

KALMAN PROJECT UPDATE

Molybdenum added to Australia's Critical Minerals List

Hammer Metals Ltd (ASX: HMX) (“Hammer” or the “Company”) is pleased to provide shareholders with the following update in relation to its 100%-owned **Kalman copper-gold-silver-molybdenum-rhenium project** in Queensland.

On 16 December 2023, Australia’s Minister for Resources and Minister for Northern Australia, the Honourable Madeleine King provided an updated list of “critical minerals” deemed essential to the Australia’s energy and security requirements. The updated list contains both **molybdenum and rhenium**.

Hammer’s Kalman Project is one of Australia’s largest and highest-grade deposits of both molybdenum and rhenium. The Company also notes the addition of copper to Australia’s new “Strategic Materials List”. The Kalman deposit **contains 38,000t of molybdenum, 84,100kg of rhenium, 208,400t of copper, 343,200oz of gold and 1.92Moz of silver** (see ASX Announcement 8 May 2023).

On 8 May 2023, Hammer announced a significant upgrade to its Mineral Resource Estimate (MRE) for Kalman deposit:

- **39.2Mt at 1.07% Recovered Copper Equivalent (“CuEq Rec”) at 0.53% Cu, 0.27g/t Au, 0.10% Mo, 1.5g/t Ag and 2.1g/t Re.**

Kalman Deposit - JORC 2012 Mineral Resource Estimate												
(May 2023)												
Classification	Mining	CuEq	Tonnes	CuEq Cont.	CuEq Rec.	Cu	Au	Ag	Mo	Re	Contained Cu Eq	Recovered CuEq
	Method	Cut-off	Kt ⁽¹⁾	% ⁽³⁾	% ^(2,3,4)	%	g/t	g/t	%	g/t	Metal (Kt) ⁽¹⁾	Metal (Kt) ⁽¹⁾
Indicated	Open Pit	0.4%	17,120	1.04	0.87	0.43	0.22	1.2	0.08	1.7	180	150
	Inferred	0.4%	10,540	1.11	0.93	0.40	0.21	1.3	0.10	2.2	120	100
Inferred	Underground	1.0%	11,530	1.78	1.48	0.80	0.41	2.2	0.12	2.7	200	170
Total			39,190	1.27	1.07	0.53	0.27	1.5	0.10	2.1	500	420
Note (1)	Rounded to nearest 10kt											
Note (2)	The recovered copper equivalent equation is: CuEq Recovered = 0.86*Cu + (0.74*0.771051*Au) + (0.74*0.008336*Ag) + (0.86*4.857143*Mo) + (0.77*0.023334*Re)											
Note (3)	Copper Equivalent Price assumptions are: Cu: US\$7,714/t (US\$3.50/lb); Au: US\$1,850/oz; Ag: US\$20/oz; Mo: US\$37,468/t (or US\$17/lb); and Re: US\$1,800/kg											
Note (4)	Recovery assumptions are: Cu 86%; Au 74%; Ag 74%; Mo 86%; and Re 77%.											
Note (5)	Transition from Open to Underground Mining based on prior optimisation studies set at 75mRL. Surface RL is approx 425mRL.											

Table 1. Kalman MRE by JORC Classification and mining method – 8 May 2023.

Hammer will continue to advance its Kalman Project in 2024, with a view to updating several key study components of the project including mining and metallurgical studies. As one of the world’s highest grade undeveloped molybdenum projects, Kalman stands ready to benefit from growing demand for an increasingly strategic metal with a wide range of applications in the world’s move to cleaner and greener sources of energy.

Molybdenum supply shortages resulted in a significant commodity price increases with ferro-molybdenum prices peaking in excess of US\$100,000 per tonne in March 2023. Current spot prices remain for molybdenum remain strong with molybdenum producers averaging revenue in excess of US\$50,000/tonne in Q3 2023.

ASX RELEASE

19 December 2023

DIRECTORS / MANAGEMENT

Russell Davis
Chairman

Daniel Thomas
Managing Director

James Croser
Non-Executive Director

David Church
Non-Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (18/12/2023) \$0.049
Shares on Issue 886m
Market Cap \$43m
Options Unlisted 23.1m
Performance Rights 12m
Cash (30/09/2023) \$3.4m

With the recent announcement of the planned closure of the Mount Isa copper concentrator, Hammer is well placed to assist both State and Federal Governments as they look to advance alternative Mount Isa mining operations in strategic and critical minerals, with metals that have been deemed to be critical to the nation's energy and security requirements.

Hammer's Managing Director, Daniel Thomas said:

"We've known for some time that Kalman is a unique and valuable source of both molybdenum and rhenium. In many ways, the presence of these minerals has inhibited the toll treating of the copper and gold mineralisation, with Kalman requiring a dedicated processing facility to effectively separate the copper-gold from the molybdenum-rhenium mineralisation.

"Hammer's recent resource update has demonstrated the significant scale of the Kalman Project with most of the Mineral Resource being close to surface and amenable to low-cost open pit mining. This scale has been demonstrated while ensuring that the project's grades have remained at a grade greater than 1 per cent copper equivalent. The nature of the Kalman deposit is unlike others in the immediate region, with four lenses of mineralisation ensuring effective mining widths in parts of the deposit of up to 100m.

"With increased government interest in the Mount Isa region and in the critical metals within the Kalman deposit, it would be ideal to see the requisite feasibility assessments of the study advanced. We'll continue to explore opportunities to progress Kalman in a financially responsible manner."



Figure 1: Kalman structure looking south.

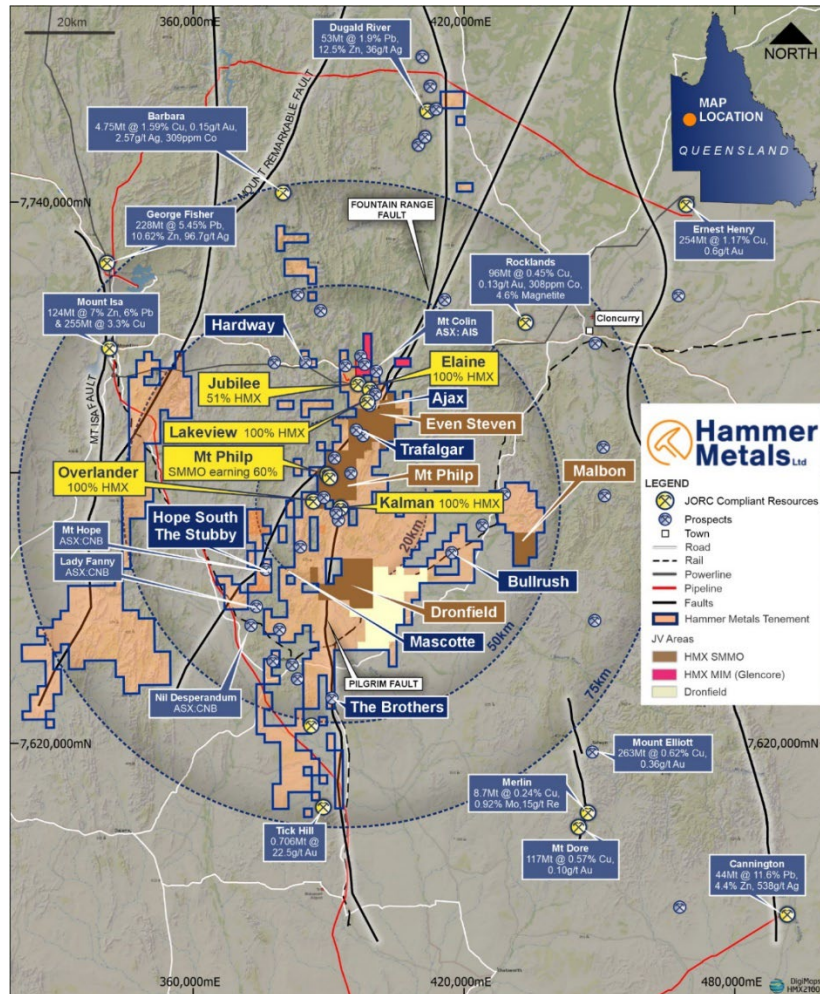


Figure 2. Mount Isa project area showing the prospects drilled during the current program.

Upcoming Activities and Newsflow

- **December/January** – Mount Isa East Joint Venture drilling program and results.
- **Q1 2024** – Mount Isa Drilling Program – Lady Jenny, Hardway, South Hope and Mascotte.
- **Q1 2024** – Yandal Lithium Project – Reverse Circulation drilling program.

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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About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 3,000km² 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, the Lakeview (Cu-Au) deposit and the Elaine (Cu-Au) deposit. Hammer also has a 51% interest in the Jubilee (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of Ernest Henry style and has a range of prospective targets at various stages of testing.

Hammer 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

Kalman Cu-Au-Mo-Re Deposit - Notes on Recovered Copper Equivalent Calculation

The Kalman Mineral Resource Estimate (ASX announcement 8 May 2023) utilised conservative pricing assumptions in the equivalence calculation of US\$7,714/t (US\$3.50/lb) for copper, US\$1,850/oz for gold, US\$20/oz for silver, US\$37,468/t (or US\$17/lb) for molybdenum and US\$1,800/kg for rhenium.

Recovered Copper equivalent ("CuEq Rec") grades were calculated from downhole assays for Cu, Au, Ag, Mo and Re. The CuEq calculation is based on commodity process and metallurgical recovery assumptions as detailed in this release. Prices utilised by Hammer are a forward estimate of long-term future metal prices as at the time of Hammer embarking on the update of the Kalman resource in April 2023. It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

Assumed metallurgical recoveries are based on historic metallurgical work at Kalman and are as follows: Cu 86%; Au 74%; Ag 74%; Mo 86%; and Re 77%.

Copper is the dominant metal of the Kalman mineral system and it generated the highest proportion of revenue from the deposit at the time of the resource estimation. The resulting recovered copper equivalent equation is:

$$\text{CuEq Recovered} = 0.86 \cdot \text{Cu} + (0.74 \cdot 0.771 \cdot \text{Au}) + (0.74 \cdot 0.0083 \cdot \text{Ag}) + (0.86 \cdot 4.86 \cdot \text{Mo}) + (0.77 \cdot 0.023 \cdot \text{Re}).$$

Competent Person Statements

The information in this report as it relates to mineral resource estimates, 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 types of deposit under consideration and to the activities 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 the Company references Mineral Resource Estimates and exploration results previously announced, it 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 resource estimates with those announcements continue to apply and have not materially changed.