was prioritised for immediate drill testing with drilling testing the significant cluster of Fixed-Loop Electromagnetic conductors, the coincident IP anomaly and artisanal copper workings and soil anomalies. Assays are awaited.

Trafalgar Trend

An initial diamond hole was drilled into Trafalgar to examine the nature of mineralisation. An examination of the core indicates that two styles of mineralisation are present at Trafalgar: firstly, chalcopyrite mineralisation associated with late red rock alteration and, secondly, quartz vein associated pyrrhotite rich chalcopyrite mineralisation. Refer to the figures below for examples of these styles. (ASX announcement 5 September 2022)

Significant intersections include:

- **1.13m at 7.65% Cu from within a mineralised envelope of 6.5m at 0.8g/t Au and 2.68% Cu from 147m in HMTRDD001.**

Maximum individual grades are 5.23g/t Au and 7.65% Cu. Copper mineralisation is associated with elevated cobalt and geochemically significant elevated LREE, P and HREE's such as neodymium.

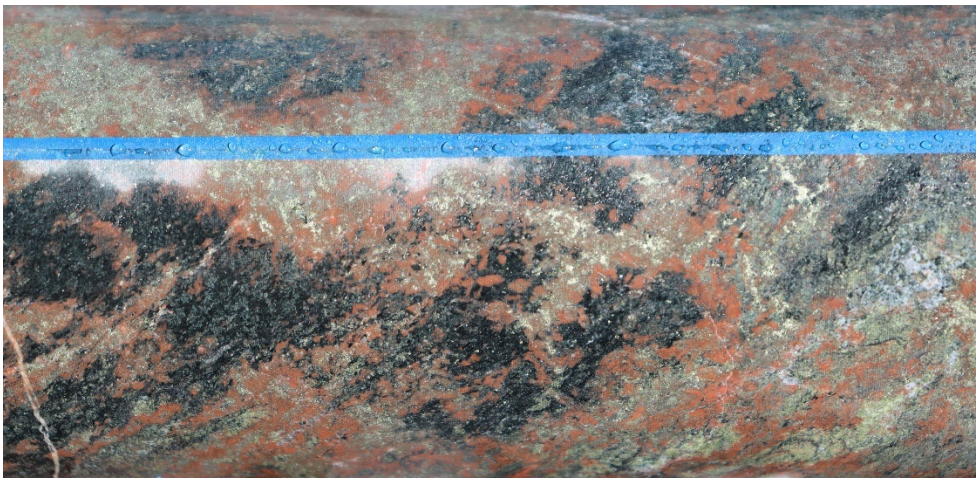

Figure 15. *HMTRDD001 121.5m. Chalcopyrite intimately associated with red rock alteration. Hanging wall Trafalgar lode. The interval 121-122m assayed 0.14g/t Au and 1.46% Cu.*

Figure 16. *HMTRDD001 151.5m Chalcopyrite-Pyrrhotite as matrix infill in a quartz vein breccia. Main Trafalgar lode. The interval 151.42-152.55 assayed 0.5g/t Au and 7.65% Cu.*

Down-hole EM was conducted on selected Reverse Circulation holes drilled during the previous program. HMTRRC011 (Victory), HMTRRC013 (Eastern Gossan) and HMTRRC015 (South Springs).

Conductors delineated in these holes are spatially related to the Induced Polarisation response. An off-hole conductor at HMTRRC011 (Victory) was recorded and appears coincident with the IP anomaly recorded on line 19600. This zone will be tested in the upcoming drilling program.

The Induced Polarisation (IP) program at Trafalgar was completed, with 17,400m spaced lines of 2D dipole-dipole being undertaken. The IP proved successful in delineating the Trafalgar mineralised trend and targets from this survey will be drilled during the current program. Several lines have produced chargeability anomalies which were not tested by the initial phase of RC drilling, with chargeability anomalies sited below copper mineralisation and in close proximity to historical high-grade copper workings (see Figures 17 and 18).

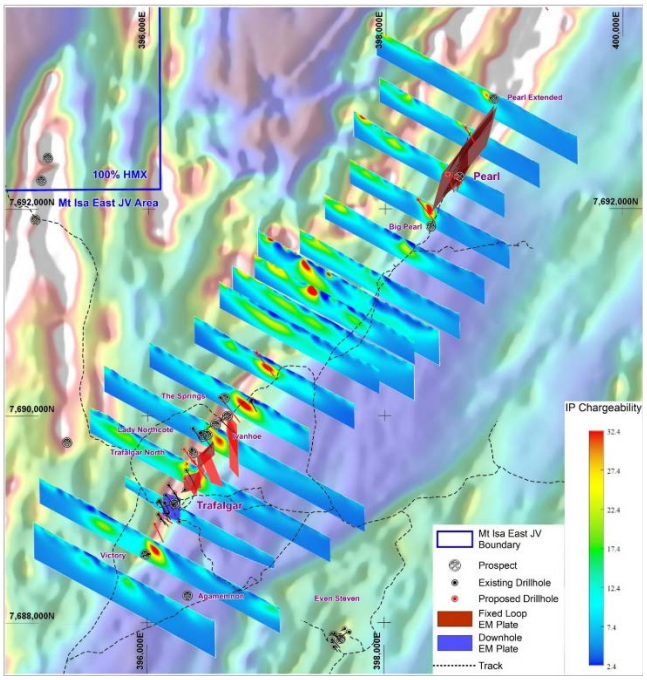

Figure 17. *Oblique view showing Induced Polarisation chargeability sections along the Trafalgar trend.*

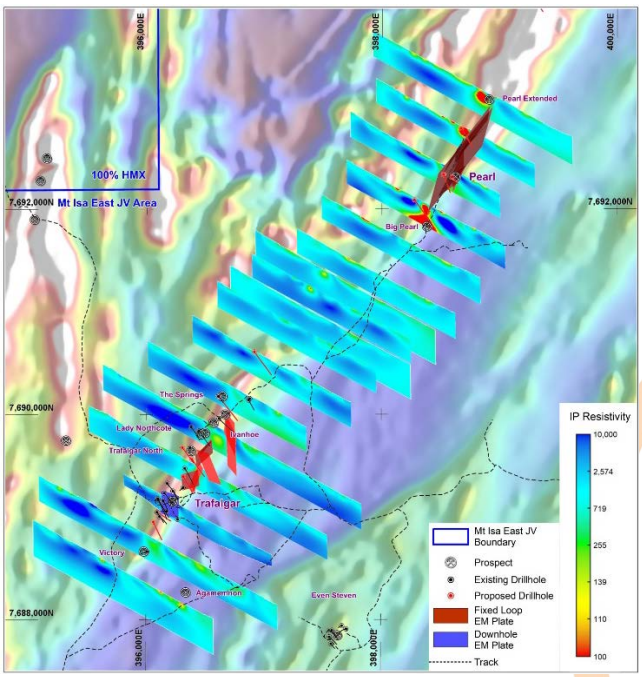

Figure 18. *Oblique view showing Induced Polarisation conductivity sections along the Trafalgar trend. The underlying image is Magnetics RTP.*

Soil sampling has been conducted along the Trafalgar to Pearl trend to the north of Trafalgar and the Trafalgar to Agamemnon trend to the south of Trafalgar. This program was hampered by unseasonal rain events. Prior to undertaking laboratory analyses the samples were analysed via portable XRF and this has been important in delineating the geochemical trends which provided supporting evidence for the IP responses.

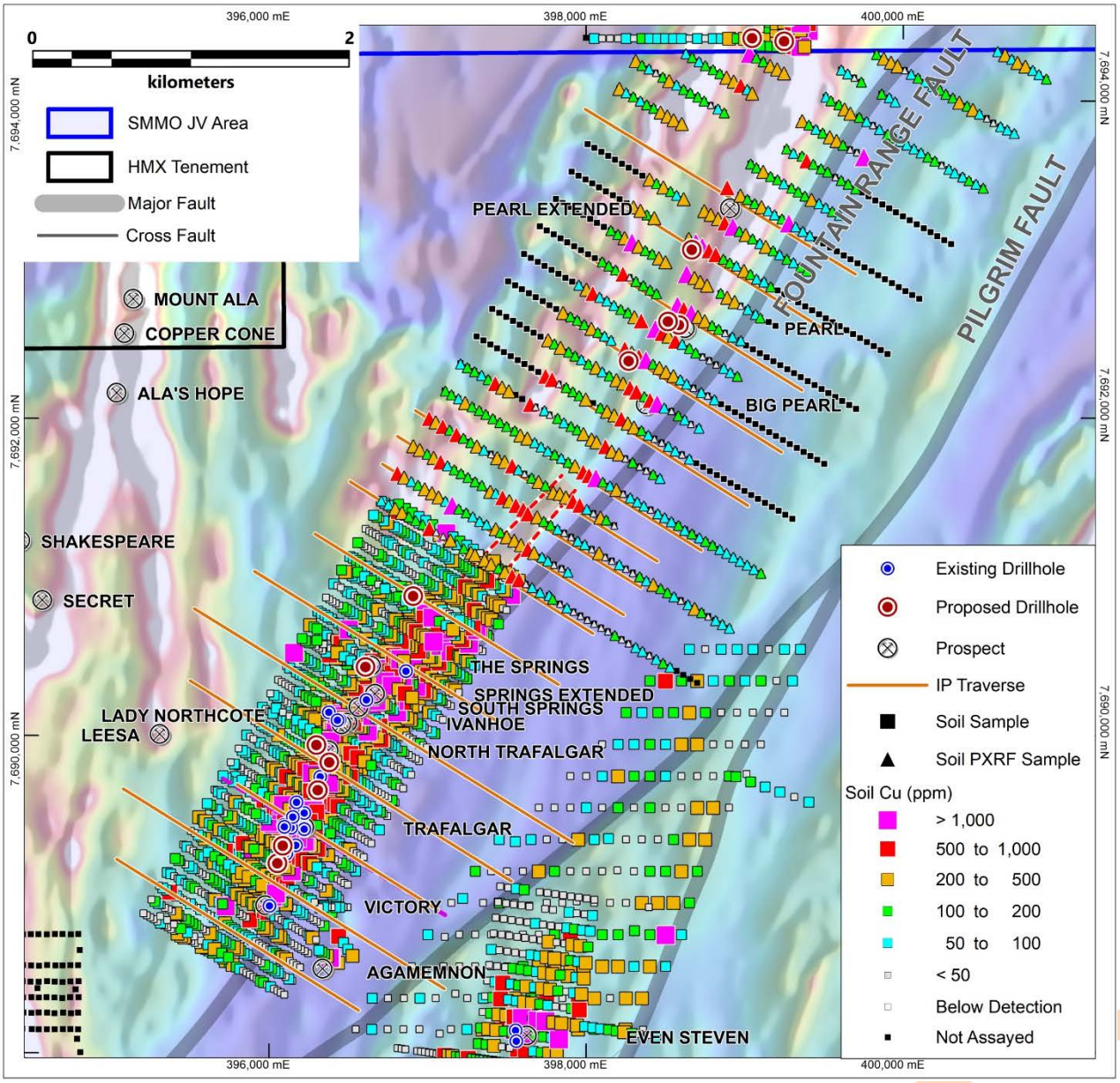

Figure 19. *Combined soil Cu geochemistry showing the location of IP traverses*

A drilling program has been completed targeting several of the prospective IP anomalies. Targets along the Trafalgar trend at Victory, Trafalgar, Lady Northcote, and the Springs have been tested by drilling. Assays are awaited.

Jimmy Creek

Geological mapping has been undertaken at Jimmy Creek, a target on the Pilgrim Fault Zone which displays characteristics similar to the Kalman Cu-Au-Mo-Re deposit. Previous rock chip sampling conducted by Summit Gold (Australia) Pty Ltd in 1995 shows maximum responses of 9.6% Cu, 9.55g/t Au and 1410ppm Mo

respectively[4]. This element association indicates a similarity to the Kalman Deposit located 13km to the south and in a similar structural position. (ASX announcement 5 September 2022)

Figure 20. *Breccia with coarse albite actinolite magnetite infill and abundant malachite on fractures.*

Figure 21. *Outcrop of massive manganese oxide gossan at Jimmy Creek.*

[4] *Sourced from open file report CR26461. The data underlying these intercepts have been validated by Hammer Metals Limited personnel and it is the opinion of Hammer Metals that the historic exploration data are reliable.*

Mount Philp Collaborative Exploration Initiative ("CEI") Diamond Hole

The Mount Isa East Joint venture was awarded approximately $148,600 in order to partly fund a diamond drill hole under the Mt Philp Hematite Deposit. HMMPDD001, was designed to test the IOCG potential below the hematite alteration at Mt Philp, specifically targeting the redox transition between hematite to postulated magnetite at depth. Redox transitions are the focus of IOCG mineralisation in the Mt Isa region.

The drill-hole did prove the theory that the Mt Philp Hematite deposit transitions to magnetite at depth and the entire plus 3km strike extent of the Mt Philp Hematite deposit is a large-scale Iron Oxide alteration zone. However, only minor mineralisation was encountered in the hole.

The Joint Venture will review the generated data and incorporate learnings into future exploration in the area.

Other JV Activities

The Mount Isa Joint Venture is currently mid-way through its Phase 4 program in the 2022 field season. On-going activities relating to this program area include:

- Soil sampling at Agamemnon, Pearl, Thunderer (Secret and Shakespeare) and in the Malbon Joint Venture area.
- A collaborative research program underway with the CSIRO to examine select areas within the Joint Venture. This study aims to compare alteration and mineralisation styles within the Joint Venture area to other IOCG deposits within the Isa region and in the Gawler Craton in South Australia.
- Processing of gravity undertaken over the Shadow South and Redback regions.

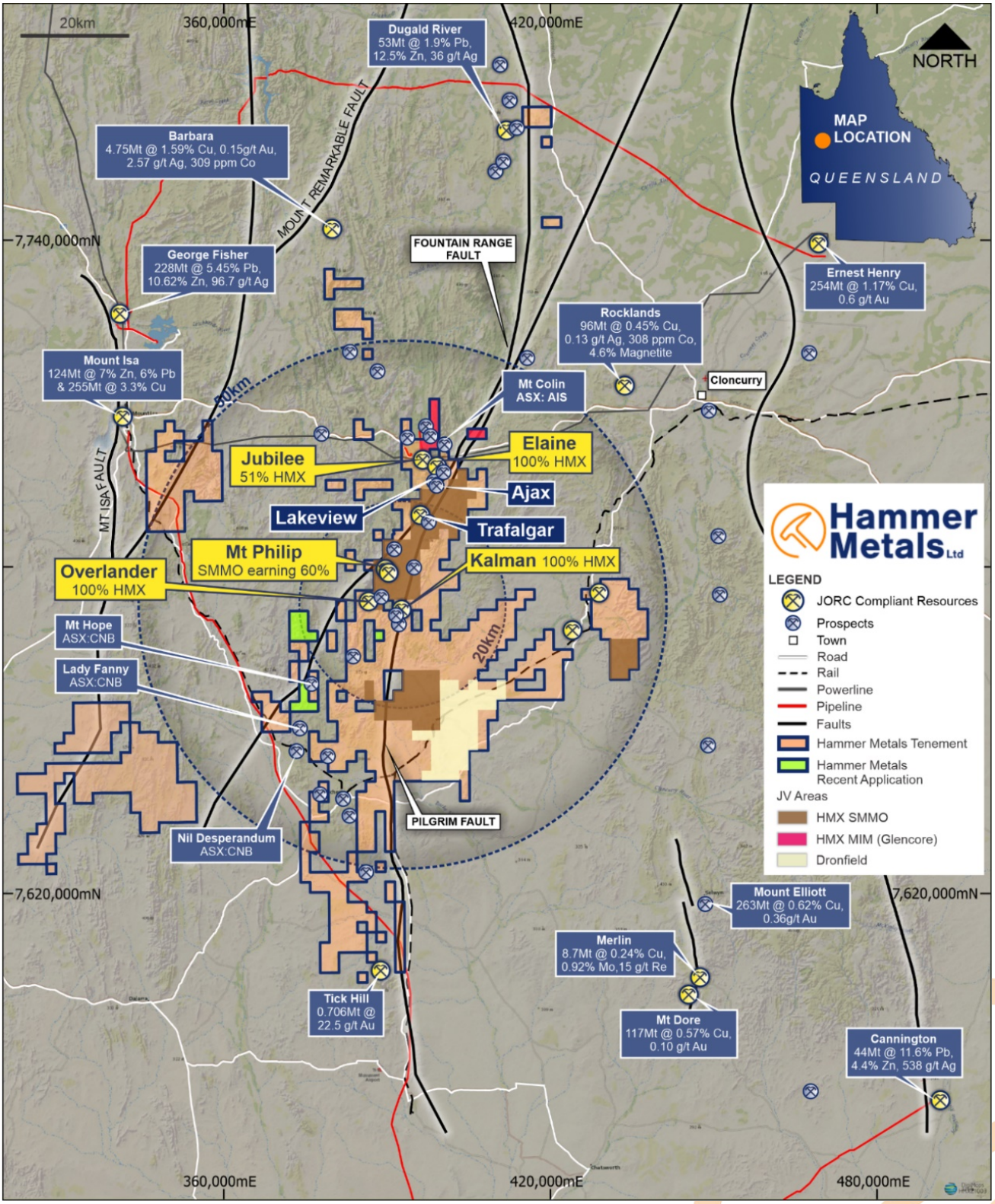

Figure 22. *Mt Isa Project Area*

YANDAL GOLD PROJECTS (100% Hammer)

North Yandal Soil Surveys

Hammer completed an extensive soil geochemical program during the second quarter of 2022. The program focused on tenements in the Bronzewing North and Ken's Bore project regions. A total of 3,547 samples were taken with a mixture of -2mm soils and minus 80 mesh samples were taken. (ASX announcement 13 October 2022)

Harrier

Multiple gold-in-soil anomalies have been recorded at the Harrier prospect. Hammer's soil sampling program has confirmed zones of gold anomalism and has outlined a 1.2km long anomalous zone (referred to as the Bower Prospect) with a peak gold-in-soil response of 11ppb Au, which is approximately five times the program background response.

Two lesser priority anomalies have been identified to the south of the tenement, both of which have not been drilled (Figure 23). The soil response also indicates the presence of a thin ultramafic unit traversing through the sampling grid.

All these anomalies require follow-up and consideration will be given for an air-core program to conduct a more thorough drill test of the large gold anomaly in 2023.

Kens Bore Sampling Grid

The soil survey was conducted to test a north-east trending demagnetised dilation zone within the Kens Bore Granite. The magnetic response indicates that the Kens Bore intrusion is a multi-phase intrusive complex. Anomalous gold responses, of up to 150 times the survey background, are located close to the intrusive margin in the north-eastern portion of the survey area.

Rare Earth Elements (REE) and lithium enrichments were identified in the southern portion of the survey area. These geochemical zones may indicate the presence of prospective late pegmatite intrusions.

Both the gold and REE-lithium target zones will be initially investigated through by field inspection (Figure 24).

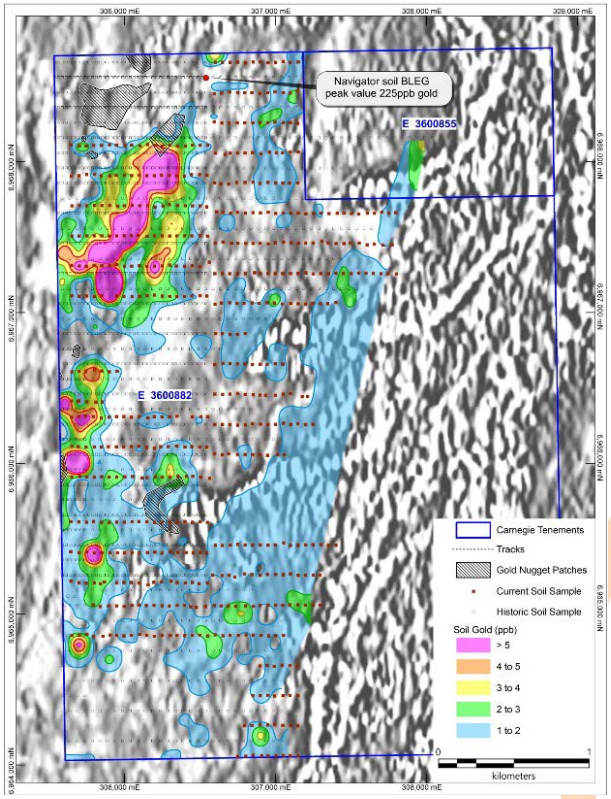

Figure 23. *Harrier prospect soil gold response. For details on the 2011 Navigator BLEG soil sampling program refer to ASX release by Hammer Metals Limited dated 23/12/2021.*

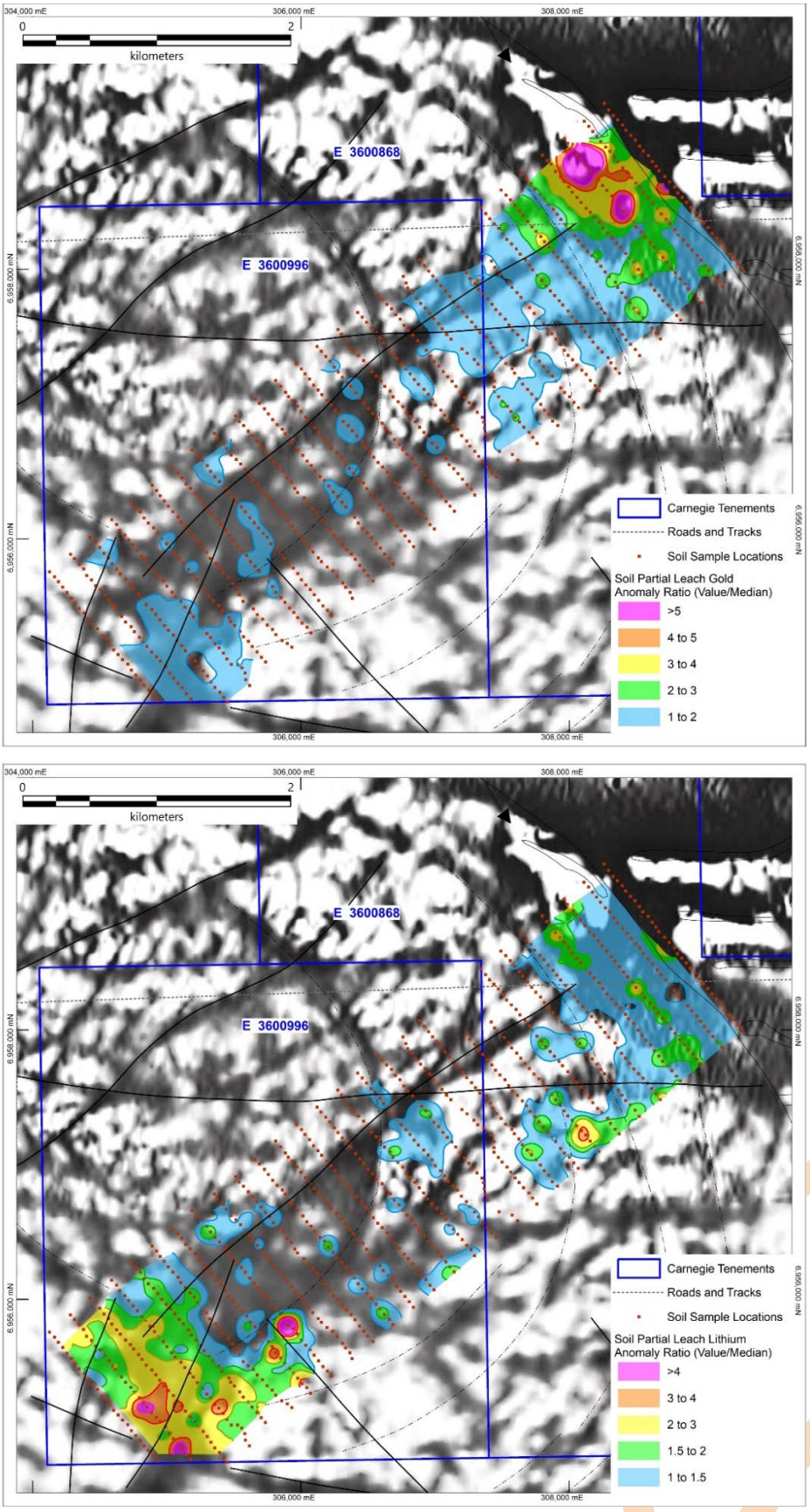

***Figure 24**. Kens Bore Prospect showing the location of the partial leach soil sampling program. Anomalous Gold (top) and Lithium (base). Note that with Partial Leach sampling contours are expressed as multiples of the survey median, not as absolute values. Aeromagnetic image background.*

Sam Well

The Sam Well East grid soil program was designed to test prospective greenstone and ultramafic sequences located on-trend from the Toro Energy (ASX: TOE) Dusty nickel sulphide discoveries. This trend traverses Hammer tenements and continues to the north and is on strike from the Strickland Metals' (ASX: STK) Millrose gold deposit (Figure 25).

The soil response indicates the presence of elevated nickel, chromium, and copper, associated with a magnetic high in the western portion of the survey area. Chromium soil values of up to 6,210ppm clearly indicate the presence of an ultramafic unit within the area and the maximum 420ppm Ni response from this zone is approximately eight times the survey background. The presence of geochemically elevated copper is evidence indicating a sulphidic source for metals. Initial field reviews will focus on overlapping zones of nickel and copper anomalism.

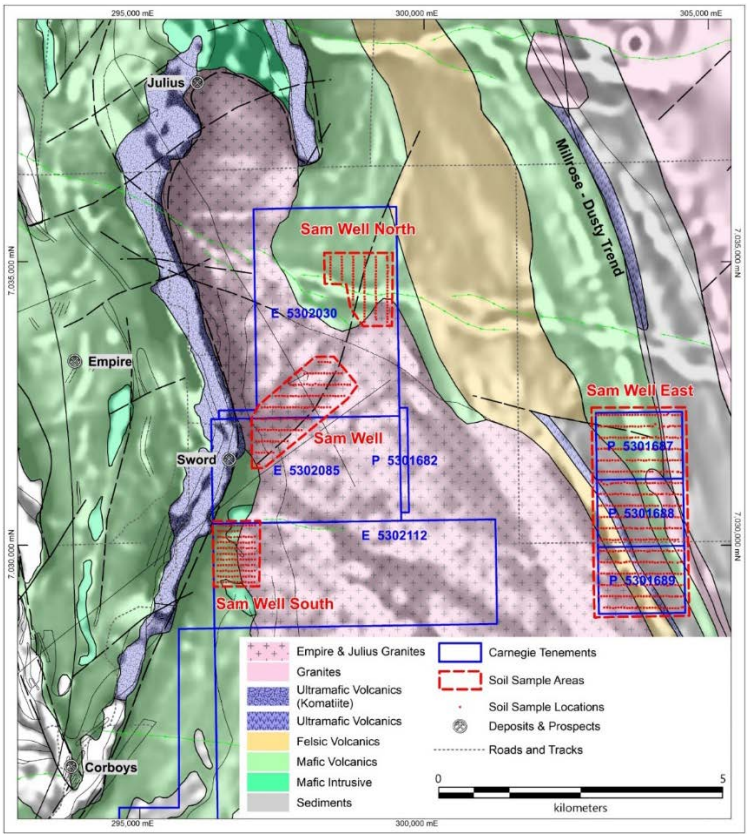

Figure 25. *Overview of the Sam Well region showing the location of soil sampling areas with an Aeromagnetic image background.*

The Sam Well soil grids are located south of Northern Star's Julius gold deposit. The Julius deposit is located at the margin of the Julius Granite in a zone of north-west trending faults. Analogous positions have been targeted by Hammer Metals in the Sam Well sampling programs.

The Sam Well South and Central grids are located either side of the ***Sword*** prospect. All three prospects are located in a zone hosted by the Overlord Komatiite, Basalt and the Empire Granite (from west to east). The Sword area is typified by a major strike change in geological contacts and an increased incidence of north-westerly trending cross-structures (Figure 26).

The Sam Well South soil grid is located approximately 4km south-east from the former Empire Gold Deposit and 4km north-east of Northern Star's Corboys Gold Resource, on the eastern margin of the Overlord Thrust. The soil response shows a multi-line gold anomaly close to the western tectonised margin of the Empire Granite.

Sam Well North is located on the southern margin of the Julius Granite, 3.5km to the south-east of Northern Star's Julius Deposit. Responses of up to 16 times background define a north-east trend which has received little previous exploration.

Next Steps

The regional soil sampling program undertaken by Hammer has delineated multiple greenfields targets. Litho-geochemical interpretation has identified high priority zones and the next steps will be to examine these areas on the ground. An air core program will be considered for a further test of these prospects, most likely in 2023.

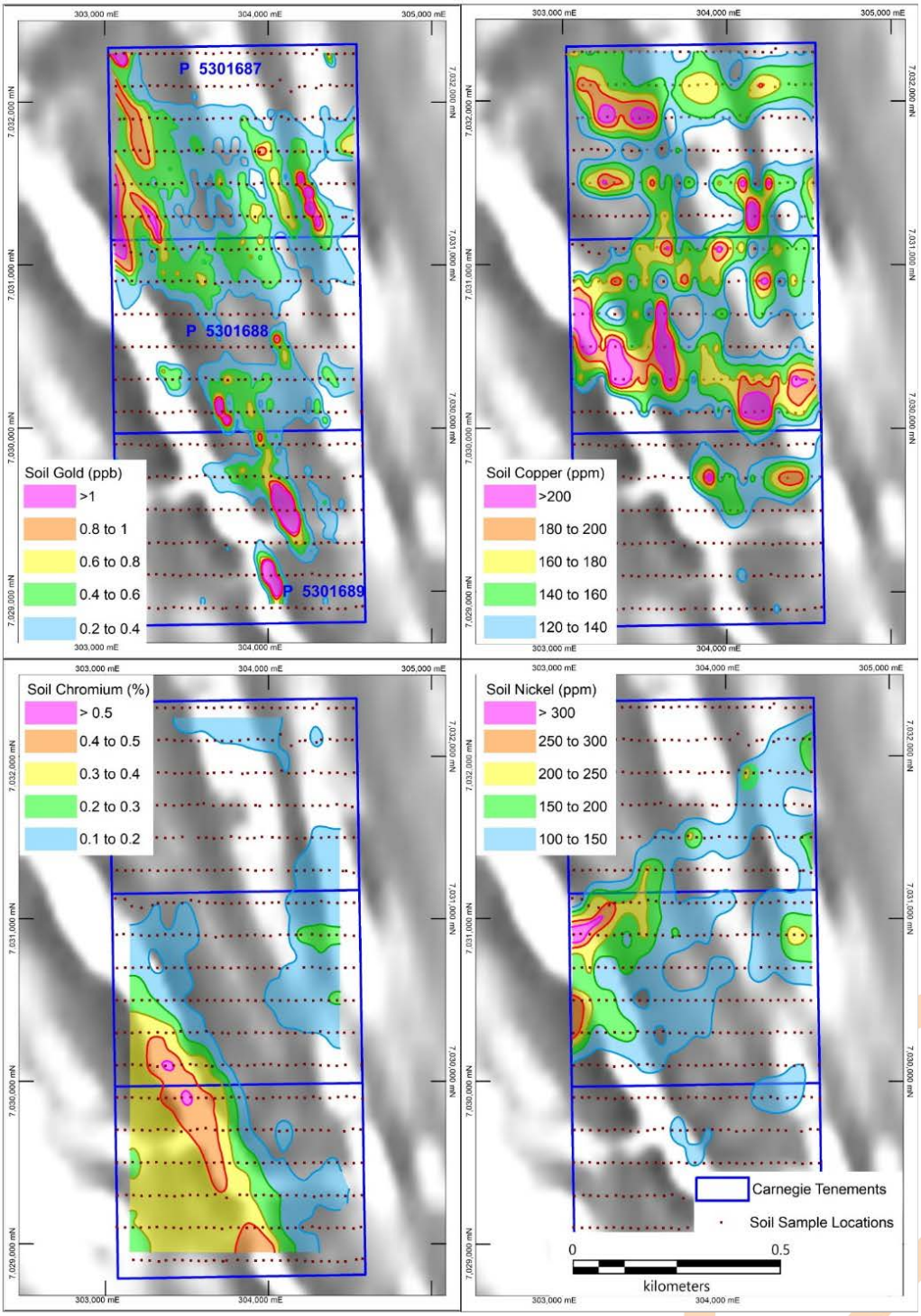

Figure 26. *Sam Well East Showing Gold (top left), Copper (top right), Chromium (lower left) and Nickel (lower right) soil response. Zones of overlapping Cu and Ni anomalism are high priority targets*

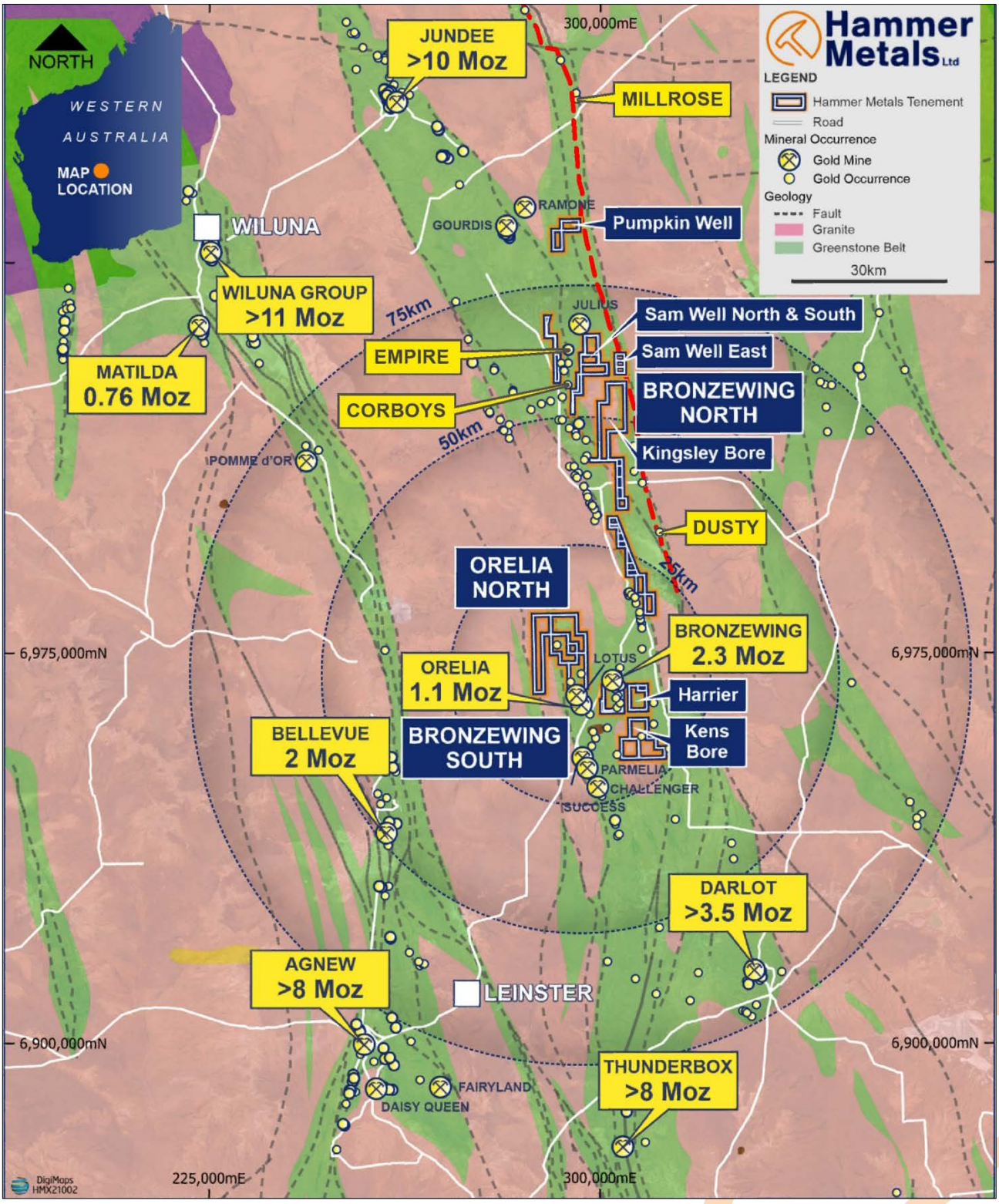

Figure 27. *Yandal Project area, showing the location of the Kens Bore, Harrier, Kingsley Bore, Sam Well, Sam Well East, North and South and Pumpkin Well soil sampling areas.*

CORPORATE

Hammer's cash balance at 30 September 2022 was $3.6 million including $0.44 million held in Joint Venture expenditure accounts.

In accordance with the reporting requirements of ASX Listing Rule 5.3, the Company incurred $1,199,000 on exploration and evaluation activities during the quarter. There was no mining development or production activities conducted during the quarter.

Expenditure was on activities as described in this report and predominantly related to:

- Exploration Drilling within the Mt Isa Project area;
- Geophysical and geochemical surveys within the Mt Isa Project area;
- Geochemical surveys at the Yandal Gold Project;
- Technical consulting services; and
- General fieldwork including rehabilitation work.

In addition, during the quarter, related party payments totalling $126,000 were paid to the Directors of the company, representing Directors' salary and fees for the period.

This announcement has been authorised for issue by the Board of Hammer Metals Limited in accordance with ASX Listing Rule 15.5.

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- END -

About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2100km2 within the Mount Isa mining district, with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits and the Elaine (Cu-Au) deposit. Hammer also has 51% interest in the Jubilee (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of the Ernest Henry style and has a range of prospective targets at various stages of testing. Hammer also holds a 100% interest in the Bronzewing South Gold Project located adjacent to the 2.3 million-ounce Bronzewing gold deposit in the highly endowed Yandal Belt of Western Australia.

Competent Person Statements

The information in this report as it relates to exploration results and geology was compiled by Mr. Mark Whittle, who is a Fellow of the AusIMM and an employee of the Company. Mr. Whittle who is a shareholder and option-holder, has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Whittle consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Where reference is made to previous releases of exploration results and mineral resource estimates in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results and mineral resource estimates included in those announcements continue to apply and have not materially changed.

The information in this report that relates to previous exploration results was prepared and first disclosed under a pre-2012 edition of the JORC code, the data has been compiled and validated. It is the opinion of Hammer Metals that the exploration data is reliable. Nothing has come to the attention of Hammer Metals that causes it to question the accuracy or reliability of the historic exploration results. In the case of the pre-2012 JORC Code exploration results, they have not been updated to comply with 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

Appendix B. Tenement Interests at the end of September 2022 as per Listing Rule 5.3.3

PROJECT	TENEMENT	STATUS	INTEREST %	Acquired during quarter	COMMENT
Mt Isa Project - QLD	EPM 11919	Granted	100%	No	Subject to 1.5% NSR
	EPM 12205	Granted	100%	No	
	EPM 13870	Granted	100%	No	Subject to 2% NSR
	EPM 14019	Granted	100%	No	25% of tenement area held in trust to Global Energy Metals Corporation
	EPM 14022	Granted	100%	No	
	EPM 14467	Granted	51%	No	
	EPM 18084	Granted	80%	No	
	EPM 25145	Granted	100%	No	
	EPM 25165	Granted	100%	No	Subject to 1.5% NSR
	EPM 25866	Granted	100%	No	
	EPM 25867	Granted	100%	No	
	EPM 26126	Granted	100%	No	
	EPM 26127	Granted	100%	No	
	EPM 26130	Granted	100%	No	
	EPM 26474	Granted	100%	No	
	EPM 26511	Granted	100%	No	
	EPM 26512	Granted	100%	No	
	EPM 26628	Granted	100%	No	
	EPM 26694	Granted	100%	No	
	EPM 26775	Granted	100%	No	6.2% of tenement area held in trust to Global Energy Metals Corporation
	EPM 26776	Granted	100%	No	
	EPM 26777	Granted	100%	No	
	EPM 26902	Granted	100%	No	
	EPM 26904	Granted	100%	No	
	EPM 27018	Granted	100%	No	
	EPM 27355	Granted	100%	No	
	EPM 27469	Granted	100%	No	
	EPM 27470	Granted	100%	No	
	EPM 27806	Granted	100%	No	
	EPM 27815	Granted	100%	No	
	EPM 27861	Granted	100%	No	
	EPM 28189	Application	100%	No	
	EPM 28285	Application	100%	No	
Bronzewing Sth Project - WA	E36/854	Granted	100%	No	
	E36/855	Granted	100%	No	Subject to 1.5% NSR
	E36/868	Granted	100%	No	
	E36/869	Granted	100%	No	
	E36/870	Granted	100%	No	
	E36/882	Granted	100%	No	Subject to 1.5% NSR
	E36/916	Granted	100%	No	
	E36/996	Granted	100%	No	
	E36/1006	Application	100%	No	
	E53/1989	Granted	100%	No	
	E53/1996	Granted	100%	No	
	E53/2030	Granted	100%	No	
	E53/2085	Granted	100%	No	
	E53/2112	Granted	100%	No	
	E53/2113	Granted	100%	No	
	E53/2114	Granted	100%	No	
	E53/2115	Granted	100%	No	
	E53/2116	Granted	100%	No	
	E53/2117	Granted	100%	No	
	E53/2118	Granted	100%	No	
	E53/2127	Granted	100%	No	
	E53/2128	Granted	100%	No	
	P36/1857	Granted	100%	No	
	P36/1858	Granted	100%	No	
	P53/1682	Granted	100%	No	
	P53/1683	Granted	100%	No	
	P53/1684	Granted	100%	No	
	P53/1685	Granted	100%	No	
	P53/1686	Granted	100%	No	
	P53/1687	Granted	100%	No	
	P53/1688	Granted	100%	No	
	P53/1689	Granted	100%	No	
	P53/1690	Granted	100%	No	
	P53/1691	Granted	100%	No	
	P53/1692	Granted	100%	No	
	P53/1693	Granted	100%	No	
	P53/1694	Granted	100%	No	
	P53/1695	Granted	100%	No	
	P53/1696	Granted	100%	No	
	P53/1697	Granted	100%	No	

Appendix 5B

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

Name of entity	
Hammer Metals Limited	
ABN	**Quarter ended ("current quarter")**
87 095 092 158	30 September 2022

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(93)	(93)
	(e) administration and corporate costs	(237)	(237)
1.3	Dividends received (see note 3)		
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(326)**	**(326)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(18)	(18)
	(d) exploration & evaluation	(1,199)	(1,199)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
	- Recovery of exploration and administration costs from JV partners	23	23
	- Exploration expenditure on behalf of JV partners	(8)	(8)
2.6	**Net cash from / (used in) investing activities**	**(1,202)**	**(1,202)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
	- Lease payments made	(34)	(34)
3.10	**Net cash from / (used in) financing activities**	**(34)**	**(34)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,194	5,194
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(326)	(326)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,202)	(1,202)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(34)	(34)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,632**	**3,632**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	3,566	5,121
5.2	Call deposits	22	22
5.3	Bank overdrafts	-	-
5.4	Other – Balance of JV bank accounts	44	51
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,632**	**5,194**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	82
6.2	Aggregate amount of payments to related parties and their associates included in item 2	44

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

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(326)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,199)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,525)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,632
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,632
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.38

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Not applicable	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....31 October 2022.....

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.