

HAMMER ACQUIRES OPTION ON LADY JENNY MINING LEASE

- Hammer has secured an option to purchase an 80% interest in the granted Lady Jenny Mining Leases, strategically located near Hammer's defined JORC Mineral Resources within its broader Mount Isa copper-gold portfolio.
- The Lady Jenny Mining Leases have previously been mined for copper oxide ore that was transported to a processing facility in Cloncurry. **Mining was suspended as the orebody transitioned into copper sulphide mineralisation.**
- The two Mining Leases (ML2701 and ML90601) are completely surrounded by Hammer's 100%-owned EPM26904. Previous mining appears to have been limited by the northern tenement boundary, with potential identified for extensions of the mineralised zone to the north and south of the pit.
- **Subject to due diligence and receipt of approvals, Hammer is planning to commence drilling to test the copper sulphide mineralised zone towards the end of October.**
- Historical drilling records are in the process of being verified by Hammer.



Figure 1. Managing Director, Dan Thomas in the Lady Jenny mining pit

ASX RELEASE

2 October 2024

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

Greg Amalric
Manager Exploration & Discovery

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (1/10//2024)	\$0.038
Shares on Issue	886m
Market Cap	\$33.7m
Options Unlisted	20.5m
Performance Rights	12m
Cash (30/6/2024)	\$5.2m

Hammer's Managing Director, Daniel Thomas said:

"This region continues to deliver substantial opportunities associated with historical mining operations. As we've seen with neighbouring projects, the propensity for these historical mines to deliver high grades of copper from close to surface offers Hammer an advanced exploration opportunity."

"The Lady Jenny Mining Lease is entirely complementary to our established exploration tenure and our existing hub copper-gold resources at Kalman, Jubilee, Lakeview, Elaine and Overlander. The establishment of another potential source of ore for a regional processing mill represents another piece of the Mount Isa Inlier puzzle and will ensure that Hammer's already substantial Resource inventory continues to grow."

"As the region looks to establish the next set of mines to replace the Mount Isa copper operation, advanced prospects such as Lady Jenny, with proven production potential, will have a tremendous opportunity to expeditiously deliver the mines of tomorrow. The added bonus of this prospect is that it is located on a granted Mining Lease, with Hammer holding all of the tenure surrounding the established mine."



Figure 2. Lady Jenny mining pit looking north.

Hammer Metals Ltd (ASX: HMX) ("Hammer" or the "Company") is pleased to announce that it has entered into a binding term sheet with Corella Valley Corporation Pty Ltd (Corella) to acquire an option to purchase an 80% interest in the Lady Jenny Mining Leases, a historic copper and gold mining operation in NW Queensland surrounded by Hammer's existing Mount Isa exploration tenure.

Lady Jenny Background and History

Lady Jenny is located approximately 16km south along the Fountain Springs Road from the sealed Barkly Highway that runs between Mount Isa and Cloncurry in north-west Queensland. The Mining Leases are located within Hammer's 100%-owned Exploration Licenses and in close proximity to the Company's defined JORC Mineral Resources at Kalman, Overlander, Lakeview, Elaine and Jubilee.

The Lady Jenny Mining Leases (ML2701 and ML90601) cover an area of approximately 26Ha with the Lady Jenny copper trend appearing to plunge shallowly to moderately north-north-east into Hammer's surrounding exploration permit.

The deposit has been mined historically by both underground and surface extraction methods, although surface extraction has been minimal with minor open pit ore cuts to maximum of 16m below surface.

Mining at Lady Jenny has occurred in many forms during the historical copper rushes around the Ballara mining centre. Most recently, oxide ore was extracted from Lady Jenny and processed at the Cloncurry oxide treatment centre. Historical exploration activities have occurred on the property with Hammer looking to verify and digitise these results with a view to further exploring the property along the highly encouraging strike extent.

As part of the diligence process, Hammer has completed a basic rock chip analysis of material from within the existing pit, highlighting the high-grade nature of the existing workings. Rock chips grading up to 58.5% copper were recorded using PXRF analysis; without the benefit of assay, this provides an estimate only of the potential copper samples within the existing pit.

Hammer has also completed a first-pass review of the potential of the ground within Hammer's existing EPM and has identified the Lady Jenny structure, 300m to the south of the current pit, with anomalous copper rock chips with laboratory analysis returning grades of up to 1.52% copper and 0.15g/t Au (Table 1).

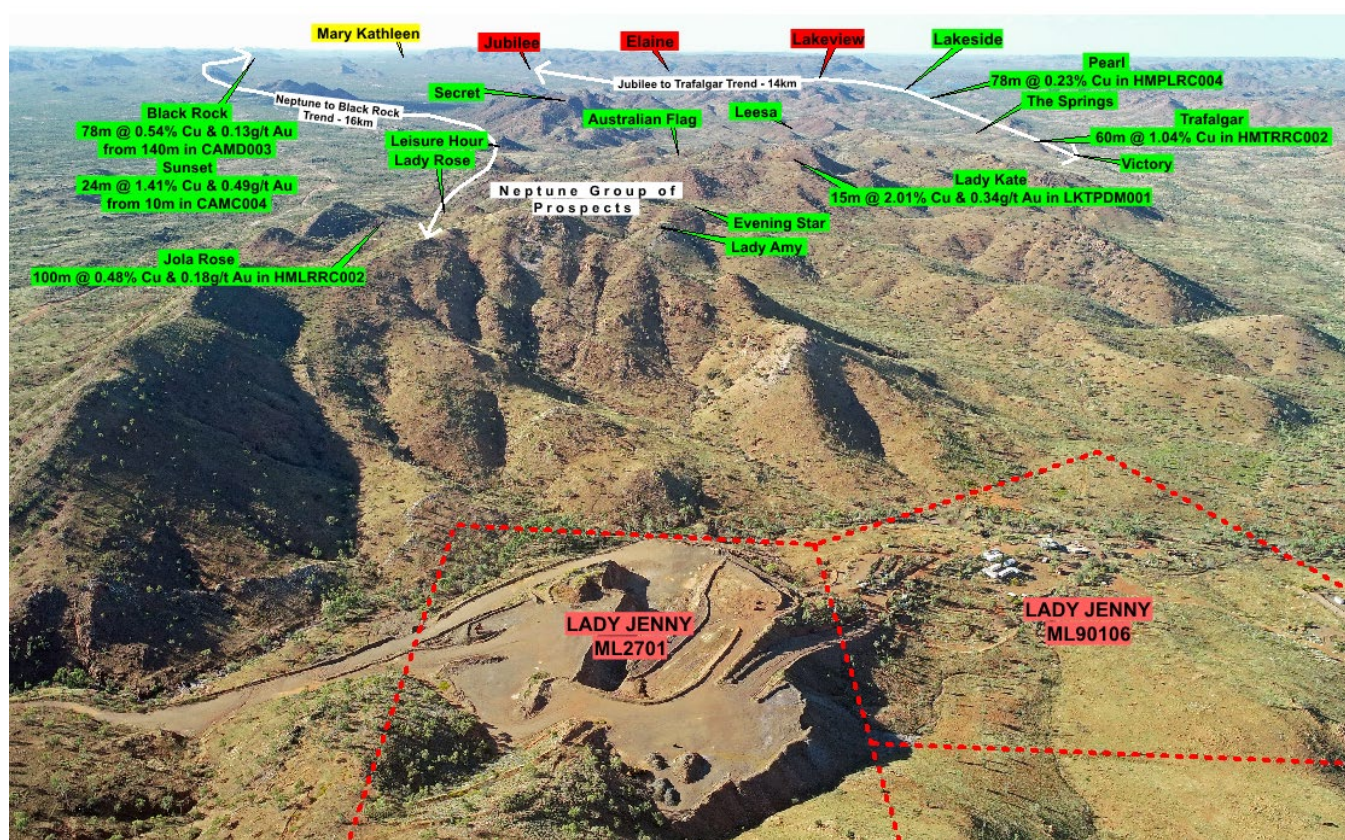


Figure 3. Lady Jenny Mining Leases with Hammer's northern prospects in the background, including the JORC Resources at Jubilee and Lakeside.

Table 1. Reconnaissance rock chip sampling in the Lady Jenny Region (laboratory assays)

Sample	E_GDA	N_GDA	RL	Cu(%)	Au(g/t)
MW09-18	392822	7686279	450	0.46	0.06
MW09-19	392720	7686200	467	0.03	0.04
MW09-20	392728	7686192	470	1.52	0.15
MW09-21	392822	7686439	409	0.42	0.08
Note					
Locations relative to GDA94					

Table 2. XRF Analyses of in-pit grab samples. These analyses are indicative only and have not been verified by an independent laboratory.*

Sample	E_GDA	N_GDA	RL	Cu(%)
1	393013	7686430	410	8.63
2	392998	7686393	410	0.09
3	392998	7686392	410	2.02
4	393073	7686448	410	58.5
5	393073	7686448	410	0.73
Note				
Locations relative to GDA94				



Figure 4. Examples of in-pit mineralisation, from left to right, Samples 1 to 5 (Table 2 and see note below).*

Lady Jenny Upcoming Activities

Hammer intends to commence an exploration program at Lady Jenny to verify historical records and test the mineralised system at depth. The program is expected to commence late this month and is expected to pave the way for the release of a JORC Mineral Resource at the prospect during 2025.

* The samples depicted above are grab samples of in-pit material. Note that the portable XRF analyses cannot be considered representative of larger zones of mineralisation which may or may not be present below the current pit floor. Consequently, these analyses are indicative only and utilised herein to illustrate the variation of Copper mineralisation present within the pit area. The analyses were conducted on hand specimens with no sample preparation having been conducted.

The Project's location within an existing Mining Lease provides Hammer with the opportunity to expedite the development of the prospect, providing a near-term cash generation opportunity for the Company.

Pending the successful identification of near-surface copper sulphides, the Project has several potential commercialisation pathways at nearby copper concentrators at Mt Isa, Ernest Henry, Eloise and Rocklands.

As part of the upcoming programs, Hammer will also test the potential extension of the Lady Jenny deposit into Hammer's existing exploration permit as well as further examining the potential trends at the Neptune group of prospects and the nearby Lord Nelson prospect, where Hammer drilled some promising intersections in 2022 and early 2023 respectively including (see ASX Announcement 12 May 2022 and 7 March 2023):

- 100m at 0.48% Cu and 0.18g/t Au from 173m in HMLRRC002 including:
 - 3m at 2.2% Cu and 0.20g/t Au, from 185m;
 - 3m at 3.1% Cu and 1.4g/t Au from 198m; and
 - 5m at 2.21% Cu and 0.37g/t Au from 234m
- 15m at 2% Cu and 0.34g/t Au in LKTPDM001; and
- 5m at 1.72% Cu and 1.18g/t Au from 14m within a mineralised envelope of 21m @ 0.59% Cu and 0.33g/t Au from surface in HMLNRC001.



Figure 5. Lady Jenny mining pit looking south.

Acquisition Terms

Hammer has secured an option to purchase an 80% interest in the Lady Jenny Mining Leases.

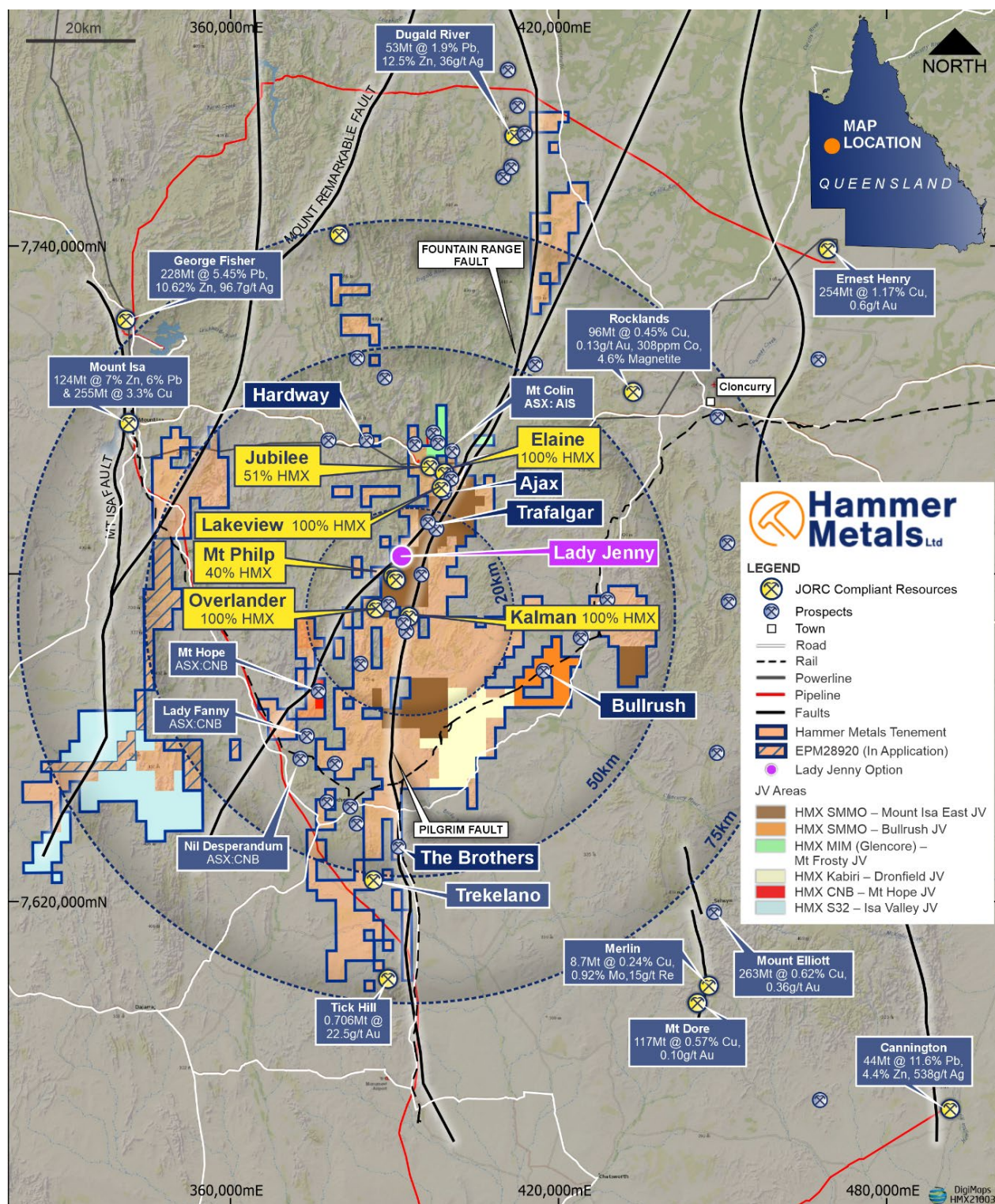
An Option Payment fee of A\$100,000 and \$50,000 in Hammer shares is payable by Hammer upon the fulfilment of the condition's precedent including Hammer completing satisfactory due diligence on the tenements.

The quantum of Hammer shares to be issued, on satisfaction of the condition's precedent, will be determined using the 10 day Volume Weighted Average Price of Hammer's shares as at close of business on 1 October 2024. Shares issued as part of the option payment fee will be escrowed for six months from the date of issue.

An option period of 24 months will allow Hammer to accurately define the size and grade of a potential resource on the property with a payment of A\$500,000 required to secure an 80% interest in the project.

Hammer will remain responsible for the costs associated with the exploration program until it completes the purchase of the interest in the project. Upon completion of the acquisition, both parties will be responsible for their pro-rata expenditure or be diluted based upon a standard JV dilution formula.

Should Corella's interest be diluted to less than 5%, their interest will convert to a 1% net smelter royalty.



Upcoming Activities and Newsflow

- **October** – Mascotte/Smith's Store and Revenue Versatile Time Electromagnetic Survey (VTEM)
- **October** – Mascotte/Smith's Store and Tourist Zone infill Geochemistry programs and results
- **October onwards** – Soil sampling programs continue – Pilgrim Fault South (South of Kalman along Pilgrim Fault), and Cambrian Pb/Zn
- **October** – Bullrush JV Geophysical programs to continue
- **October** – Data collation and validation for Lady Jenny Mining Leases
- **October** – Ionic Leach soil sampling results from the Isa Valley Joint Venture
- **October** – Preparations for RC drilling program in Mount Isa – various approvals/earthworks
- **Late October** – RC drilling program in Mount Isa – Lady Jenny, Tourist Zone South and Kalman South-East
- **October 28-31** – IMARC International Mining and Resources Company - Sydney

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

Competent Person Statements

The information in this report as it relates to exploration results and geology is based on, and fairly represents, information and supporting documentation that 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 exploration results and Mineral Resource Estimates 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.

JORC Table 1 report – Mount Isa Project Exploration Update

This table is to accompany an ASX release outlining the terms of the option acquisition of ML2701 and ML90106. Both mining leases are currently held by Corella Valley Corporation Pty Ltd.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections in this information release.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc).</i></p> <p><i>These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Drilling No new drilling is reported in this release.</p> <p>Hammer Rock Chip Sampling The rock chip sampling reported herein is grab sampling. The method is utilised to determine general tenor and element mix for a given small area and is not intended to convey ideas of continuity. Sample size is in the range of 2 to 5kg. All samples submitted for assay underwent fine crush with 1kg riffled off for pulverising to 75 microns.</p> <p>Samples were submitted to ALS for:</p> <ul style="list-style-type: none"> • Fire Assay with AAS finish for gold. • 4 acid digest followed by ICP-MS for a comprehensive element suite. <p>Hammer Portable XRF analyses on selected rock samples Five portable XRF analyses are noted in this release. The analyses were undertaken on grab samples of loose and outcrop material within the Lady Jenny pit. The aim was to illustrate Cu mineralisation and the variation in Cu grades. The portable XRF used was an Olympus Vanta. No sample preparation was conducted and only single readings were conducted on each sample.</p> <p>The reader should note that the use of portable XRF analyses should be treated with caution.</p>
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>Drilling No drilling is reported in this release.</p>

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</p>	<p>Drilling No drilling is reported in this release.</p>
Logging	<p>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<p>Drilling No drilling is reported in this release.</p>
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<p>Drilling No drilling is reported in this release.</p>
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable</p>	<p>Drilling Analysis No drilling is reported in this release.</p> <p>Hammer Rock Chip Sampling All samples submitted for assay underwent fine crush with 1kg riffled off for pulverising to 75 microns.</p> <p>Samples were submitted to ALS for Fire Assay with AAS finish for gold. 4 acid digest followed by ICP-MS for a comprehensive element suite</p> <p>Hammer Portable XRF analyses on selected rock samples</p>

Criteria	JORC Code explanation	Commentary
	<i>levels of accuracy (i.e. lack of bias) and precision have been established.</i>	A single hand held specimen was analysed by an Olympus Vanta portable XRF. Analyses were conducted on single rock fragments without any sample preparation.
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Drilling No drilling is reported in this release.</p> <p>Hammer Rock Chip Sampling All lab analyses were verified by alternate company personnel. Assay files were received electronically from the laboratory.</p>
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Drilling No drilling is reported in this release.</p> <p>Hammer Rock Chip Sampling Datum used is GDA 94 Zone 54. RL information was derived from a LIDAR DTM.</p> <p>Hammer Portable XRF analyses on selected rock samples Datum used is GDA 94 Zone 54. RL information was derived from a LIDAR DTM.</p>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Drilling No drilling is reported in this release.</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>Drilling No drilling is reported in this release.</p> <p>Hammer Rock Chip Sampling Grab sampling is taken at non uniform intervals, along structures deemed to be mineralised.</p> <p>Hammer Portable XRF analyses on selected rock samples Analyses were conducted on samples taken from both outcropping and loose material within the Lady Jenny Pit.</p>
Sample security	<i>The measures taken to ensure sample security.</i>	<p>Hammer Rock Chip Sampling Pre-numbered bags were used, and samples were transported to ALS by company personnel. Samples were packed within sealed polywoven sacks.</p>

Criteria	JORC Code explanation	Commentary
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>Drilling No drilling is reported in this release.</p> <p>Hammer Rock Chip Sampling The dataset associated with this reported exploration has been subject to data import validation.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>This release outlines the terms of an option acquisition of ML2701 and ML90106. Both mining leases are held by Corella Valley Corporation Pty Ltd.</p> <p>These mining leases are surrounded by EPM26904 which is held by Mt Dockerell Mining Pty Ltd, a 100% owned subsidiary of Hammer Metals Limited.</p>
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Previous holders held title either covering the tenement in part or entirely and previous results are contained in Mines Department records.
Geology	<i>Deposit type, geological setting, and style of mineralisation.</i>	<p>Lady Jenny</p> <p>Lady Jenny is hosted within the Ballara Quartzite close to the boundary of the Argylla Formation. This large-scale geological setting is common to other Hammer Metals Prospects in the region such as the Neptune Group of prospects 1km to the north of Lady Jenny.</p> <p>Mineralisation parallels lithology with a moderate northwesterly dip and a 20-30 degree north-northeasterly plunge.</p> <p>Examination of pit walls indicates that mineralisation is up to 6m in true thickness however, an envelope of ferruginous fractured sediments occur on both the hangingwall and footwall suggesting that there is significant potential for thicker zones to occur at depth and down plunge.</p> <p>The mineralisation is shear zone hosted with the closest analogue being the Mt Colin Cu mine currently operated by Aeris Resources Limited.</p>

Criteria	JORC Code explanation	Commentary
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.</p> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	<p>Drilling No drilling is reported in this release.</p>
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>Drilling No drilling is reported in this release.</p>
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	<p>Drilling No drilling is reported in this release.</p>
Diagrams	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	<p>See attached figures.</p>
Balanced reporting	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</p>	<p>Drilling No drilling is reported in this release.</p>

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	All relevant information is disclosed in the attached release and/or is set out in this JORC Table 1.
Further work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	The company aims to evaluate Lady Jenny in the coming months.