30 October 2024

2024 Annual Report

Hammer Metals Limited (ASX:HMX) ("**Hammer**" or "**the Company**") is pleased to attach its Annual Report for the year ended 30 June 2024.

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This announcement was authorised for issue by Mark Pitts, Company Secretary, Hammer Metals Limited.

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Annual Report 2024

Hammer Metals

Hammer Metals Ltd

ABN

87 095 092 158

ASX

HMX

BOARD OF DIRECTORS

Russell Davis
Non-Executive Chairman

Daniel Thomas
Managing Director

David Church
Non-Executive Director

James Croser
Non-Executive Director

COMPANY SECRETARY

Mark Pitts

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STOCK EXCHANGE

ASX Limited
Level 40, Central Park,
152-158 St Georges Terrace
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CORPORATE GOVERNANCE

The Company's corporate governance statement can be found at the following **URL:** hammermetals.com.au/about/corporate-governance/

Cover Photo by Nichole Carmichael

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Chairman's Letter

On behalf of Hammer's Board of Directors I am pleased to present our 2024 Annual Report.

Dear Fellow Shareholders,

Your Company is positioned in what I believe are the right "future facing" commodities and in the right jurisdictions – the Mount Isa Project with its copper, molybdenum, REE's and gold potential, and the Yandal Project in WA with its gold and lithium potential. Both projects with JORC Mineral Resources and fabulous exploration upside.

Hammer, through a series of low-cost acquisitions and tenement applications made patiently over the past decade has assembled one of the largest coherent ground positions in the Mount Isa mining province and has built up a significant resource inventory through acquisition and discovery totalling 530,000 tonnes of CuEq metal comprising an estimated 321,000 tonnes of copper, 38,000 tonnes of molybdenum, (now classified as a critical mineral), 343,000 ounces of gold and 84,100 kilograms of rhenium in six deposits. All Hammer's resources are held 100% by Hammer with the exclusion of the smaller Jubilee deposit with 51%.

Hammer's core strategy is to discover or acquire sufficient additional metal in or adjacent to our project area that will justify the development of a robust and volumetrically significant base metal operation. We believe that we are close to achieving this goal.

The Hammer team has been very active on the exploration and corporate fronts over the past year, and I thank the Board, our Managing Director Dan Thomas and the executive, field teams and consultants for the exemplary effort put in dealing with the range of issues that have arisen.

Pleasingly in April Hammer's funding requirements were resolved in a non-dilutive manner with the sale to Carnaby Resources Limited of up to a 70% interest in 9km^2 surrounding their Mount Hope deposit. The first tranche of $4 million in cash and 9 million Carnaby shares have been received and further payments up to a total value of $20 million are possible if various benchmarks are met. Hammer is currently the largest shareholder in Carnaby and wish them every success with their project development plans. The transaction also saw Hammer book its first profit of $6.2 million for the financial year.

On the exploration front significant high grade copper drilling hits were made at Mt Mascotte and South Hope (up to a 70% interest now sold to Carnaby). At Hardway drilling continued to outline a broad zone of shallow oxide copper - REE mineralisation which with some additional infill drilling has excellent potential to add to the resource inventory.

Target generation was re-energised with accelerated geophysical and geochemical sampling programs over favourable stratigraphy and structures, geophysical anomalies and deposit extensions. This work is generating immediate results, with new undrilled copper-gold anomalies found close to the Kalman deposit and along the Pilgrim Fault as well as a very exciting new gold-copper soil anomaly and gossan at Tourist Zone which will be drilled before the end of the year.

To bolster our exploration team and deliver on our exploration strategy we welcome explorationist Greg Amalric, Hammer's new Manager - Exploration and Discovery. Greg has significant previous experience in the NW Queensland mineral province with Teck and Fortescue and we look forward to his contribution to our exploration approach.

Approximately 30% of Hammer's Mount Isa region tenure (in area) is now being explored in joint venture with major base metal miners Sumitomo Metal Mining Oceana, Glencore and South 32 (as well as Carnaby Resources) who are funding the exploration. Doing JV's like this helps Hammer to spread the risk, and results in more targets being drill tested than we could otherwise fund ourselves. Hammer field crews led by Mark Whittle currently undertake the bulk of the exploration on behalf of our JV partners which reflects positively on the expertise of Hammer's personnel and management, as well as the quality of the targets.

The Joint Ventures brought in $1.75m of exploration funding last financial year with three new JV's signed in recent months (including the Carnaby deal). Successful CEI and R&D funding applications brought in a further $1.5 million.

Although most of our activity was in NW Queensland, at our Yandal Belt project in WA Hammer completed an infill drilling program on its Target 1 deposit, subsequently announcing a maiden shallow gold resource containing an estimated 54,000 ounces of gold. The deposit lies close to existing mining operations and transport infrastructure. With our current focus in NW Queensland the Board is keen to assess ways to monetise this resource and the Yandal project.

I am fortunate to have such a great team. The Board brings their collective experience covering exploration, development, mining, business development, capital markets, M&A and joint ventures and are focussed on delivering a positive result for shareholders. The exploration team, now bolstered with Greg's appointment is experienced and keen, with a strong pipeline of targets for the remainder of 2024 and 2025 already emerging in our 100% owned tenure and with our JV partners. Whilst exploration success is our primary goal the Board is open to exploring other corporate opportunities and acquisitions that we consider will add value to Hammer.

I thank shareholders for their continued support and look forward to the coming year.

Sincerely,

Russell Davis
Chairman

Corporate Strategy

- Position the company for discovery, through innovative and focused exploration for large copper-gold and gold deposits in two of the world's great metal provinces.
- Grow the Company's defined JORC resources to progress to a viable mining development scenario in Mount Isa.
- Work to consolidate and improve the quality of the Company's tenement positions.
- Operate safely and effectively.
- Deliver positive financial returns to shareholders.

Operational Highlights

- Completion of initial sale of a 51% interest in three Mount Hope Sub-blocks to Carnaby Resources for $4m in cash and $5m in Carnaby shares.
    - Carnaby Resources can earn up to a 70% interest in the sub-blocks, with a further consideration of up to an additional $11 million.
    - Hammer will retain a residual 30 % interest in the project and will be free-carried by Carnaby to production from the three Sub-Blocks.
- A new exploration Joint Venture with Sumitomo Metal Mining Oceania executed over the Bullrush area. The JV will see a minimum commitment of 2000m of drilling in the first year of the program.
- An agreement was executed with South32 Group Operations Pty Ltd, providing South32 with an option to earn an 80% interest in the Isa Valley Project in North-West Queensland (Project) and form a joint venture. The project is located over sections of the Mount Isa Fault comprising an area of ~320km^2 and is considered highly prospective for Mount Isa-style sediment-hosted lead-zinc-copper mineralisation.
- A maiden gold resource of 54.5koz of gold defined in a new JORC Resource at Orelia North at the Yandal Project in WA.
- Broad, shallow intercepts of copper & rare earth element (REE) mineralisation in all eight follow-up drill holes at Hardway over a 600m strike length confirmed Hardway as a significant shallow copper discovery.
- Completed over 18km of drilling across twenty different targets.
- Completion of broad scale geophysical programs including ground, downhole and airborne EM surveys, IP surveys, detailed gravity surveys and aerial and ground magnetic surveys generating sizeable highly prospective copper/gold targets.

Corporate Activity

The Company's corporate activities are focussed on enhancing the capacity of our exploration team to make discoveries through adequate funding, as well as securing tenements or projects that improve the quality and potential of the Company's exploration portfolio.

On the funding front, the Company did not raise capital in the FY24 period, although funding announced in FY23 was completed with Hammer's directors receiving approval to invest $200,000 at an issue price of $0.06 per share. The transaction with Carnaby Resources has provided Hammer with the requisite funding for the programs completed in the second half of FY24 and our planned activities in the coming year.

Aiding funding during the year, a Research and Development tax refund of $1.2 million was received in April with the Company also being the recipient of a Queensland Government Collaborative Exploration Incentive grant of $300,000.

Through historical transactions, the company holds investments in three junior exploration companies with a current valuation of ~A$4.5 million.

OPERATIONS SUMMARY

Mt Isa Project
(QLD)

The Company is an active mineral explorer in the Mount Isa region, focused on discovering large copper-gold deposits of the Ernest Henry and Mount Isa styles and has a range of prospective targets at various stages of testing.

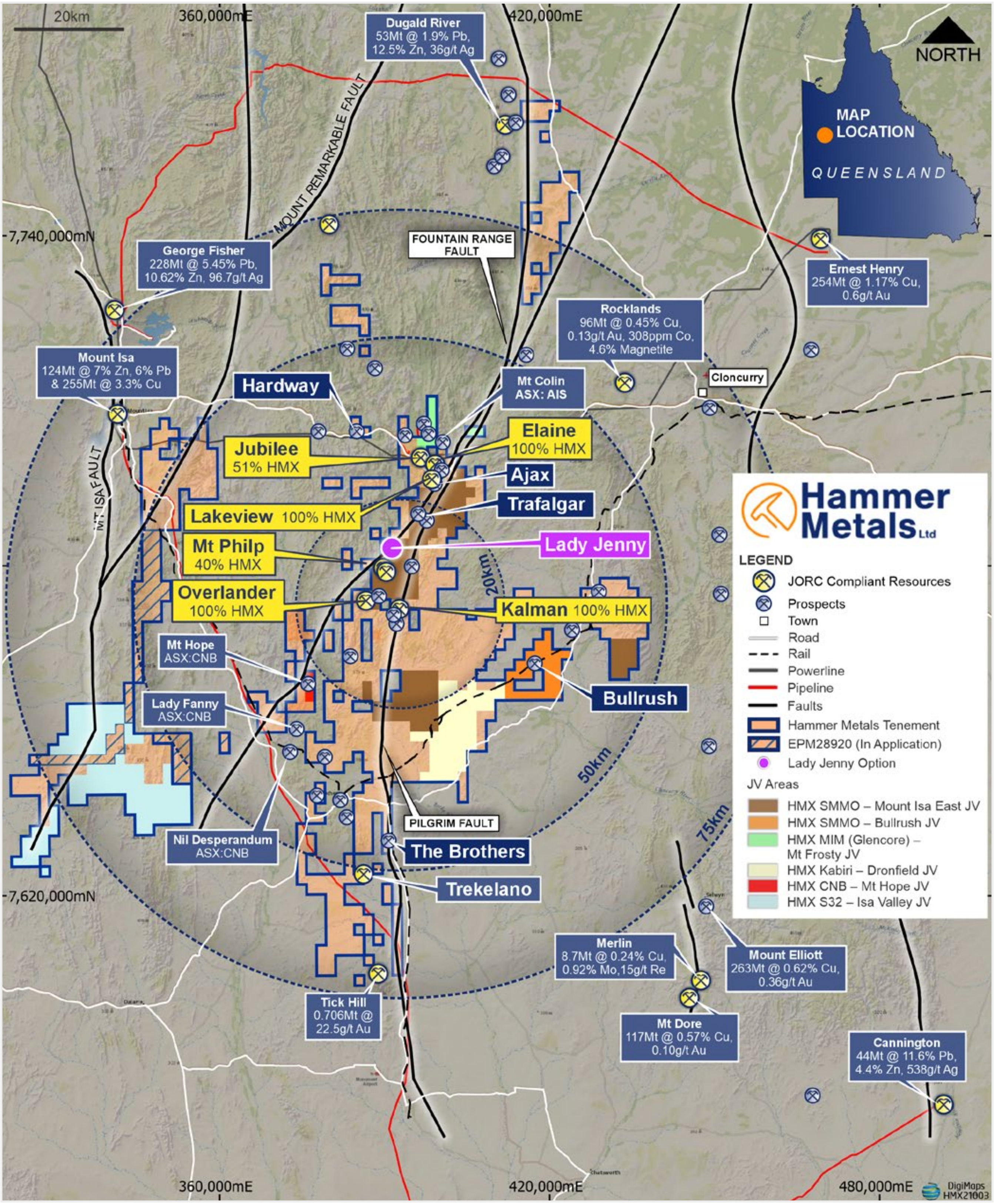
Through its wholly owned subsidiaries, the Company holds a strategic tenement position covering ~3,000km^2 with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits, the Elaine-Dorothy (Cu-Au) deposit, the Lakeview (Cu-Au) deposit and a 51% interest in the Jubilee (Cu-Au) deposit.

The ground position is focused on major regional-scale structural zones and extends for over 100km from Dugald River in the north to the Tick Hill gold area in the south.

The highlight of the FY24 year was the significant transaction with Carnaby Resources whereby Hammer sold up to a 70% interest in the three Mount Hope Sub-blocks for a consideration of up to $20million. The first tranche of this transaction completed with the exchange of a 51% interest in these sub-blocks with Hammer receiving $4million in cash and $5million in Carnaby shares.

Over the year the company progressively tested many highly prospective targets defined through geophysical and geochemical programs. A number of these targets generated significant copper intercepts from the drilling programs completed during the year. These targets at Hardway, Mount Mascotte, Tourist Zone and Overlander will provide for follow up drilling targets and potentially new JORC resources for Hammer's Mount Isa mineral inventory.

Continuation of extensive soil geochemical surveys has delineated new targets in and around Hammer's high priority JORC compliant resource at Kalman and along other highly prospective trends. New Joint Ventures at Bullrush with Sumitomo Metal Mining and in the Isa Valley with South32 increase the list of targets likely to be drilled in FY25, improving the chances of a significant base metal discovery.



Mount Isa Project Locations

Mount Isa
Copper Gold Projects

Kalman

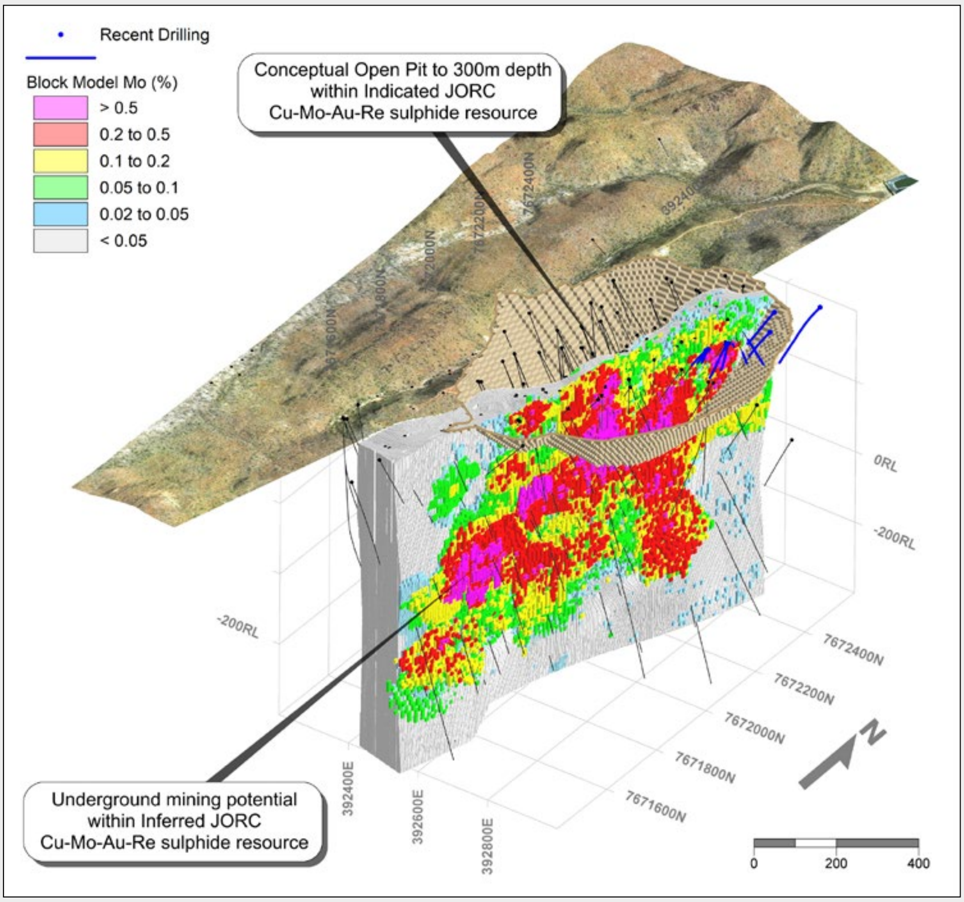
Kalman is one of Australia's largest and highest-grade deposits of molybdenum and rhenium, containing 38k t of molybdenum, 84,100 kg of rhenium 208k t of copper, 343k oz of gold and 1.9m oz of silver (See ASX Announcement 8 May 2023).

The 100%-owned Kalman deposit, located 50km south-east of Mt Isa and 25km south of the Barkly Highway, is one of the few polymetallic deposits in Queensland to contain significant molybdenum and rhenium in addition to copper and gold. With open pit and underground mining potential, the deposit remains open at depth and along strike.

In December, the Australian Government released an updated list of "critical minerals" deemed essential to the Australia's energy and security requirements. The updated list of "critical minerals" contains both molybdenum and rhenium.

Hammer will continue to advance its Kalman project in FY25, 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 an increasingly strategic metal with a wide range of applications in the world's move to cleaner and greener sources of energy.

Spot prices for molybdenum remain strong with molybdenum prices averaging approximately US$50,000/tonne during the financial year.

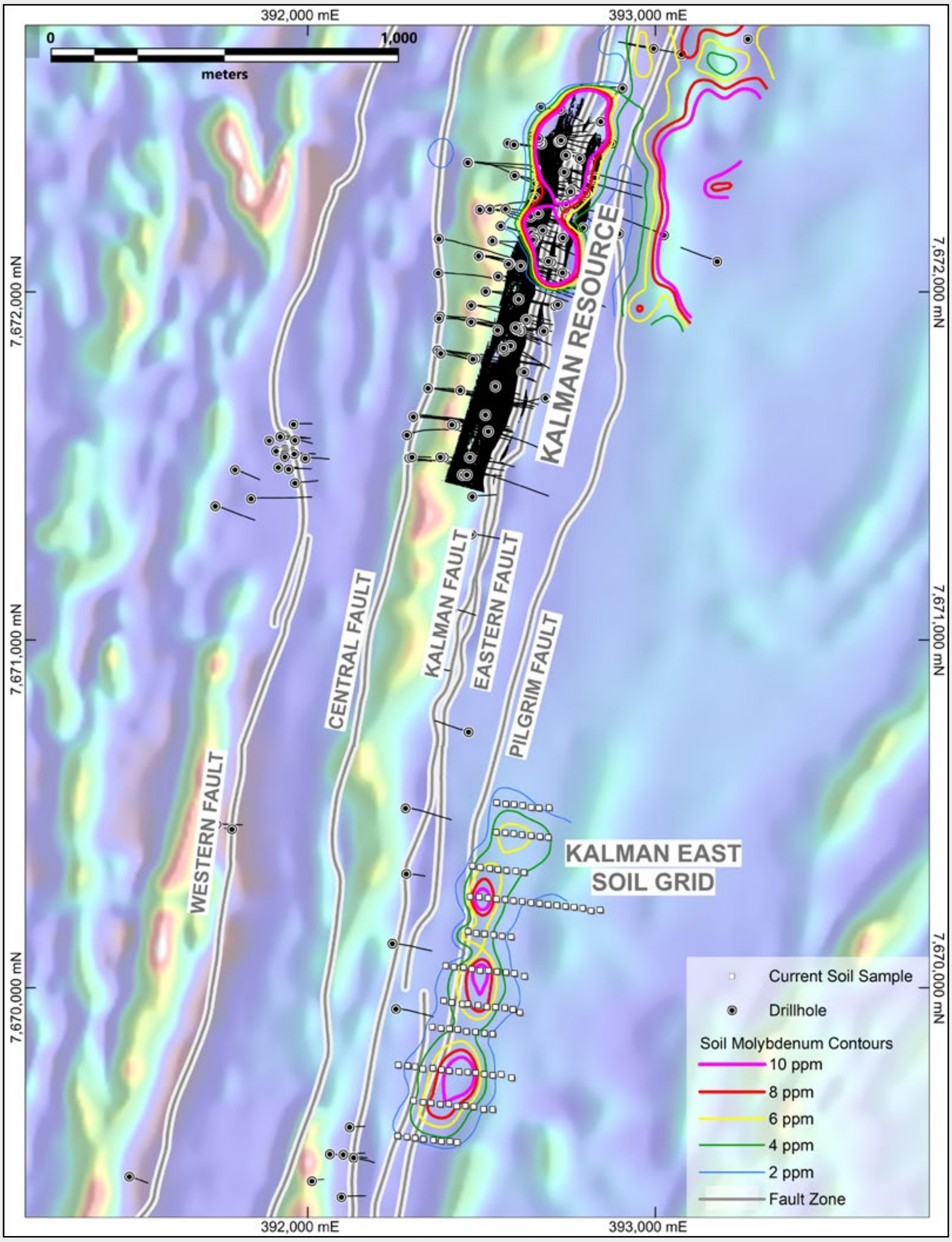


Kalman Oblique View Looking Northwest showing Copper Equivalent % Blocks
(See ASX Announcement 8 May 2023)

Kalman Exploration

Two holes (204m) were drilled at Kalman North to test surface rock chip anomalism and a FLEM conductor plate. The last sample in K-158 also intersected a significant gold interval of 4m at 1.14g/t Au from 128m.

Initial soil sampling delineated a 600m long copper anomaly (at greater than 200ppm) at Kalman East. This area is coincident with a +10ppm molybdenum-in-soil anomaly (see ASX Announcement 12 June 2023). This anomaly is of a similar scale to the Kalman system. Extensional and in-fill soil sampling has been conducted to the east along the Pilgrim Fault to the south of Kalman.



Copper (left) and Molybdenum (right) soil responses from the Kalman East anomaly
(See ASX Announcement 12 June 2023)

Hardway

The Hardway prospect was identified as a highly prospective target to be pursued during 2024.

Follow-up RC drilling at Hardway in FY24 was designed to further evaluate zones of higher-grade mineralisation intersected in previous programs. The program completed comprised a further eight holes (952m) and focused on in-filling zones of mineralisation over approximately 600m of strike.

The RC drilling intersected consistent zones of copper oxide mineralisation, confirming historical intersections and increasing confidence in the nature of the mineralisation. Significant intersections from drilling included (see ASX Announcement 31 October 2023):

- 47m at 1% Cu from 14m in HMHWRC017
- 43m at 0.9% Cu from 16m within 88m at 0.62% Cu from surface in HMHWRC014
- 52m at 0.71% Cu from 78m in HMHWRC019, and
- 35m at 0.84% Cu from 46m in HMHWRC015

A diamond drilling program was also completed at Hardway, partly funded by a $300,000 Queensland Government Collaborative Exploration Initiative (CEI) grant. The drilling program was designed to delineate mineralisation below the deeply weathered oxide zone and provide good sections through the target zone to facilitate alteration studies (refer to ASX announcement dated 3 April 2024).

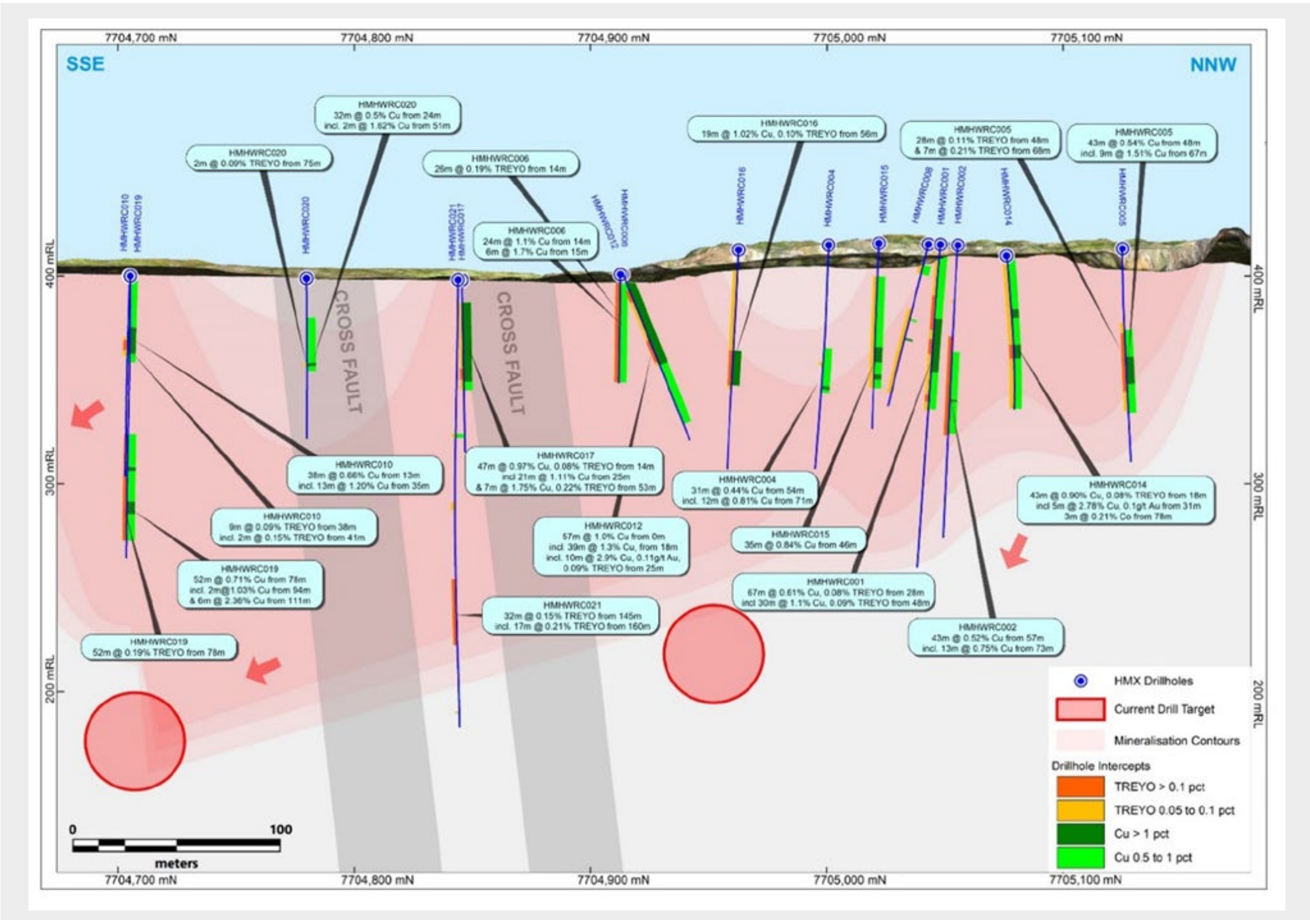


Figure 2. Long Section at Hardway with target zones
(refer ASX announcements 12 June 2023, 24 May 2023 and 31 October 2023)

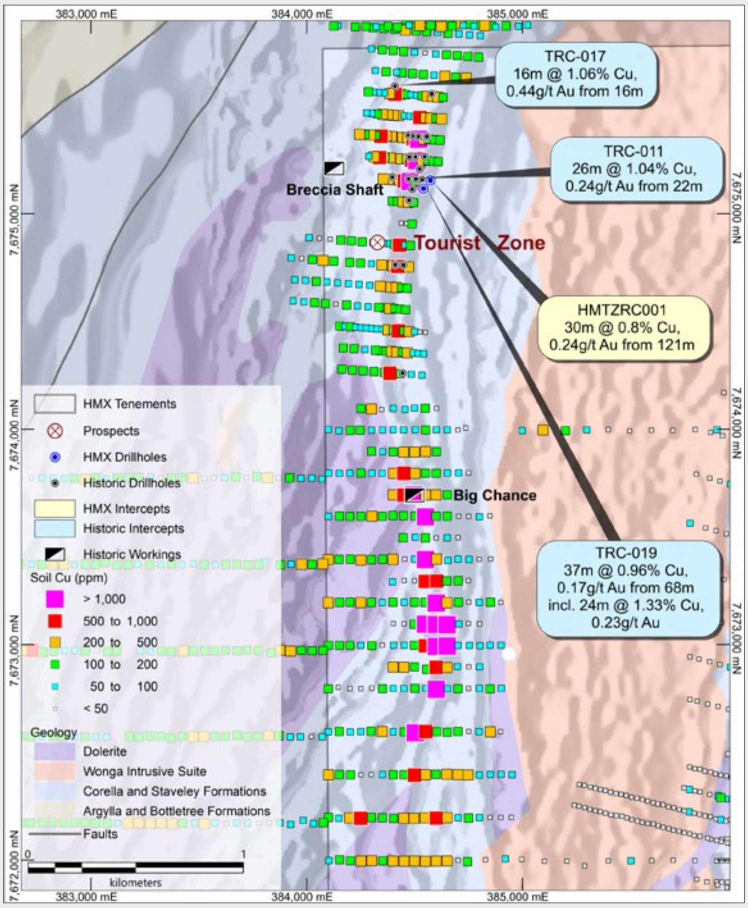
Tourist Zone

Tourist Zone is located approximately 15km north of the Mount Hope Mining lease and located between the regionally significant Fountain Range Fault and the Overlander Granite intrusion. The prospect was first examined by Summit Gold between 1993 and 1997. Hammer's program in Q4 of 2023 drilled two holes at Tourist Zone (342m), which returned significant intersections of (see ASX Announcement 30 November 2023):

- 15m at 1.13% Cu and 0.24g/t Au from 121m in HMTZRC001 within 30m at 0.8% Cu; and
- 2m at 3.02% Cu and 0.53g/t Au from 107m in HMTZRC002 within 12m at 1.14% Cu and 0.18g/t Au.

Follow up soil sampling to the south of historical exploration has identified a high-priority copper-gold soil anomaly at Tourist Zone South, with peak soil results of 0.49g/t Au and 0.74% Cu. The soils reported higher grades of anomalism than the previously drilled anomaly, with the anomalous zone now stretching for up to 3km with width of up to 150m.

Field mapping and geological reconnaissance has defined a prospective trend for an upcoming Reverse Circulation drilling program. Rock chip samples collected from the zone returned results of up to 3.96g/t Au and 14.3% Cu.



Tourist Zone – New copper-in soil anomaly
(see ASX Announcement 30 November 2023)

Overlander

Drilling at Overlander focused on soil anomalism on the western side of the Overlander shear at ***Overlander Central.*** Overlander Central consists of a thick zone of rhyolite which has been subject to silica alteration and crackle brecciation. Previous intersections at the prospect include 104m at 0.25% Cu from 30m in OVRC032.

Two holes were drilled for a total of 414m. The drilling returned two broad zones of copper mineralisation including (see ASX Announcement 30 November 2023):

- 113m at 0.21% Cu from 45m in OVRC037; and
- 90m 0.23% Cu from 4m in OVRC038

The broad zones of mineralisation delineated during this drilling along with many other similar intersections confirm the extent of the copper mineralising event at Overlander. Hammer will focus on exploring for zones of higher-grade mineralisation within this extensive mineralised system.

Mount Mascotte and Mascotte Junction

Mt Mascotte consists of a north-striking, vertically-dipping gossan zone which was historically mined by a small open cut and two shafts (now collapsed) in the early 1900's.

Hammer's early-stage drilling at the Mount Mascotte prospect has delivered good intervals of copper mineralisation including (see ASX announcement 19 December 2022 and 27 October 2023):

- 53m at 1.55% Cu and 0.52g/t Au from 77m in HMMARC008 including:
- 12m at 2.48% Cu and 0.71g/t Au from 77m; and
- 9m at 2.33%Cu and 0.68g/t Au from 95m; and
- 6m at 3.73% Cu and 1.47g/t Au (from 50m) and 1m at 1.97% Cu and 0.23g/t Au (from 63m) in HMMARC002

The Mt Mascotte intersection has potential along strike to the south with follow-up drilling to be considered in the coming programs.

At Mascotte West, follow up of a fixed-loop EM plate delineated a conductive plate extending for approximately 700m of strike extent. This EM conductor was coincident with outcropping gossans however drilling has downgraded this prospect test with the best drilling results recording a moderate intercept of 12m at 0.2% Cu from 88m in HMMARC011.

Chalcocite and malachite mineralisation – Sample FHB079 – Laboratory assays of 24% Cu and 0.14g/ Au.

[1]True widths are yet to be established.

Mascotte West Prospect with Mount Hope in the background.

Mount Isa East Joint Ventures And Earn-ins

(Cu/Au/Pb/Zn), QLD

During the year, Hammer entered three new Joint Venture agreements increasing the number of JV's to six, covering 937km^2 out of its ~3,000km^2 position in the Mount Isa region. Hammer has retained a 100% interest in ~1,900km^2 of tenure and a 100% interest in its JORC compliant Mineral Resources at Kalman, Overlander, Elaine and Lakeview.

Summary of Hammer Joint Ventures within the Mount Isa Project

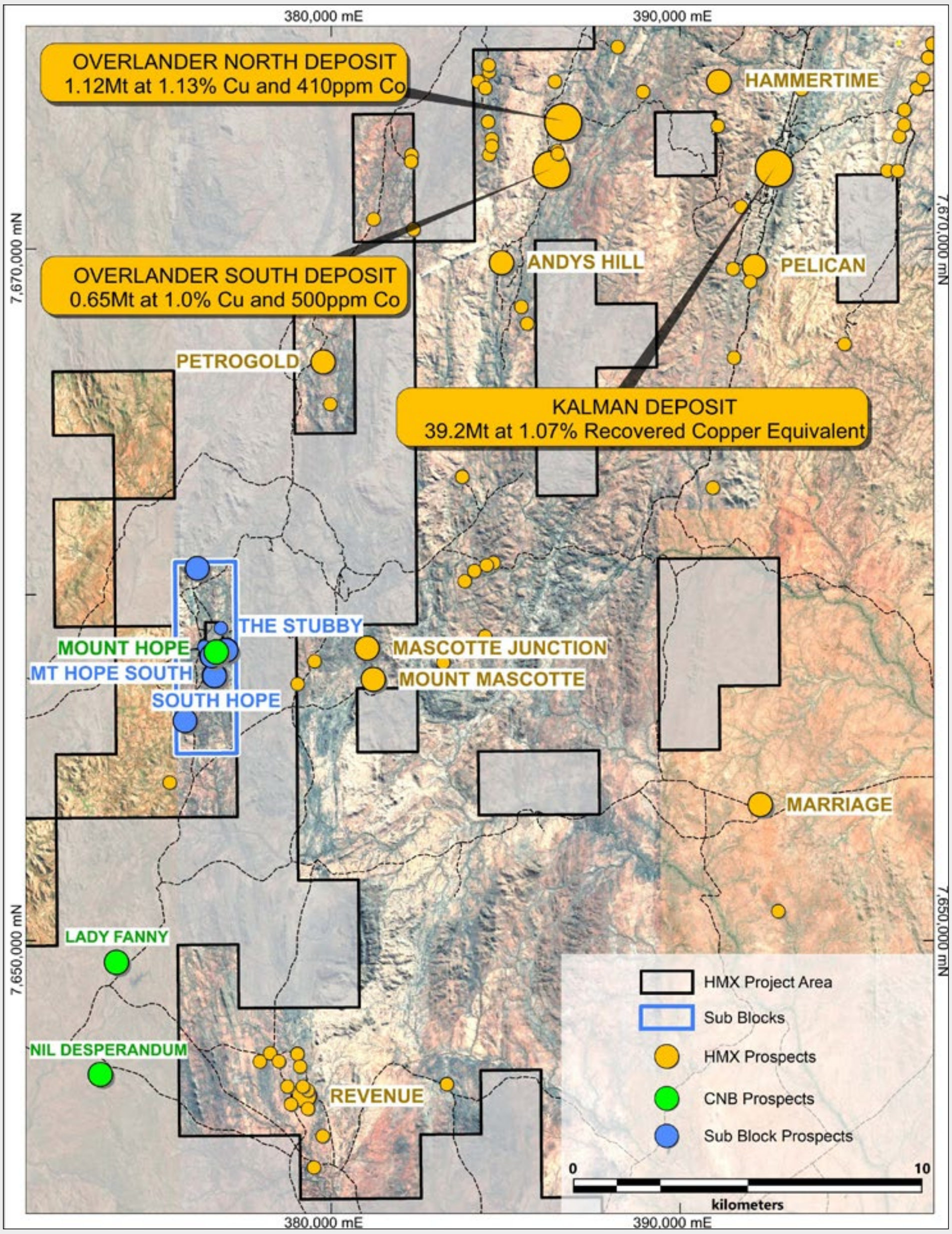
Joint Venture	Partner	HMX Interest	Blocks	Area (km^2)	Proportion of Tenure
Mount Isa East JV	SMMO	~40%	104	334	12%
Mt Frosty JV	Glencore	51%	9	29	1%
Dronfield JV	Kabiri	80%	49	157	6%
Mt Hope JV (new)	Carnaby	49%	3	10	0%
Isa Valley JV (new)	South32	100%	100	321	11%
Bullrush (new)	SMMO	100%	27	87	3%
HMX 100%(new)		100%	583	1,871	67%
Total			**875**	**2,808**	**100%**

During the year, new agreements were executed with Sumitomo Metal Mining Oceania (Bullrush JV), South32 (Isa Valley JV) and Carnaby Resources (Mount Hope JV).

Mount Hope JV with Carnaby Resources

(HMX 49%) Cu-Au

Hammer Metals executed a binding agreement to divest equity in three Sub-Blocks at Hammer's Mount Hope South tenements in the Mt Isa region of Queensland to Carnaby Resources Limited ("Carnaby") (ASX: CNB) for total consideration of up to $20 million.



Mount Hope Region

Hammer remains a substantial holder of tenure in and around the Mount Hope project with leading prospects at Mascotte, Revenue and Smith's Store all set to benefit from additional exploration in the coming year.

Carnaby acquired an initial 51% interest in the Sub-Blocks for consideration comprising $4 million in cash and $5 million in Carnaby shares, with the Carnaby shares to be escrowed for 12 months. Hammer is currently Carnaby's largest shareholder with a shareholding of ~ 5.3%.

Upon a decision to mine at either of Carnaby's Mount Hope Central or Mount Hope North open pits, Carnaby will pay an additional $5 million in cash to Hammer and Carnaby's interest in the Sub-Blocks will increase to 70%.

Profit generated from any ore mined within the Mount Hope Central or Mount Hope North open pits that is derived from within the Sub-Blocks will be shared based on the 70%/30% ownership interests of the parties in the Sub-Blocks pursuant to a standard profit-sharing agreement.

Upon a positive Final Investment Decision in respect of a separate new open pit or underground development to mine ore within the Sub-Blocks (Sub-Block FID), Carnaby will pay Hammer an additional $6 million in cash. Carnaby's interest in the Sub-Blocks will remain at 70%. Carnaby will free-carry Hammer through to production from any new Sub-Block development (see ASX Announcement 2 April 2024).

South Hope (49% HMX)

The main prospect within the JV area is the South Hope prospect with Hammer completing programs during the year.

Copper and gold mineralisation at South Hope consists of a steeply west-dipping and south-plunging quartz breccia pipe with chalcopyrite as the main copper-bearing sulphide. The country rock is composed of metasediments and amphibolite.

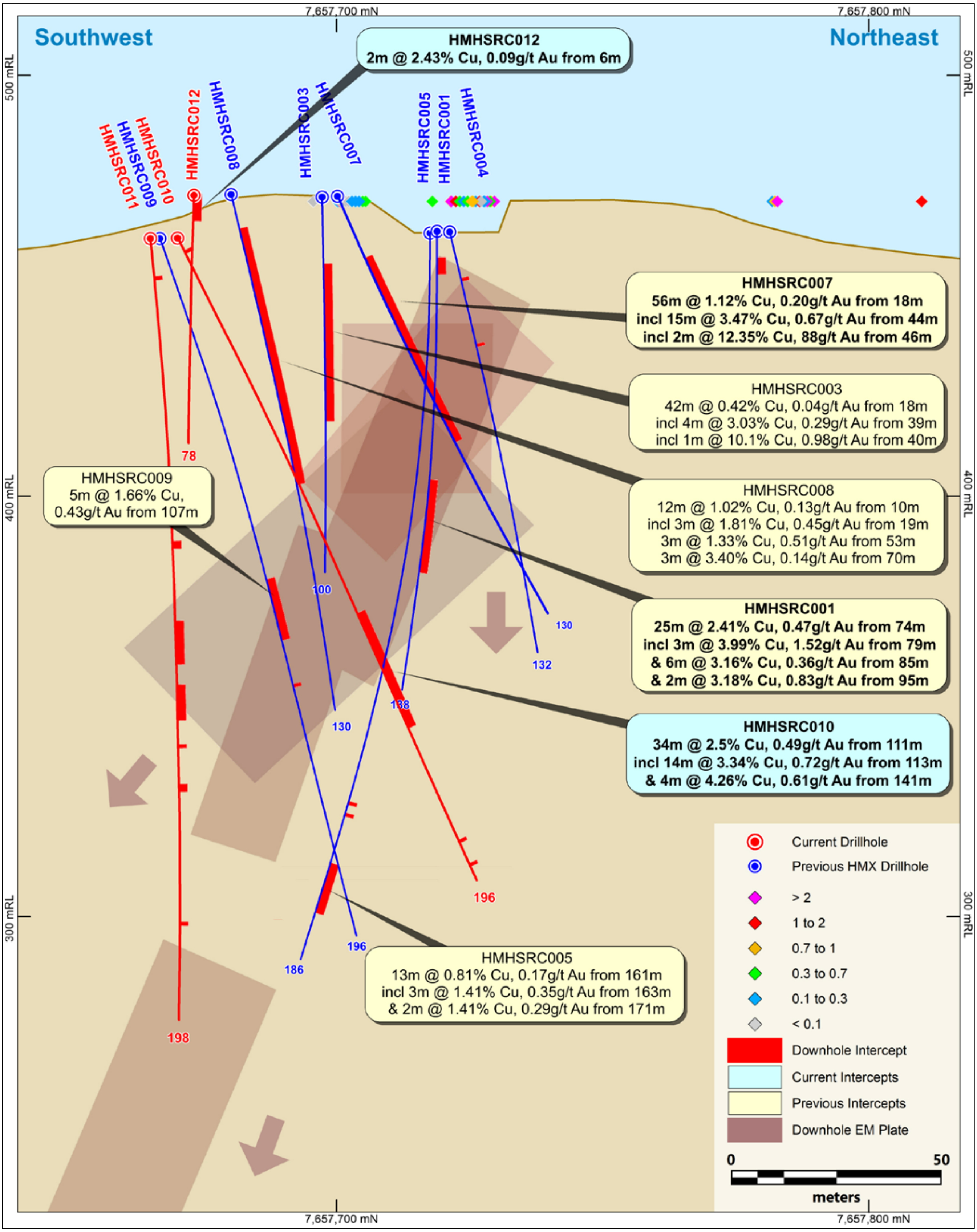
Drill-hole HMHSRC007 was designed to intercept the shoot at a higher elevation than HMHSRC001. Significant intercepts included (see ASX Announcement: 4 July 2023):

- 15m at 3.47% Cu within a broader mineralised zone of 56m at 1.12% Cu.

Additional drilling to test beneath existing high-grade intercepts and also test the down-plunge continuation of the South Hope shoot. With results including: (see ASX Announcement 5 December 2023):

- 14m at 3.34% Cu and 0.72g/t Au from 113m within a broader envelope of: .
  - 34m at 2.5% Cu and 0.49g/t Au in HMSHRC010;

Preliminary interpretation of down-hole EM conducted on HMHSRC011 indicates continuation of a steeply south-plunging conductor at the prospect.



Hope South Long Section looking west and showing the continuation of the conductive zone
(see ASX Announcement 5 December 2023)

Bullrush JV with Sumitomo Metal Mining Oceania

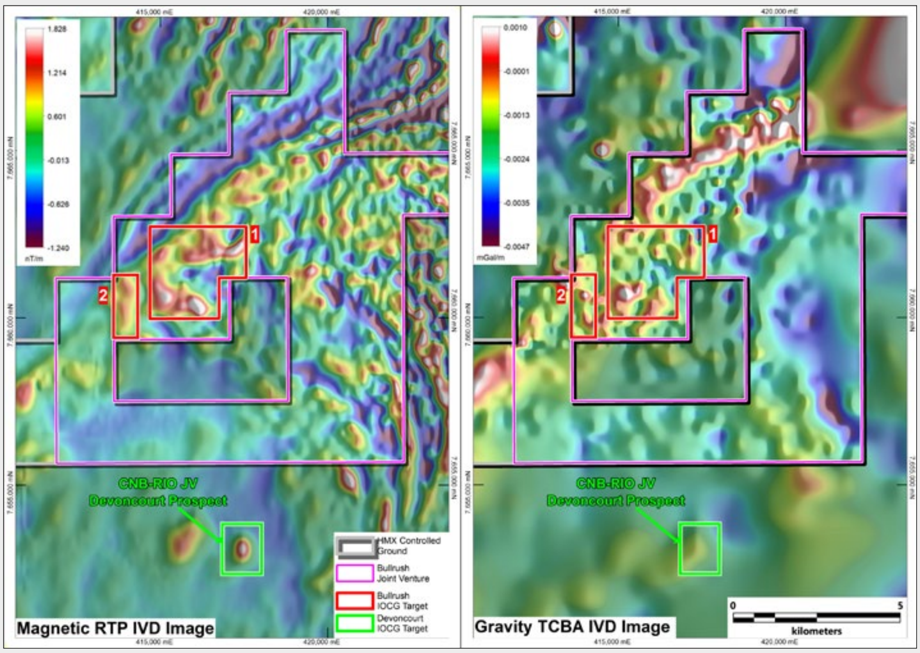
(SMMO Option to earn up to 60-80%) Cu-Au

Agreement was executed with Sumitomo Metal Mining Oceania Pty Ltd (SMMO), providing SMMO with the opportunity to earn up to an 80% interest in Hammer's Bullrush Project.

The Joint Exploration Agreement covers 27 sub-blocks within EPM25866, located 90km south-east of Mount Isa (See ASX Announcement 27 June 2024). The Bullrush Project's tenure is located over covered portions of the Wimberu Granite with magnetically active margins of the multi-phase "Williams-age" intrusive complex. The JV is targeting IOCG deposits within the granite.

During the earn-in period, SMMO can achieve up to an 80% interest in the Project Area by free-carrying Hammer to the completion of a Pre-Feasibility Study. The earn-in period is staged as follows:

- Farm-in Fee: SMMO paid Hammer $100,000, representing a proportion of historical expenditure on this project.
- Minimum Commitment: SMMO must fund an initial 2,000m drilling program, within 12 months.
- First Farm-in Period: At SMMO's election, it can earn a 51% interest by expending $4.5 million within a 4-year period.
- Second Farm-in Period: At SMMO's election, SMMO may fund a further $2,000,000 of exploration expenditure over a one-year period to increase its ownership in the Project to 60%.
- Third Farm-in Period: Upon completion of the Second Farm-in period, Hammer may elect to contribute its pro-rata share of exploration expenditure to maintain a 40% interest in the project. Should Hammer elect to not contribute, SMMO may earn an additional 20% interest by sole funding a Pre-Feasibility Study.



Bullrush Joint Venture area showing the initial target areas
(See ASX Announcement 19 September 2022)

Isa Valley Earn-in Agreement with South-32

(S32 Option to Earn Up To 70-80%) Cu-Au-Pb-Zn

Agreement was executed with South32 Group Operations Pty Ltd providing South32 with an option to earn an 80% interest in Hammer's EPM28189.

Hammer's Isa Valley Project is located in an analogous geological setting to the Mt Isa Deposit. The Mount Isa and George Fischer-Hilton lead-zinc deposits (124Mt @ 7% Zn, 6% Pb and 255Mt at 3.3% Cu and 228Mt @5.5% Pb, 10.6%Zn and 97g/t Ag respectively) have been mined continuously since 1931.

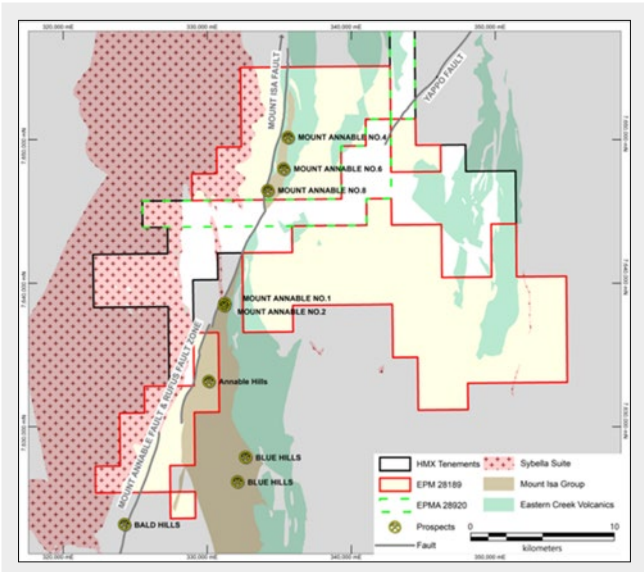
EPM28189 covers a proportion of the strike length of the Mount Isa Fault. Exploration has been sporadic along this zone since the 1960's with limited recent work being completed on this tenure. The prospective zones have seen limited deeper drilling, and no modern, deep-sensing geochemical sampling has been conducted within the Joint Venture area. (See ASX Announcement 27 May 2024).

During the earn-in period, South32 can achieve up to an 80% interest in the Project Area by free-carrying Hammer to the completion of a Pre-Feasibility Study. The earn-in period is staged as follows, noting that South32 earns its interest after the completion of the third stage of the earn-in period:

- **Stage 1:** South32 has completed an initial screening with ionic leach soil sampling and field assessment of the tenement.
- **Stage 2:** At South32's election, South32 will fund expenditure for a drilling program approved by a Technical Committee, comprising 900 metres of drilling, subject to an expenditure cap of A$150,000, to be completed within 12 months of commencing Stage 2.
- **Stage 3:** At South32's election, South32 must fund A$3,000,000 of exploration expenditure over a three-year period. South32 may extend the Stage 3 earn-in period, by a further 12 months whereupon expenditure commitment during this period shall be increased from A$3,000,000 to A$4,000,000. Upon the completion of Stage 3, South32 will have earned a 70% interest in the project and a joint venture will be formed.

→ Upon completion of the Stage 3, South32 may earn an additional 10% interest in the Joint Venture by sole funding a Pre-Feasibility Study (as defined in the JORC Code 2012 Edition).

→ Upon completion of the earn-in, at either the conclusion of Stage 3 or the completion of a Pre-Feasibility Study, each party can elect to contribute to exploration expenditure on a pro-rata basis in accordance with its interest.



Hammer's EPM28189 and various base metal prospects within the tenure

Mount Isa East Joint Venture (MIEJV) with SSMO

(HMX ~40%) Cu-Au

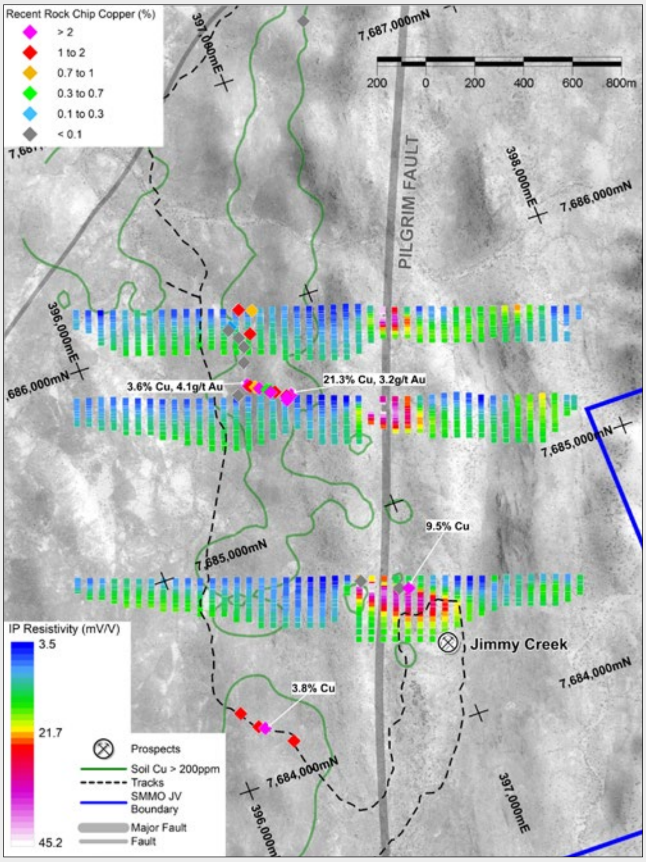
The Joint Venture area covers sections of the Even Steven, Mount Philp, Dronfield West and Malbon target areas covering ~ 330km² of the Mount Isa Project.

The areas are considered highly prospective for the discovery of Iron Oxide Copper Gold Deposits ("IOCG"). The Joint Venture is now in its fifth year of operation with the exploration activities heavily focussed on several highly prospective areas of interest.

During the year, SMMO reached a milestone $6 million of exploration expenditure under the JV and has now elected to continue funding the joint venture. For now, Hammer has chosen to dilute its interest in the Joint Venture, preserving capital to focus on its 100%-owned prospects.

Activities during the year included over 3000m of drilling at Prince of Wales, Thunderer, Toby, Secret and Shadow South targets. The programs were designed to test a combined magnetic, gravity, induced polarisation and geochemical anomalies.

Extensional soil sampling, geological reconnaissance and rock chip sampling was conducted over the Jimmy Creek, Malbon and Even Steven prospects. Induced polarisation surveys were conducted at Shadow, Secret, Even Steven and Jimmy Creek with a number of promising anomalies observed. In addition a VTEM survey was conducted over the Dronfield and Malbon Areas of Interest.

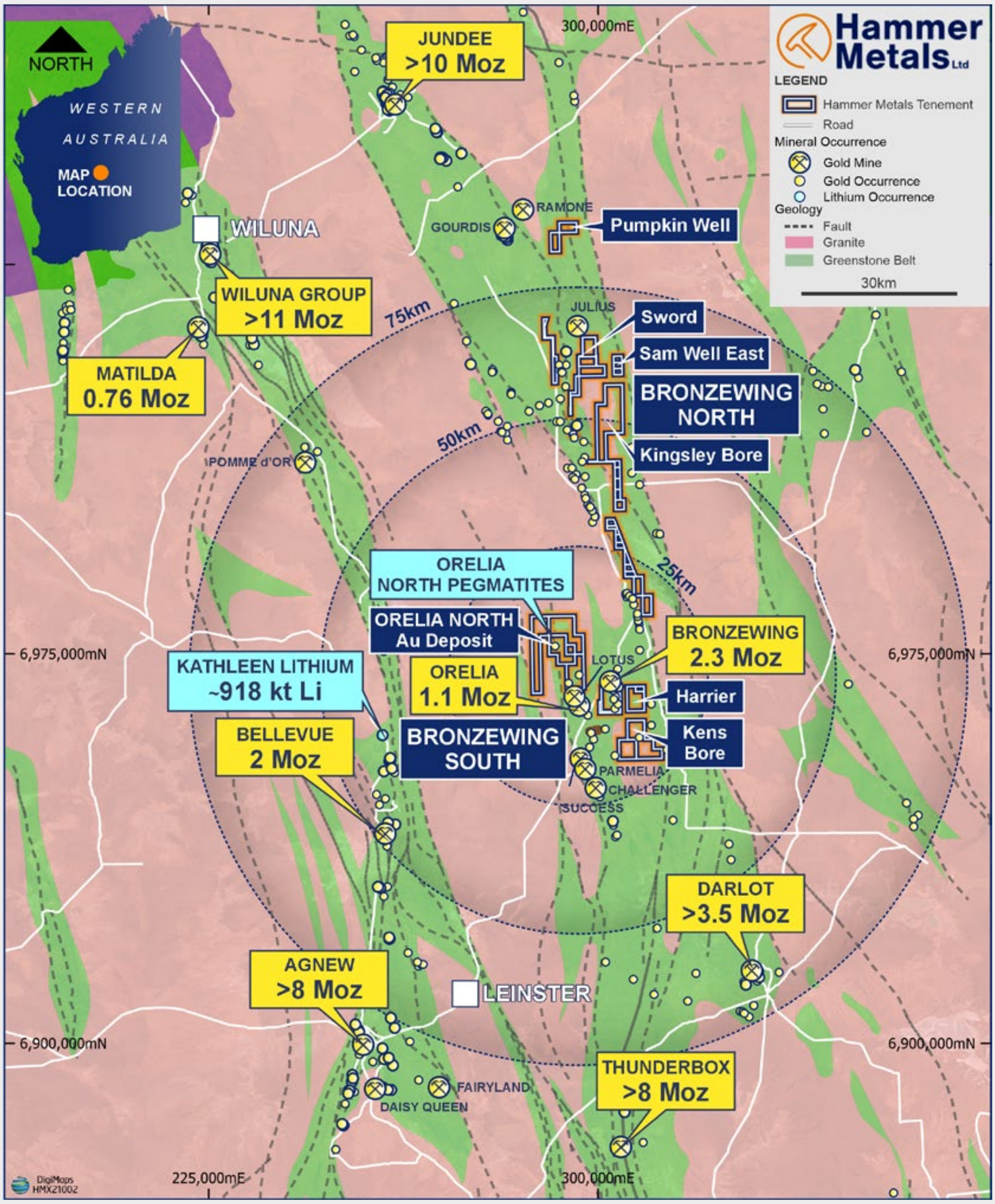


Oblique view of the Jimmy Creek trend and the southern portion of the 4km long Even Steven trend showing IP chargeability response (see ASX Announcement 28 November 2023)

Yandal Projects (WA)

Hammer holds a 100% interest in ~ 290km^2 of tenements, located within the Yandal greenstone belt in Western Australia.

The maiden mineral resource at North Orelia was the highlight for the Yandal project in FY24. The North Orelia gold resource remains open at depth and offers excellent exploration prospects across the 2km strike length of gold anomalism. Additional drilling completed during the year focussed on anomalous lithium geochemistry at North Orelia in addition to air core drilling at Sword and Harrier.



Hammer Metals Yandal Project tenements

Yandal Gold Projects

(100% Hammer), WA

Orelia North Gold Deposit

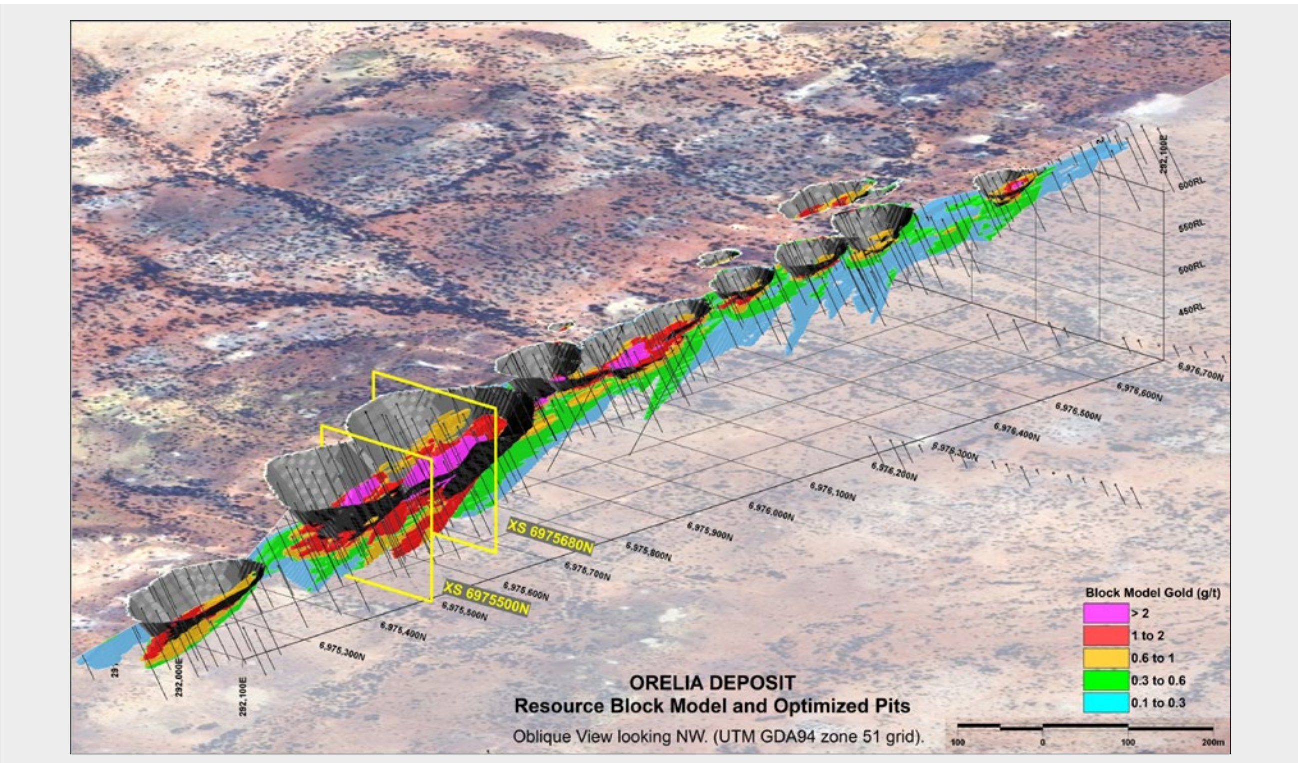
Hammer released a maiden Mineral Resource Estimate (MRE) for the Orelia North gold deposit.

14 holes for 1,610m were drilled on the Orelia North Target 1 gold prospect. This infill drilling was designed to provide sufficient drilling data to enable Hammer to prepare a maiden Mineral Resource Estimate (see ASX Announcement 24 July 2024).

An infill drilling program was completed during the year with intercept highlights of:

- 1m at 14.44g/t Au from 83m within an envelope of 15m at 1.44g/t Au from 82m in BWSRC059;
- 5m at 2.01g/t Au from 51m with an envelope of 37m at 0.44g/t Au from 36m in BWSRC063; and
- 2m at 9.18g/t Au from 45m within an envelope of 14m at 2.10g/t Au from 40m in BWSRC069.

The Orelia North project was estimated to contain 1.48Mt grading 1.15g/t Au for 54.5koz of contained gold (0.5g/t Au cut-off). The Orelia North deposit is located approximately 9.5km to the north of the Orelia gold operation operated by Northern Star Resources Limited (ASX: NST) and ~12.5km north-west of NST's Bronzewing Gold Operations.



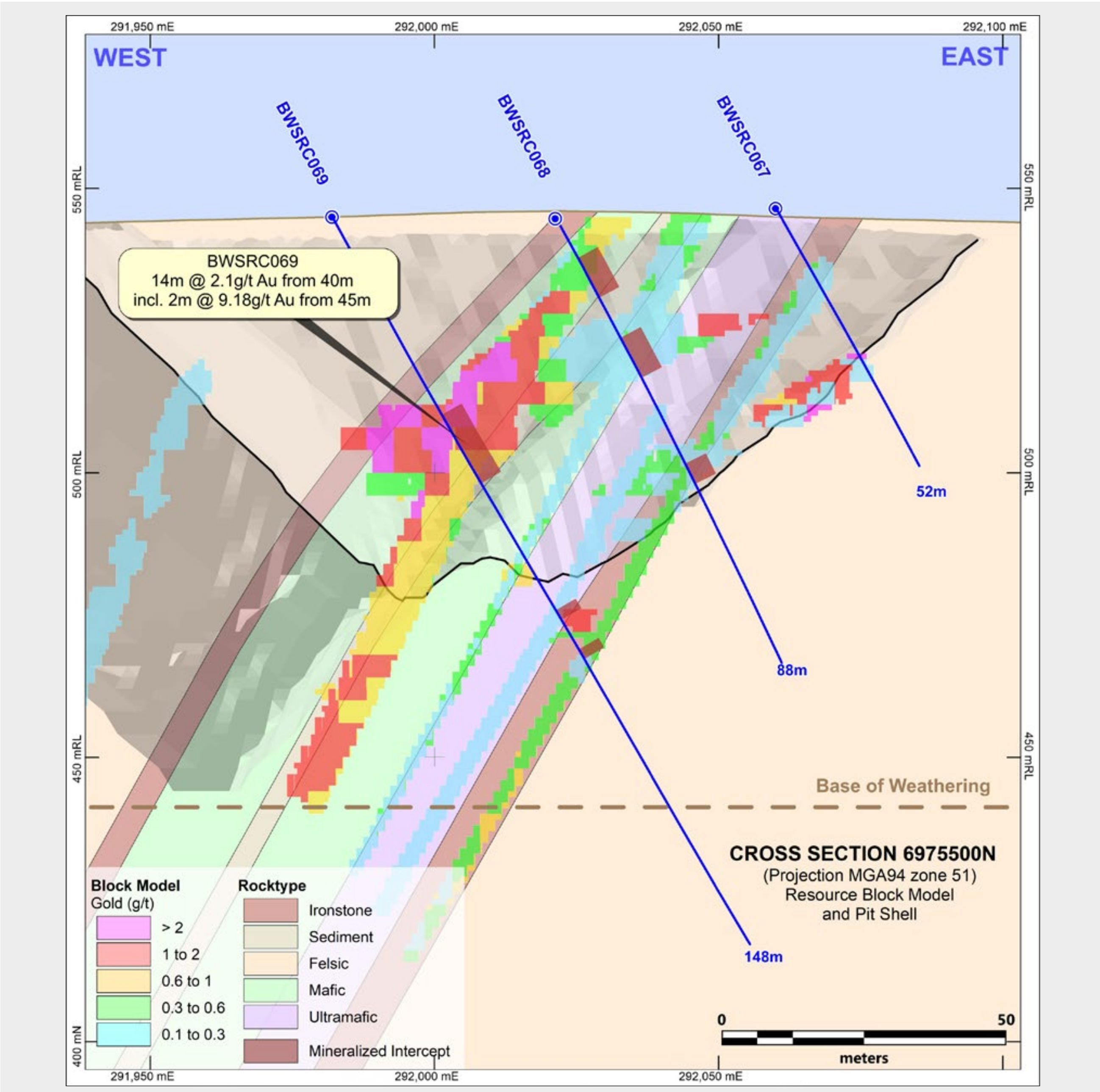
Oblique view looking northwest showing drilling and block model with optimised pit

Orelia North Deposit - Inferred Mineral Resource Estimate by weathering domain (Au 0.5g/t cutt-off) - July 2024

Domain	Mt	Au (g/t)	Au (koz)
Oxide	0.03	0.80	0.7
Transition	1.35	1.11	48.3
Fresh	0.10	1.74	5.5
Total	**1.48**	**1.15**	**54.5**

→ *Note rounding of total tonnage and metal content*

The Orelia North Target 1 Resources are located within the Orelia shear zone, which extends for approximately 15km along strike to the north of the Lotus and Cockburn pits and adjacent to the 1Moz Orelia gold deposit held by Northern Star Limited.



Section 1 showing interpreted geology, significant intercepts (reported), block model with optimised pit.

Additional Yandal Targets

(Sword, Harrier and Lithium)

Two other drilling programs were completed during the financial year with an air core program targeting gold at Sword and Harrier, whilst a Reverse Circulation (RC) drilling program targeting Lithium mineralisation at North Orelia.

Four holes (808m) targeted the Orelia Target 1 Pegmatite system down-dip and along strike to the east. Previous multi-element analyses had confirmed that the pegmatites had the potential to host lithium mineralisation, however the maximum lithium assay from this drilling was 647ppm Li in BWSRC057 between 128m and 129m. (See ASX Announcement 29 April 2024).

An initial review of multi-element assays within and on the margins of pegmatites indicates that there is a geochemical gradation down-dip and along strike to the east showing:

- Increasing Li and Cs;
- Decreasing Ti/Zr and Nb/Ta ratios.

This gradation is consistent with a possible lithium-bearing zone located to the east and at depth from the area currently drill tested.

The Tapenade Prospect was tested by three holes (216m). The target was to intersect lithium-bearing micaceous zones at depth. The drilling failed to repeat the surface assays and as a result the prospect has been downgraded.

An Air Core drilling program has been completed at Hammer's Sword and Harrier prospects. The Sword Prospect is located on the eastern side of the Overlord Thrust in an analogous geological setting to the Julius Gold Deposit (owned by Northern Star Resources), located 6km to the north. Sword has been drilled previously by Newmont Gold Corporation and Echo Resources Limited. The previous drilling consisted of vertical wide-spaced holes.

Historical shallow air core drilling at Sword encountered intercepts of 4m @ 2.53g/t Au from 92m in ERB0200 and 23m @ 0.47% Ni from 28m in ERB0220 . Hammer will drill test the area through multiple fences of angled holes.

The Harrier Prospect is located 3km to the south-east of the Bronzewing Gold Deposit. The tenement is located on the eastern limb of the Bronzewing anticline and given the tenements proximity to the former mine, it remains lightly explored.

COMPETENT PERSON'S STATEMENTS

Competent Person's Statements

Exploration Results

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.

Mineral Resource Estimates

Where the company refers to Mineral Resource Estimates 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 continue to apply and have not materially changed.

Annual Mineral Resource Statement

(As of 30 June 2024)

The Company's Mineral Resource Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 and 2004 Editions) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Company has no Ore Reserve estimates.

The Company governs its activities in accordance with industry best-practice. The reported estimates for all mineral resource estimates were generated by reputable, independent consulting firms. The resource reports and supporting data were subjected to internal analysis and peer-review before release.

In 2016, Hammer Metals Limited commissioned Haren Consulting Pty Ltd to update the Kalman Resource based on new drilling and geological interpretation. The resource was issued on the 27th of September 2016. After the completion of additional drilling 2021/2022, Hammer commissioned Haren Consulting Pty Ltd to update the Kalman Resource based on new drilling and geological interpretation. The resource was issued on the 8th of May 2023.

In November 2018, H&S Consultants Pty Ltd was commissioned to undertake a resource estimate on the Jubilee Cu-Au Deposit. The MRE has been estimated in accordance with the 2012 edition of the JORC Code and was issued on 12 December 2018.

In December 2022, Geowiz consulting was commissioned by Hammer Metals Limited to undertake the Mineral Resource Estimate (MRE) for the Lakeview copper-gold deposit. The MRE has been estimated in accordance with the 2012 edition of the JORC Code.

In July 2024, Geowiz consulting was commissioned by Hammer Metals Limited to undertake the Mineral Resource Estimate (MRE) for the Orelia North gold deposit. The MRE has been estimated in accordance with the 2012 edition of the JORC Code.

Cerro Resources Limited, the previous tenure holder over the Mt. Philp Hematite Deposit reported the Resource Estimate to the ASX on the 12 March 2012. The Mt Philp Resource Estimate adhered to the JORC Code 2004 edition.

In relation to the Overlander, Mt Philp and Jubilee Resources, there have been no material changes to the Resource Estimates during the reporting period.

There have been no material changes to any MRE's during the reporting period, however the MRE for the North Orelia gold deposit, reported on 24 July 2024, has been shown in this annual Mineral Resource Statement.

Resource Project	Mineral Resource Competent Person	Organization	ASX Reporting Date
Orelia North	Mr. R. Corben	Geowiz Consulting	24 July, 2024
Lakeview	Mr. R. Corben	Geowiz Consulting	21 December, 2022
Jubilee	Mr. L. Burlet	H&S Consultants Pty Ltd	12 December, 2018
Kalman	Ms. E. Haren	Haren Consulting	8 May, 2023
Overlander	Ms. E. Haren	Haren Consulting	26 August, 2015
Mt. Philp	Mr. T. Leahey	Cerro Resource NL	28 September, 2012

Kalman Deposit JORC 2012 Mineral Resource Estimate (8 May, 2023)

(Reported at a 0.4% CuEq and 1% CuEq cut-off for open pittable and underground resources respectively)

Classification	Mining Method	CuEq Cut-off	Tonnes Kt[1]	CuEq Cont. % [3]	CuEq Rec. %[2,3,4]	Cu %	Au g/t	Ag g/t	Mo %	Re g/t	Contained Cu Eq Metal (Kt) [1]	Recovered Cu Eq 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	Open Pit	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) 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: (2) 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: (3) Recovery assumptions are: Cu 86%; Au 74%; Ag 74%; Mo 86%; and Re 77%.*
- *Note: (4) Transition from Open to Underground Mining based on prior optimisation studies set at 75mRL. Surface RL is approximately 425mRL.*

The Kalman Molybdenum-Rhenium-Copper-Gold-Silver (Mo-Re-Cu-Au-Ag) deposit is situated 60 kilometres southeast of Mt Isa within the Mt Isa Inlier, and forms part of the company's Kalman Project.

Drilling extends to a maximum down hole depth of 998.3 metres and the mineralisation was modelled from surface to a depth of approximately 800 metres below surface. The estimate is based on good quality RC and diamond core drilling data. The drill hole spacing is approximately 100 metres along strike with some 50 metre-spaced infill drilling.

In May 2023, Haren Consulting was contracted by Hammer Metals Limited to complete an update of the Mineral Resource estimate for the deposit. The estimate was reported to comply with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC).

The Kalman Mineral Resource has been reported at two cut-off grades to reflect both open pit and underground mining scenarios. The Kalman Mineral Resource estimate comprises a combined **39 million tonnes at 1.1% recovered copper equivalent (CuEq)** at 0.53% copper, 0.27 g/t gold, 0.10% molybdenum and 2.1 g/t rhenium in the Indicated and Inferred categories at revised cut-off grades. (Refer to the ASX release dated 23 May 2023).

The Kalman Mineral Resource Estimate disclosed as part of the 2016 review was last updated in March 2016 in accordance with the JORC Code (2012 Edition). The Resource estimate comprised a combined 20 million tonnes at 1.8% copper equivalent (CuEq) at 0.53% Cu, 0.27g/t Au, 0.14% Mo and 3.7 g/t Re in the Inferred category. (Refer to the ASX Release dated 27 September 2016 for full details of the Resource Estimate.)

The reasons for the MRE update were:

- *17 holes (K140-K156) drilled by Hammer in 2021/22 were incorporated into the resource model. The drill holes intersected multiple, relatively shallow high-grade molybdenum and copper intersections which were considered to have the potential to enhance the existing mineral resource model.*
- *The deposit was re-interpreted to improve mineralisation constraints.*

The 2016 resource update differed from the 2014 update in that the resulting total resource tonnage was increased from 20,000kt to 39,120kt and average metal grades decreased, primarily due to the use of lower cut-off grades.

Overlander North And South Deposits JORC 2012 Mineral Resource Estimate (26 August, 2015)

(Reported at 0.7% Cu cut-off)

OVERLANDER NORTH MINERAL RESOURCE

Classification	Tonnes	Cu %	Co ppm	Cu Tonnes	Co Tonnes
Indicated	253,000	1.4	254	3,414	64
Inferred	870,000	1.3	456	11,350	396
Total	**1,123,000**	**1.3**	**410**	**14,764**	**461**

→ *Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence*

→ *Note: (2) Totals may differ due to rounding*

OVERLANDER SOUTH MINERAL RESOURCE

Classification	Tonnes	Cu %	Co ppm	Cu Tonnes	Co Tonnes
Indicated	-	-	-	-	-
Inferred	649,000	1.0	500	6,352	327
Total	**649,000**	**1.0**	**500**	**6,352**	**327**

→ *Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence*

→ *Note: (2) Totals may differ due to rounding*

OVERLANDER NORTH AND SOUTH COMBINED MINERAL RESOURCE

Classification	Tonnes	Cu %	Co ppm	Cu Tonnes	Co Tonnes
Indicated	253,000	1.4	254	3,414	64
Inferred	1,518,000	1.2	476	17,700	723
Total	**1,772,000**	**1.2**	**445**	**21,112**	**788**

→ *Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence*

→ *Note: (2) Totals may differ due to rounding*

The 100%-owned Overlander Project is situated 60 kilometres to the southeast of the mining centre of Mount Isa in Northwest Queensland and 6 kilometres to the west of Hammer's Kalman copper-gold-molybdenum-rhenium deposit. It is a high-priority target area for both shear-hosted copper and IOCG copper mineralisation. The Overlander North and South Copper Deposits are situated approximately one kilometre apart within a common shear zone.

Drilling in the Overlander North deposit extends to a vertical depth of approximately 430m and the mineralisation was modelled from surface to a depth of approximately 420 metres below surface. Drilling in the Overlander South deposit extends to a vertical depth of approximately 215 metres and the mineralisation was modelled from surface to a depth of approximately 180m below surface. The resource estimates are based on good quality RC and diamond drilling data. Drill hole spacing is predominantly on a 40 metre by 20 metre spacing with additional drill holes between sections targeted at the higher-grade cores of the deposits.

Following additional drilling in 2014 and 2015, the Mineral Resource Estimates for the Overlander North and South shear-hosted copper Deposits were revised by Haren Consulting Pty Ltd and reported in accordance with the guidelines of the JORC Code (2012 Edition). They contain combined resources of 1,772,000 tonnes at 1.2% copper in the indicated and inferred categories (Refer to the ASX release dated 26 August 2015). There has been no material change to the Overlander resource base during the financial year.

Lakeview Deposit JORC 2012 Mineral Resources Estimate (21 December, 2022)

(Reported at 0.3% Cu cut-off)

LAKEVIEW MINERAL RESOURCE

Classification	Tonnes Mt	Cu %	Au g/t	Cu Tonnes	Au Ounces
Inferred	0.59	1.02	0.30	6,049	5,706

In December 2022, Geowiz consulting was commissioned by Hammer Metals Limited to undertake the Mineral Resource Estimate (MRE) for the Lakeview copper-gold deposit. The MRE has been estimated in accordance with the 2012 edition of the JORC Code.

The 100%-owned Lakeview Deposit is located approximately 60 kilometres east of Mt Isa in northwest Queensland. A total of 13 Reverse Circulation (RC) drillholes define the deposit for 1,380 m of drilling. The deposit was sampled by drilling at nominal 40 m spacing on 40m north-south oriented sections. Holes were generally angled at -60° towards the south with dip angles set to optimally intersect the mineralised horizons, which dip at approximately 65°-70° to the north.

Mineralised intersections for the two main lodes were manually coded in each drill hole using a nominal 0.3% Cu cut-off. The coded mineralised intersections were loaded into Leapfrog software and vein geological models were generated from the coded intervals for the three interpreted lodes. Domain wireframes were extracted from the Leapfrog model and exported into Surpac™ V6.6 software where they were used as a guide to generate final wireframes used to constrain the resource modelling.

A block model was set up with a parent cell size10m (E) x 4m (N) x 5m (RL) with standard sub-celling to 5m (E) x 2.0m (N) x 2.5m (RL) to maintain the resolution of the mineralised domains. The 4m Northing dimension was used to reflect the geometry and orientation of the domain wireframes. Samples composited to 1m length were used to interpolate Cu and Au into the block model using ordinary kriging interpolation method. All block modelling was completed using Surpac™ v6.6 software.

Density was assigned to the block model based on 18 density measurements taken inside the interpreted lodes.

A Lerchs-Grossman pit optimisation was run using a Cu price of AUD$5.30 per pound and Au price of AUD$2,500 per ounce. The block model was reported inside the pit shell to determine that blocks >0.3% Cu have reasonable prospects of future economic extraction by surface mining.

Although the RC drilling has defined 3 continuous mineralised lodes, exploration of the Lakeview deposit is in the early stages and more drilling is required to better define the extent of the deposit. Due to the limited amount of drilling, the MRE has been classified as Inferred only based on the guidelines specified in the JORC Code.

The deposit appears to be of sufficient grade, quantity, and coherence to have reasonable prospects for eventual economic extraction.

Jubilee Deposit JORC 2012 Mineral Resource Estimate (12 December, 2018)

(Reported at 0.5% Cu cut-off)

Classification	Weathering Domain	Tonnes	Cu %	Au (Cut) g/t	Cu Tonnes	Au (Cut) Ounces
Inferred	Mod-Slightly Weathered		1.51	0.55	1,000	1,200
Inferred	Fresh		1.41	0.63	19,000	27,100
Total			**1.41**	**0.62**	**20,000**	**28,300**

→ *Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence*

→ *Note: (2) Totals may differ due to rounding*

The 51%-owned Jubilee Deposit is situated 50 kilometres west of Mount Isa in Northwest Queensland.

In November 2018, H&S Consultants Pty ltd was commissioned to undertake a resource estimate on the Jubilee Cu-Au Deposit. The resource was issued on 12 December 2018.

The estimate is based on good quality RC and Diamond drilling data. The estimate was based on a 42 reverse circulation holes for 5475m and 3 diamond holes for 261m. Of these holes 26 were drilled by Hammer Metals Ltd and the remaining 19 drilled by the previous operator. Drilling extends to a maximum depth of 325m below surface. The drill hole spacing is approximately 50m along strike.

There has been no material change to the Jubilee Resource estimate since its initial release to the ASX dated 20 December 2018.

Refer to the ASX release dated 20 December 2018. The company is not aware of any new information or data that materially affects the information in the HMX ASX announcement. All material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.

Mt. Philp Deposit JORC 2004 Mineral Resource Estimate (28 March, 2012)

Classification	Tonnes	Fe %	P %	SiO2 %	Al2O3 %	TiO2 %	LOI %
Indicated	19,110,000	41	0.02	38	1.3	0.38	0.29
Inferred	11,400,000	34	0.02	48	2.0	0.46	0.31
Total	**30,510,000**	**39**	**0.02**	**42**	**1.6**	0.41	0.30

→ *Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence*

→ *Note: (2) Totals may differ due to rounding*

The Mount Philp Iron Ore deposit is located in north-western Queensland, 1,500 kilometres northwest of Brisbane. The Mineral Resource Estimate is based on 48 diamond and reverse circulation (RC) drillholes completed in 2011 for a total of 3,801 metres. Drilling comprises fans located on a nominal 100 metre pattern along the strike length of the ironstone. The Mineral Resource was estimated and reported in-house by Cerro Resource NL.

The current resource totals 19.1 million tonnes grading 41.4% iron and 37.9% silica in the Indicated category and 11.4 million tonnes grading 33.8% iron and 47.4% silica in the Inferred category. This resource is open at depth.

A resource estimate was first completed and reported to ASX by previous owners on 28 September 2012 and there has been no material change to the resource base during the financial year. A review of the resource estimate was completed for the purpose of compiling this statement and the principles and methodology of the resource estimation procedure and the resource classification procedure have been reconciled with the CIM Resource Reserve definitions and found to comply.

Orelia North JORC 2012 Mineral Resource Estimate (24 July 2024)

(Reported at 0.5g/t Au cut-off)

OVERLANDER NORTH MINERAL RESOURCE

Classification	Tonnes Mt	Au g/t	Au kOz
Inferred	1.48	1.15	54.5

→ *Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence*

→ *Note: (2) Totals may differ due to rounding*

In July 2024, Geowiz consulting was commissioned by Hammer Metals Limited to undertake the Mineral Resource Estimate (MRE) for the Orelia North gold deposit. The MRE has been estimated in accordance with the 2012 edition of the JORC Code.

The Orelia North deposit is located approximately 9.5km to the north of the Orelia gold operation operated by Northern Star Resources Limited (ASX: NST) and ~12.5km northwest of NST's Bronzewing Gold Operations in the Yandal Greenstone belt in Western Australia.

The Mineral Resource Estimate was based on 338 drillholes for a total of 18.44km and 7,314 laboratory analyses. These holes were drilled in 2019 and 2024 and consisted of 43 Reverse Circulation holes (4.65km) and 295 Air Core holes (13.78km). The drill hole spacing throughout the project is approximately 50 to 100m along strike. Drill spacing down dip is typically 20 to 40m.

Drill holes are orientated predominantly to an azimuth of approximately 77° and drilled at an angle of -60° to the east which is approximately perpendicular to the orientation of the mineralised trends.

The Orelia North Mineral Resource envelopes extend over a strike length of 2,100m and from surface to approximately 140m below surface. Multiple parallel hypogene mineralisation envelopes occur across strike. A total of eleven hypogene envelopes embrace the mineralisation. Envelopes vary from 1m to 15m in true thickness, covering a total width of 150m.

Three flat-lying supergene envelopes are superimposed on the hypogene envelopes. These extend from surface to a maximum depth of 100m. Average maximum depth is approximately 40m.

A block model was set up with a parent cell size 5m (E) x 20m (N) x 4m (RL) with standard sub-celling to 1.25m (E) x 5.0m(N) x 1.0m (RL) to maintain the resolution of the mineralised domains. The 5m Easting dimension was used to reflect the geometry and orientation of the domain wireframes.

Samples composited to 2m length were used to interpolate Au into the block model using ordinary kriging for the hypogene domains after applying top-cuts to reduce the influence of outlier grades. Samples composited to 1m length were used to interpolate Cu and Au into the block model using ordinary kriging interpolation method. All block modelling was completed using Surpac™ v6.6 software.

Density was assigned to the block model based on Gas Pycnometric analysis, and 34 analyses were undertaken. 23 samples fall within the interpreted hypogene lode wireframes. The remaining 11 analyses were classified as waste.

A Lerchs-Grossman pit optimisation was run using a Au price of AUD$3,500 per ounce. The block model was reported inside the pit shell to determine that blocks >0.5 ppm Au have reasonable prospects of future economic extraction by surface mining.

The deposit has been tested with high quality drilling, sampling and assaying. Geological logging has defined structural and lithological controls that provide confidence in the interpretation of mineralisation boundaries.

Geowiz considers that geological and mineralisation continuity has been demonstrated with sufficient confidence to allow the Orelia North deposit to be classified as Inferred Mineral Resources. The deposit appears to be of sufficient grade, quantity, and coherence to have reasonable prospects for eventual economic extraction.

Governance And Internal Controls – Resource Calculations

The Company ensures good governance in relation to resource estimation through the use of third-party resource consultants and internal review in accordance with industry best practice. All reported resource estimates were generated by reputable, independent consulting firms. The resource reports and supporting data were subjected to internal analysis and peer review before release. The Company is not aware of any additional information, other than that reported, which would have a material effect on the estimates as reported.

Due to the nature, stage and size of the Company's existing operations, the Board believes there would be no efficiencies gained by establishing a separate mineral reserves and resources committee responsible for reviewing and monitoring the Company's processes for calculating mineral reserves and resources estimates and for ensuring that the appropriate controls are applied to such calculations.

The Company will report any future mineral reserves and resources estimates in accordance with the 2012 JORC Code.

Resource By Commodity

The Company ensures good governance in relation to resource estimation through the use of third-party resource consultants and internal

Deposit	Tonnes	Contained CuEq	Recovered CuEq	Cu	Au	Co	Mo	Re	Fe
Kalman (Updated)	39.2	1.27	1.07	0.53	0.27	-	0.10	2.1	-
Jubilee (51% HMX)	1.4	-	-	1.41	0.62	-	-	-	-
Overlander	1.8	-	-	1.20	-	0.05	-	-	-
Lakeview	0.6	-	-	1.03	0.30				
Orelia North	1.48				1.15				
Mount Philp	30.5	-	-	-	-	-	-	-	39.00

Competent Person's Statements

The information in this Annual Mineral Resources Statement 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 JORC Code) and the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code). 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.

TENEMENT INTERESTS AT END OF SEPTEMBER 2023

Mt Isa (Queensland)

Mt. Dockerell Mining Pty Ltd

Lease	Lease Name	Lease Status	Interest
EPM 11919	Cameron River	Granted	100%
EPM 13870	Pelican	Granted	100%
EPM 18084	Dronfield	Granted	80%
EPM 25165	Cameron River 4	Granted	100%
EPM 26474	Enterprise	Granted	100%
EPM 26511	Sling Shot	Granted	100%
EPM 26628	Argylla	Granted	100%
EPM 26694	Mt Philp	Granted	40%
EPM 26775	Pilgrim North	Granted	100%
EPM 26776	Pilgrim Central	Granted	100%
EPM 26777	Pilgrim South	Granted	100%
EPM 26902	Marriage	Granted	40%
EPM 26904	Jady Jenny	Granted	100%
EPM 27018	Dingo Creek	Granted	100%
EPM 27469	Mount Moran	Granted	100%
EPM 27470	China Wall	Granted	100%
EPM 27806	Roos	Granted	40%
EPM 27815	Lady Vampire	Granted	100%
EPM 27861	Saint Mungo	Granted	100%
EPM 28285	The Plus	Granted	100%
EPM 28903	Pandora	Granted	100%

Mulga Minerals Pty Ltd

Lease	Lease Name	Lease Status	Interest
EPM 12205	Cloncurry	Granted	100%
EPM 14019	South Mary K	Granted	100%
EPM 14022	North Mary K	Granted	100%
EPM 14467	Mt Frosty	Granted	51%
EPM 25145	Green Creek	Granted	100%
EPM 25866	Malbon	Granted	100%
EPM 25867	Mt Jasper	Granted	100%
EPM 26126	Cathay	Granted	100%
EPM 26127	Resolve	Granted	100%
EPM 26130	El Questro	Granted	100%
EPM 26512	Black Angel	Granted	100%
EPM 27355	Pioneer	Granted	100%
EPM 29066	Dipvale	Application	100%

Hammer Bulk Commodities Pty Ltd

Lease	Lease Name	Lease Status	Interest
EPM 28189	Resolve Extended	Granted	100%
EPM 28921	Ashover	Application	100%

Yilgarn (Western Australia)

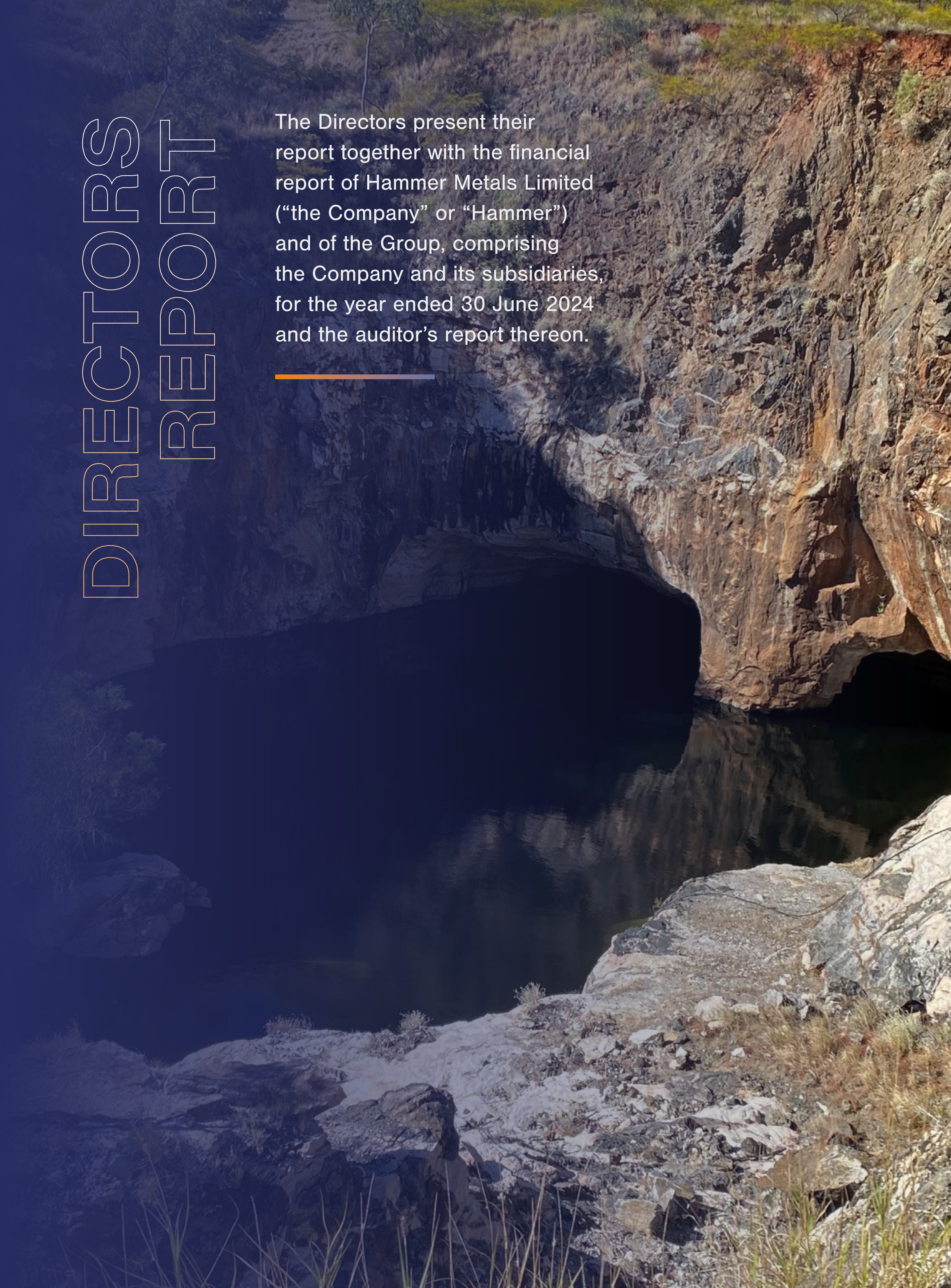
Carnegie Exploration Pty Ltd

Lease	Lease Name	Lease Status	Interest
E36/854		Granted	100%
E36/868	Kens Bore	Granted	100%
E36/869		Granted	100%
E36/870		Granted	100%
E36/916		Granted	100%
E36/996		Granted	100%

Lease	Lease Name	Lease Status	Interest
E36/1006		Application	100%
E36/1108		Application	100%
E53/1989		Granted	100%
E53/1996		Granted	100%
E53/2030		Granted	100%
E53/2085		Granted	100%
E53/2112		Granted	100%
E53/2113		Granted	100%
E53/2114		Granted	100%
E53/2115		Granted	100%
E53/2116		Granted	100%
E53/2117		Granted	100%
E53/2118		Granted	100%
E53/2127		Granted	100%
E53/2128		Granted	100%
E53/2359		Application	100%
P36/1857		Granted	100%
P36/1858		Granted	100%
P53/1682		Granted	100%
P53/1683		Granted	100%
P53/1684		Granted	100%
P53/1685		Granted	100%
P53/1686		Granted	100%
P53/1687		Granted	100%
P53/1688		Granted	100%
P53/1689		Granted	100%
P53/1690		Granted	100%
P53/1691		Granted	100%
P53/1692		Granted	100%
P53/1693		Granted	100%
P53/1694		Granted	100%
P53/1695		Granted	100%
P53/1696		Granted	100%
P53/1697		Granted	100%

DIRECTORS REPORT

The Directors present their report together with the financial report of Hammer Metals Limited ("the Company" or "Hammer") and of the Group, comprising the Company and its subsidiaries, for the year ended 30 June 2024 and the auditor's report thereon.



1. Directors

The names and details of the Company's directors in office during the financial year or since the end of the financial year are set out below:

RUSSELL DAVIS Non-Executive Chairman
BSc (Honours) MBA MAusIMM

Russell Davis is a Geologist with over 40 years' experience in the mineral resources business. He has worked on the exploration and development of a range of commodities for a number of international and Australian companies, holding senior technical and corporate positions including Chief Mine Geologist, Exploration Manager and Managing Director. Mr Davis was a founding Director of Gold Road Resources Limited in 2005 and continued as an Executive then Non-executive Director until June 2016. Mr Davis was also founding Director of Syndicated Metals Limited in 2007 and Managing Director up to March 2012. Mr Davis has been a Director of Hammer Metals (Australia) Pty Ltd since its inception in 2012.

DANIEL THOMAS Managing Director
BSc (Applied Chemistry), MBA

Daniel Thomas has over 20 years' experience in operations, corporate development, project management and project finance having completed undergraduate studies in Chemistry and Geology as well as attaining an MBA from the Melbourne Business School. During his career, Mr Thomas has worked across Australia, North America, Asia and Africa, in a wide range of commodities, including base and precious metals. Mr Thomas' most recent role before joining the Company was as Business Development Manager at Sandfire Resources (ASX:SFR), where he was instrumental in utilising cash-flows generated by the DeGrussa Copper-Gold Mine to grow the Company both organically through exploration and through business development initiatives, including several acquisitions, investments and joint ventures. Prior to his time at Sandfire Resources Limited, Mr Thomas held roles with Wesfarmers, PTT Asia Pacific Mining and Mitsui E&P Australia.

DAVID CHURCH Non-Executive Director
LLB, BEc

David Church is currently a Partner in the national legal firm Thompson Geer and the Non-Executive Chairman of Caprice Resources Limited. Mr Church is a qualified solicitor and has previously practiced in England and Wales and Hong Kong with Linklaters. Mr Church was also the head of mergers and acquisitions for Regent Pacific Group Limited, a Hong Kong listed investment company, for over 13 years.

JAMES CROSER
Non-Executive Director (appointed 8 September 2023)
BEng (Mining Engineering)

James Croser has over 25 years of experience in operational and executive roles with a strong track record in guiding junior ASX companies through periods of significant growth. Most recently, Mr Croser was a founding Director in the establishment of Red Dirt Metals (now Delta Lithium – ASX:DLI) and the discovery of the Mt Ida lithium deposit in WA.

ZBIGNIEW LUBIENIECKI
Non-Executive Director (resigned 7 September 2023)
BSc (Applied Geology), MAIG

Zbigniew ("Ziggy") Lubieniecki holds a Bachelor of Science (Applied Geology) and is an experienced exploration geologist with more than 30 years' experience in exploration, mining, management, property acquisition and company listings. Mr Lubieniecki has held senior positions including Chief Mine Geologist for Plutonic Resources Limited, Exploration Manager for Australian Platinum Mines and Executive Director of Gold Road Resources Limited. Mr Lubieniecki has had a successful exploration career including the discovery of the 6.2-million-ounce Gruyere gold deposit.

2. Directorships Of Other Listed Companies

Directorships of other ASX listed companies held by Directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of Directorship
Russell Davis	M3 Mining Limited	July 2022 - current[1]
Daniel Thomas	None	-
David Church	Caprice Resources Limited	October 2019 - February 2024
James Croser[2]	Delta Lithium Limited Greenstone Resources Limited	December 2021 - current November 2023 - June 2024
Zbigniew Lubieniecki[3]	Cosmo Metals Limited	August 2022 - July 2024

[1] – Mr Davis was a director of M3 Mining Limited prior to its listing on the Australian Securities Exchange in July 2022
[2] – Mr Croser was appointed to the board on 8 September 2023
[3] – Mr Lubieniecki resigned from the board on 7 September 2023

3. Company Secretary

MARK PITTS Company Secretary
B.Bus, FCA, GAICD

Mr Pitts is a Chartered Accountant with over 35 years' experience in statutory reporting and business administration. He has been directly involved with, and consulted to, a number of public companies holding senior financial management positions.

4. Directors' Meetings

The number of Directors' meetings held, and the number of meetings attended by each of the Directors of the Company during their term in office in the financial year is as follows:

Director	Meetings held while in office	Meetings attended
Mr R Davis	6	6
Mr D Thomas	6	6
Mr D Church	6	6
Mr J Croser	5	5
Mr Z Lubieniecki	1	1

The Company does not have any committees. Matters usually considered by an audit, remuneration or nomination committee were dealt with by the whole Board during regular Board meetings.

5. Principal Activity

The principal activity of the Group during the course of the financial year was mineral exploration in Australia.

6. Operating And Financial Review

The Group incurred an after-tax profit for the year of $6,270,584 (2023: loss of $1,285,536).

CORPORATE:

The following issues of ordinary shares were completed during the year:

- 6 July 2023 a total of 3,000,000 options exercisable at $0.035 on or before 30 June 2024 were validly exercised and 3,000,000 new ordinary shares were issued upon their conversion. The funds for the exercise were received during the previous financial year; and
- On 2 August 2023, the Company issued 3,666,667 ordinary shares to Directors of the Company at an issue price of $0.06 per share. These shares were issued in conjunction with the Share Placement completed on 5 June 2024, and the issue was approved by shareholders at the General Meeting held on 13 July 2023.

During the financial year 7,000,000 options lapsed unexercised and 9,500,000 new options were issued.

Since the end of the financial year, 2,600,000 options have expired. No further options or rights have been granted or expired.

During the financial year, 9,000,000 performance rights were granted and 5,000,000 expired. Since the end of the financial year, no further performance rights have been issued or have expired.

EXPLORATION ACTIVITIES:

Hammer is currently exploring in two world-class minerals provinces, focused on the discovery of copper and gold deposits. In the Mount Isa region, the Group continued an aggressive exploration program unearthing a number of encouraging copper/gold exploration targets. Hammer continues to advance its exploration activities in the Yandal Belt in WA, testing new lithium targets emerging in addition to several prospective gold targets near the former Bronzewing gold mine.

QUEENSLAND - MOUNT ISA REGION PROJECTS

In the Mount Isa base metals district, Hammer has five projects with established copper-gold-molybdenum JORC resources. The Group is committed to growing its metal inventory near these existing resources, in addition to exploring the district for large iron oxide copper-gold (IOCG) deposits of the Ernest Henry style (approximately 220 million tonnes at 1.1% Cu and 0.5g/t Au). The Group holds approximately 3,000 km^2 of tenure in the Mt. Isa region. A systematic IOCG targeting exercise within the Mount Isa region is ongoing through the Mount Isa East JV with Sumitomo Metal Mining Oceania (“SMMO”) and 100% funded activities.

In FY24, Hammer Metals reshaped its Mount Isa portfolio, entering three new Joint Ventures across a small portion of its exploration tenure. Through a landmark agreement with Carnaby Resources (“Carnaby”) (ASX:CNB), Hammer agreed to sell up to a 70% interest in its three sub blocks surrounding the Mount Hope project for a consideration of up to $20million. Upfront consideration for an initial sale of a 51% interest in the project was $4 million in cash and $5million in Carnaby Resources shares. Future payments of up to $11 million become due as the project progress through to development.

New Joint Ventures over highly prospective terrain have been established with SMMO and South32. These projects have been established with the aim of defining a large Tier 1 mineral systems such as Ernest Henry and the Mount Isa Copper/Lead/Zinc systems.

Mt. Isa project – wholly-owned projects

Hammer’s activities during the year focussed on the exploration of promising copper gold systems that were first identified in FY23 at Hardway, South Hope and Mascotte. Hammer continued to drill test over 14 new and exciting targets during the year, many of which had never been previously drilled. Key results achieved during the year include:

- *South Hope*
  - o 15m at 3.47% Cu and 0.7g/t Au from 44m in HMSHRC007;
- *Mascotte*
  - o 53m at 1.55% Cu and 0.52g/t Au from 77m in HMMARC008
- *Hardway*
  - o 41m at 1% Cu from 14m in HWRC017;
  - o 43m at 0.9% in HMHWRC019; and
  - o 43m at 0.9% in HMHWRC019; and

(Refer ASX Announcements – 3 July 2023, 27 July 2023 and 31 October 2023)

In December 2023, the Australian government added molybdenum to the critical minerals list. Hammer's Kalman project is one of Australia's largest known deposits of contained molybdenum and rhenium. Having completed a JORC resource update for the Kalman project during the year, Kalman could be the key deposit to underpin a future critical minerals development in the Mount Isa region.

The updated Mineral Resource Estimate (MRE) completed for the 100%-owned Kalman copper-gold-silver-molybdenum-rhenium deposit contains 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. This equates to ~500,000t of contained copper equivalent metal and represents a ~39% increase in the contained metal within the deposit. Drilling at Kalman delivered an additional 10Mt of material to the Indicated categorisation within the MRE (a 141% increase on the 2016 MRE). The Kalman MRE contains 208,400t of copper, 343,200 oz of gold, 38,000t of molybdenum, 1.92m oz of silver and 84,100 kg of rhenium (refer ASX Announcement 8 May 2023).

Kalman Deposit - JORC 2012 Mineral Resouce Estimate (May 2023)

Classification	Mining Method	CuEq Cut-off	Tonnes Kt(1)	CuEq Cont. % (3)	CuEq Rec. %(2,3,4)	Cu %	Au g/t	Ag g/t	Mo %	Re g/t	Contained Cu Eq Metal (Kt) (1)	Recovered Cu Eq 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	Open Pit	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*

EXPLORATION ACTIVITIES:

Mount Hope JV (Carnaby Resources earning up to 70% Interest)

Consideration from the initial tranche of payments was received during the year, comprising $4 million in cash and 9,090,909 shares in Carnaby Resources Limited (ASX: CNB) (escrowed for 12 months). In return, a 51% interest in the three Mount Hope sub-blocks has been granted to Carnaby. Hammer will retain a 30% equity interest and will be free-carried by Carnaby to production from the three Sub-Blocks.

Bullrush JV (SMMO earning up to a 60-80% interest)

Joint Exploration Agreement executed with SMMO, providing SMMO with the opportunity to earn up to an 80% interest in Hammer Metals' Bullrush Project in NorthWest Queensland (Project). The Bullrush Project has geophysical signatures that are suggestive of IOCG mineralisation beneath cover varying between 80m to 250m in thickness. Hammer will operate the Joint Exploration Program until the completion of the first Earn-in Period.

Mt Isa East Joint Venture ("MIEJV") (Hammer's Current Ownership ~40%)

Work on the MIEJV continued throughout the year, including drill testing of high priority targets at Shadow South, Secret and Prince of Wales. Additional targets at Jimmy Creek, Even Steven and Malbon were also investigated during geochemical and geophysical programs including a sizeable VTEM program.

Isa Valley JV (South32 Option to Earn up to an 80% interest)

South32 has an option to earn an 80% interest in the Isa Valley Project in North-West Queensland (Project) and form a joint venture. The Project covers sections of the Mount Isa Fault comprising an area of ~320km^2 and is considered highly prospective for Mount Isa-style sediment hosted lead-zinc-copper mineralisation similar in style to the Mount Isa and George Fisher-Hilton deposits (124Mt @ 7% Zn, 6% Pb and 255Mt at 3.3% Cu and 228Mt @5.5% Pb, 10.6% Zn and 97g/t Ag respectively). South32 will manage and operate the exploration program.

WESTERN AUSTRALIA - BRONZEWING SOUTH PROJECT

Hammer's tenements cover prospective structural trends in the core of the Yandal Greenstone Belt. This region has reported greater than 24Moz of current and historical gold production from deposits such as Bronzewing, Jundee, Mt McClure, Darlot and Thunderbox.

During the year the company completed a reverse circulation drilling program at the Orelia North gold prospect which has subsequently allowed the Company to release a maiden JORC Mineral resource Estimate for the prospect. The Orelia North deposit extends from surface and remains open at depth with excellent potential to expand the resource.

The company also completed a first pass test of a prospective lithium target along the Orelia North trend. Drilling was unable to explain the widespread lithium geochemical anomaly that is observed at the prospect.

RISK MANAGEMENT:

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

Given the size of the Company and its stage of development all Board members are involved and have responsibility for management of risk. Day to day management of risks are delegated to the Managing Director.

Material business risks

There are inherent risks associated with the exploration for minerals. The Group faces the usual risks encountered by companies engaged in the exploration, evaluation and development of minerals. The material business risks for the Group include:

- *External Risks*

Environmental risks

The Company's operations and projects are subject to the laws and regulations of the jurisdictions in which it has interests and carries on business (Queensland and Western Australia) regarding environmental compliance and relevant hazards. There is also a risk that the environmental laws and regulations may become more onerous, making the Group's operations more expensive which may adversely affect the financial position and /or performance of the Group. The Directors are not aware of any environmental law that is not being complied with.

The Company may be impacted by climate related risks including reduced water availability, extreme weather events and changes to legislation and regulation in relation to climate.

Government regulations and claims risks

Changes in law and regulations or government policy may adversely affect the Group's operations. There is no guarantee that current or future exploration claim applications or existing claim renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration claims. Loss of claims may adversely affect the financial position and /or performance of the Group. Management maintains close contact with relevant Departments and industry bodies to monitor changes and proposed changes in regulation and policy.

Cyber risk

The Group uses various IT systems and cloud based software. Should a cyber event occur, there is a risk of business disruption or data breach that may adversely affect the financial position and/or performance of the Group.

Operating Risks

Exploration and development risk

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, not all exploration activity will lead to the discovery of economic deposits. Major expenditure may be required to locate and establish Ore Reserves, to establish rights to mine the ground, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

Mineral Resources

The Group's estimates of Mineral Resources are based on different levels of geological confidence and different degrees of technical and economic evaluation, and no assurance can be given that anticipated tonnages and grades will be achieved or could be mined or processed profitably.

In addition to the risks described above, the Group's ability to successfully develop projects is contingent on the Group's ability to fund those projects through debt or equity raisings.

7. Dividends

No dividends were paid or declared by the Company during the financial year.

8. Events Subsequent To Balance Date

Subsequent to year end the following events have occurred:

- **On 3 July 2024, 2,600,000 unlisted options exercisable at $0.05 each expired, having lapsed unexercised on 30 June 2024. The value of these options has been recognised against accumulated losses during the current financial year.**

Other than the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

9. Likely Developments

The Company will continue planning and executing exploration and development work on its existing projects in Australia as well as projects under review in Australia to complement and expand on existing tenement holdings.

10. Directors' Interests

The relevant interest of each Director in the shares and options of the Company as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary shares	Unlisted options	Performance Rights
Mr R Davis	43,744,013	3,500,000	-
Mr D Thomas	4,833,334	4,000,000	12,000,000
Mr D Church	1,052,631	4,000,000	-
Mr J Croser	-	4,000,000	-

The above table includes indirect shareholdings held by related parties to the directors.

11. Environmental Regulations

In the course of its normal mining and exploration activities Hammer adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna.

Hammer has complied with all material environmental requirements up to the date of this report. The Board believes that Hammer has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to it.

12. Remuneration Report – Audited

12.1 PRINCIPLES OF COMPENSATION

Remuneration levels for key management personnel and other staff of Hammer are competitively set to attract and retain appropriately qualified and experienced personnel and therefore includes a combination of cash paid and the issuance of options and rights. Key management personnel comprise the directors of the Company and senior executives for Hammer. Staff remuneration is reviewed annually.

Consequences of performance on shareholder wealth

In establishing performance measures and benchmarks to ensure incentive plans are appropriately structured to align corporate behaviour with the long-term creation of shareholder wealth, the Board has regard for the stage of development of the Company's business, share price, operational and business development achievements (including results of exploration activities) that are of future benefit to the Company.

In considering Hammer's performance and benefits for shareholder wealth, the Board have regarded the following indices in respect to the current and previous four financial years:

	2024	2023	2022	2021	2019
Loss per share (cents)	0.71	(0.16)	(0.08)	(0.08)	(0.40)
Net loss ($)	6,270,584	(1,285,536)	(645,270)	(611,525)	(1,978,610)
Share price at 30 June	**$0.037**	**$0.061**	**$0.045**	**$0.092**	**$0.043**

Service contracts

Daniel Thomas – Managing Director

The Company entered into an Executive Service agreement with Mr Thomas on 1 August 2022, which was revised on 1 July 2024. An Executive service fee of $300,000 (plus superannuation) per annum is payable with an indefinite term. Either Party can terminate the agreement subject to a three-month notice period. Mr Thomas is not entitled to any termination payments other than for services rendered at time of termination.

Mark Pitts – Company Secretary

Mr Pitts is a Principal in the Company Secretarial and CFO advisory divisions of the Automic Group providing secretarial support and corporate and compliance advice, pursuant to a contract with the Company. The contract has no fixed term with the option of termination by either party with two months' written notice. Mr Pitts is not entitled to any termination payments other than for services rendered at time of termination.

Non-executive directors

AEffective from 1 July 2024, all non-executive Directors receive a fixed annual Directors' fee of $50,000 (plus superannuation benefits as required under the applicable legislation). The Chair receives a fixed annual fee of $75,000 (plus superannuation benefits as required under the applicable legislation). During the financial year ended 30 June 2024, non-executive Directors' received a fixed annual fee of $50,000 inclusive of superannuation benefits and the Chair received a fixed annual fee of $75,000 inclusive of superannuation benefits.

The maximum aggregate amount of non-executive Directors' fees payable by the Company as approved by the shareholders at the 2011 annual general meeting is $300,000 per annum.

Share trading policy

In December 2010, Hammer introduced a share trading policy which sets out the circumstances in which directors, executives, employees and other designated persons may deal with securities held by them in the Company. This includes any shares or any other securities issued by the Company such as options. The policy includes restriction on key management personnel and other employees from entering into arrangements that limit their exposure to losses that would result from share price decreases. Entering into such arrangements has been prohibited by law since 1 July 2011.

12.2 Directors' and senior executives' remuneration

Details of the nature and amount of each major element of the remuneration of each director of the Company and other key management personnel of the Group are:

Year Ended 30 June 2024	Short Term			Long Term				
Directors	**Salary & fees $**	**Consulting fees $**	**Movement in leave accruals[1] $**	**Superannuation benefits $**	**Options and Rights $**	**Total $**	**Proportion of remuneration performance related %**	**Value of options and rights as proportion of remuneration %**
Executive Mr D Thomas	277,851	-	9,260	28,711	218,004	533,826	33.4%	40.8%
Non-executive Mr R Davis	67,568	-	-	7,432	-	75,000	-	-
Mr D Church	45,045	-	-	4,955	29,850	79,850	-	37.4%
Mr J Croser[2]	36,787	-	-	4,047	103,200	144,034	-	71.6%
Mr Z Lubieniecki	8,383	3,000	-	922	-	12,305	-	-
Total - Directors	**435,634**	**3,000**	**9,260**	**46,067**	**351,054**	**845,015**	**21.1%**	**41.5%**
Other Key Management Personnel Executives								
Mr M Pitts (Company Secretary)	69,975	-	-	-	-	69,975	-	-
Total – all key management personnel	**505,609**	**3,000**	**9,260**	**46,067**	**351,054**	**914,990**	**19.5%**	**38.4%**

[1] – Represents the accounting value of the movement in accrued leave liabilities, and not amounts paid to the member of Key Management Personnel.

[2] – Appointed 8 September 2023.

[3] – Resigned 7 September 2023.

12.2 Directors' and senior executives' remuneration

Details of the nature and amount of each major element of the remuneration of each director of the Company and other key management personnel of the Group are:

Year Ended 30 June 2023	Short Term			Long Term				
Directors	**Salary & fees $**	**Consulting fees $**	**Movement in leave accruals[1] $**	**Superannuation benefits $**	**Options and Rights $**	**Total $**	**Proportion of remuneration performance related %**	**Value of options and rights as proportion of remuneration %**
Executive Mr D Thomas	278,583	-	3,863	25,292	22,161[2]	329,899	6.7%	6.7%
Non-executive Mr R Davis	67,873	7,299	-	7,127	64,950	147,249	-	44.1%
Mr Z Lubieniecki	45,249	39,313	-	4,751	64,950	154,263	-	42.1%
Mr D Church	45,249	-	-	4,751	64,950	114,950	-	56.5%
Total - Directors	**436,954**	**46,612**	**3,863**	**41,921**	**217,011**	**746,361**	**3.0%**	**29.1%**
Other Key Management Personnel Executives								
Mr M Pitts (Company Secretary)	60,000	-	-	-	-	60,000	-	-
Total – all key management personnel	**496,954**	**46,612**	**3,863**	**41,921**	**217,011**	**806,361**	**2.7%**	**26.9%**

[1] – Represents the accounting value of the movement in accrued leave liabilities, and not amounts paid to the member of Key Management Personnel.

[2] – Represents the vesting expense of options and rights issued during a previous period.

12.3 Value of options to key management personnel

The value of options will only be realised if and when the market price of the Company shares, as quoted on the Australian Securities Exchange, rises above the Exercise Price of the options. Further details of the options are contained below.

12.4 Options and rights over equity instruments granted as compensation

5,500,000 options were granted to Non-Executive Directors and 4,000,000 options and 9,000,000 performance rights were granted to the Managing Director, during the current year. The terms of these options and rights are noted in the table below.

12.5 Analysis of options and rights over equity instruments granted as compensation

Granted during the current financial year

No options were granted as remuneration to key management personnel during the year.

Key Management Personnel	Number of options granted	Date granted	% Vested	% Forfeited / Lapsed	Financial year in which grant vested / will vest
Daniel Thomas – Management Options Tranche 1	2,000,000	17 November 2023	100%	-	-
Daniel Thomas – Management Options Tranche 2	2,000,000	17 November 2023	-	-	30 June 2025
David Church	1,500,000	17 November 2023	100%	-	-
James Croser	4,000,000	7 September 2023	100%	-	-

The fair value of the options issued during the year to Key Management Personnel was determined by reference to the Black-Scholes option pricing model. The key inputs and valuations are summarised as follows:

	Management – T1	Management – T2	D Church	J Croser
Underlying security spot price on grant date	$0.05	$0.05	$0.05	$0.055
Exercise price	$0.08	$0.08	$0.08	$0.08
Grant date	17 Nov 2023	17 Nov 2023	17 Nov 2023	7 Sept 2023
Expiration date	30 Nov 2026	30 Nov 2026	30 Nov 2026	30 Nov 2026
Vesting date	Immediate	15 Dec 2024	Immediate	Immediate
Life (years)	3	3	3	3.25
Volatility	75%	75%	75%	75%
Risk free rate	4.172%	4.172%	4.172%	3.841%
Dividend Yield	-	-	-	-
Number of options	2,000,000	2,000,000	1,500,000	4,000,000
Valuation per option	$0.0199	$0.0199	$0.0199	$0.0258

	Management – T1	Management – T2	D Church	J Croser
Remaining life (years)	2.4	2.4	2.4	2.4
Total value	$39,200	$39,200	$29,850	$103,200
Value recognised to date	$39,200	$22,829	$29,850	$103,200
Value still to be recognised	-	16,371	-	-

The following performance rights, which all expire on 15 December 2027, were issued to the Company's Managing Director during the year:

- 500,000 Tranche 1A Management Performance Rights, vesting upon the continuous service for a period of 12 months from the date of issue;
- 500,000 Tranche 1B Management Performance Rights, vesting upon the continuous service for a period of 12 months from the date of issue and the share price of the Company's shares listed on the ASX achieving a premium of 50% over the 15-day VWAP prior to the issue date, or $0.078;
- 500,000 Tranche 2A Management Performance Rights, vesting upon the continuous service for a period of 24 months from the date of issue;
- 500,000 Tranche 2B Management Performance Rights, vesting upon the continuous service for a period of 24 months from the date of issue and the share price of the Company's shares listed on the ASX achieving a premium of 100% over the 15-day VWAP prior to the issue date, or $0.104; and
- 7,000,000 Tranche 3 Management Performance Rights, vesting upon the completion (to the Board's satisfaction) of a material transaction to the value of a minimum of 30% of the Company's market capitalisation, determined based on the 30-day VWAP immediately prior to the completion or announcement of the transaction.

The fair value of the Management Performance Rights issued during the year to Key Management Personnel was determined by reference to the underlying security on the date of issue. With respect to Tranches 1A, 2A and 3, these fair values have not been adjusted as there exist no market-based performance conditions attached to the rights. The key inputs and valuations are summarised as follows:

	Management Performance Rights - Tranche 1A	Management Performance Rights – Tranche 2A	Management Performance Rights - Tranche 3
Underlying security spot price on grant date	$0.052	$0.052	$0.052
Grant date	17 Nov 2023	17 Nov 2023	17 Nov 2023
Expiration date	15 Dec 2027	15 Dec 2027	15 Dec 2027
Vesting date (estimated)	15 Dec 2024	15 Dec 2025	15 Dec 2027
Life (years)	4.1	4.1	4.1
Discount applied {a}	-	-	-
Number of rights	500,000	500,000	7,000,000
Value per right	$0.05	$0.05	$0.05
Remaining life (years) {b}	3.5	3.5	3.5
Total value	$26,000	$26,000	$364,000
Value recognised to date (as at 30 June 2024)	$14,914	$7,742	$55,248
Value still to be recognised (as at 30 June 2024)	$11,086	$18,258	$308,752

- *{a} – all the above three tranches of Management Performance Rights issued during the year contain no market-based vesting conditions and therefore no discount has been applied.*
- *{b} – the remaining life represents the time, in years, left until the expiry of the right.*

With respect to Tranches 1B and 2B, the fair values of these rights have been adjusted to recognise the existence of market-based performance conditions attached to the rights. This valuation has been determined by reference to a Monte Carlo Simulation model. The key inputs and valuations are summarised as follows:

	Management Performance Rights - Tranche 1B	Management Performance Rights – Tranche 2B
Underlying security spot price on grant date	$0.052	$0.052
Grant date	17 Nov 2023	17 Nov 2023
Expiration date	15 Dec 2027	15 Dec 2027
Vesting date (estimated)	15 Dec 2024	15 Dec 2025
Life (years)	4.1	4.1
Share price barrier	$0.0708	$0.104
Expected volatility	103%	103%
Risk-free rate	4.098%	4.098%
Expected dividend yield	-	-
Number of rights	500,000	500,000
Fair value per right	$0.0502	$0.049
Remaining life (years) {a}	3.5	3.5
Total value	$25,100	24,500
Value recognised to date (as at 30 June 2024)	$14,397	$7,295
Value still to be recognised (as at 30 June 2024)	$10,703	$17,205

→ *{a} – the remaining life represents the time, in years, left until the expiry of the right.*

Granted during the current financial year

The following options were granted as remuneration to key management personnel during the prior year.

Key Management Personnel	Number of options granted	Date granted	% Vested	% Forfeited / Lapsed	Financial year in which grant vested / will vest
Russell Davis	1,500,000	23 November 2022	100%	-	-
Zbigniew Lubieniecki	1,500,000	23 November 2022	100%	-	-
David Church	1,500,000	23 November 2022	100%	-	-

The fair value of the options issued during the year to Key Management Personnel was determined by reference to the Black-Scholes option pricing model. option pricing model. The key inputs and valuations are summarised as follows:

	Directors
Underlying security spot price on grant date	$0.063
Exercise price	$0.07
Grant date	23 November 2022
Expiration date	30 November 2026
Vesting date	Immediate
Life (years)	4
Volatility	100%
Risk free rate	3.17%
Dividend Yield	-
Number of options	4,500,000
Valuation per option	$0.0433
Remaining life (years)	2.4
Total value	$194,850
Value recognised to date	$194,850
Value still to be recognised	-

The following performance rights, which all expire on 21 December 2024, were issued to the Company's Managing Director during the previous financial year:

- 1,000,000 Tranche 6 performance rights, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 50,000 tonnes Cu or equivalent KPI at the sole discretion of the Board;
- 1,000,000 Tranche 7 performance rights, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 100,000 tonnes Cu or equivalent KPI at the sole discretion of the Board; and
- 1,000,000 Tranche 8 performance rights, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 200,000 tonnes Cu or equivalent KPI at the sole discretion of the Board

The fair value of the performance rights issued during the previous year to Key Management Personnel was determined by reference to the underlying security on the date of issue. These fair values have not been adjusted as there exist no market-based performance conditions attached to the rights. The key inputs and valuations are summarised as follows:

	Mr D Thomas – Tranche 6	Mr D Thomas – Tranche 7	Mr D Thomas – Tranche 8
Underlying security spot price on grant date	$0.044	$0.044	$0.044
Grant date	29 Nov 2022	29 Nov 2022	29 Nov 2022
Expiration date	21 Dec 2024	21 Dec 2024	21 Dec 2024
Vesting date	-	-	-
Life (years)	3	3	3
Discount applied {a}	-	-	-
Number of rights	1,000,000	1,000,000	1,000,000
Value per right	$0.044	$0.044	$0.044
Remaining life (years) {b}	1.4	1.4	1.4
Total value	$44,000	$44,000	$44,000
Value recognised to date (as at 30 June 2023)	$23,204	$23,204	$23,204
Value still to be recognised (as at 30 June 2023)	$20,796	$20,796	$20,796

- *{a} – all three tranches of performance rights issued during the previous year contain no market-based vesting conditions and therefore no discount has been applied.*
- *{b} – the remaining life represents the time, in years, left until the expiry of the right.*

Options or rights expired or exercised during the year

- 7,000,000 options held by Mr Daniel Thomas (or their nominee) expired unexercised during the year.
- 5,000,000 performance rights held by Mr Daniel Thomas (or their nominee) expired unexercised during the year.

12.6 Option holdings

The movement during the reporting period in the number of options over ordinary shares in Hammer Metals Limited held, directly, indirectly or beneficially, by each key management person, including their personally-related entities, is as follows:

Key Management Personnel	Held at beginning of period/on appointment	Granted	Purchased	Exercised	Lapsed or Expired	Held at end of period / on resignation	Vested and exercisable at end of period
Mr R Davis	3,500,000	-	-	-	-	3,500,000	3,500,000
Mr D Thomas	7,000,000	4,000,000	-	-	(7,000,000)	4,000,000	2,000,000
Mr D Church	2,500,000	1,500,000	-	-	-	4,000,000	4,000,000
Mr J Croser {a}	4,000,000	-	-	-	-	4,000,000	4,000,000
Mr Z Lubieniecki {b}	3,000,000	-	-	-	-	3,000,000	3,000,000
Mr M Pitts	500,000	-	-	-	-	500,000	500,000

- *{a} – Options granted to Mr Croser during the year were granted prior to him being appointed as a Non-Executive Director of the Company. Mr Croser was appointed on 8 September 2023.*
- *{b} – Mr Lubieniecki resigned on 7 September 2023*

12.7 Equity holdings and transactions

The movement during the reporting period in the number of ordinary shares in Hammer Metals Limited held directly, indirectly or beneficially, by each key management person, including their personally related entities, is as follows:

	Held at beginning of period/on appointment	Purchases	Sales	Granted in lieu of fees	Exercise of Options and Performance Rights	Held at end of period/on resignation
Mr R Davis	41,244,013	2,500,000	-	-	-	43,744,013
Mr D Thomas	4,000,000	833,334	-	-	-	4,833,334
Mr D Church	1,052,631	-	-	-	-	1,052,631
Mr J Croser {a}	-	-	-	-	-	-
Mr Z Lubieniecki {b}	64,493,551	333,333	-	-	-	64,826,884
Mr M Pitts	1,729,459	-	-	-	-	1,729,459

- *{a} – Mr Croser was appointed on 8 September 2023.*
- *{b} – Mr Lubieniecki resigned on 7 September 2023.*

12.8 Performance right holdings

The movement during the reporting period in the number of performance rights over ordinary shares in Hammer Metals Limited held, directly, indirectly or beneficially, by each key management person, including their personally-related entities, is as follows:

	Held at beginning of period/on appointment	Granted	Exercised	Other movements	Held at end of period / on resignation	Vested and exercisable at end of period
Mr R Davis	-	-	-	-	-	-
Mr D Thomas	8,000,000	9,000,000	-	(5,000,000)	12,000,000	-
Mr D Church	-	-	-	-	-	-
Mr J Croser {a}	-	-	-	-	-	-
Mr Z Lubieniecki {b}	-	-	-	-	-	-
Mr M Pitts	-	-	-	-	-	-

- *{a} – Mr Croser was appointed on 8 September 2023.*
- *{b} – Mr Lubieniecki resigned on 7 September 2023.*

12.9 Key management personnel transactions

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year exclusive of GST:

		Transaction value year ended		Balance outstanding as at	
Key management Personnel	**Transaction**	**30 June 2023 $**	**30 June 2022 $**	**30 June 2023 $**	**30 June 2022 $**
Mr Z Lubieniecki	Consulting Fees	3,000	39,919	-	-
Mr R Davis	Consulting Fees	-	7,299	-	-
Mr M Pitts	Accounting services	43,700	45,200	3,900	4,100

The Company paid fees to Zbigniew Lubieniecki and Russell Davis, as consulting fees for geological services provided.

The Company paid fees to Endeavour Corporate, a company associated with Mark Pitts, for accounting and financial reporting services provided to the Group.

Mr Lubieniecki resigned on 7 September 2023.

END OF REMUNERATION REPORT

13. Share Options

Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

	Expiry Date	Exercise price	Number of options
Director Options	30 November 2024	$0.05	4,500,000
Corporate Advisor Options – Tranche 3	13 May 2025	$0.04	2,000,000
Non-Executive Director Options	30 November 2026	$0.07	4,500,000
Non-Executive Director Options	30 November 2026	$0.08	5,500,000
Management Options – Tranche 1	30 November 2026	$0.08	2,000,000
Management Options – Tranche 1	30 November 2026	$0.08	2,000,000
			20,500,000

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

On 6 July 2023, a total of 3,000,000 options exercisable at 3.5 cents each ($0.035) were exercised. The funds for these were received prior to 30 June 2023 and therefore the increase in share capital was recognised during the previous financial year..

14. Performance Rights

Unissued shares under performance rights

At the date of this report unissued ordinary shares of the Company under performance rights are:

	Expiry Date	Number of rights
Managing Director Rights – Tranche 6	21 December 2024	1,000,000
Managing Director Rights – Tranche 7	21 December 2024	1,000,000
Managing Director Rights – Tranche 8	21 December 2024	1,000,000
Management Performance Rights – 1A	15 December 2027	500,000
Management Performance Rights – 1B	15 December 2027	500,000
Management Performance Rights – 2A	15 December 2027	500,000
Management Performance Rights – 2B	15 December 2027	500,000
Management Performance Rights – 3	15 December 2027	7,000,000
		12,000,000

The terms of these rights are summarised in section 12.5 above.

Shares issued on exercise of performance rights

During the year, no performance rights were exercised.

15. Corporate Governance

In recognising the need for the highest standards of corporate behaviours and accountability, the Directors support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the ASX Corporate Governance Council and considers the Company is in compliance with those guidelines which are of importance to the operations of the Company. Where a recommendation has not been followed, that fact has been disclosed together with the reasons for the departure.

The Company's Corporate Governance Statement and disclosures available on the Company's website at www.hammermetals.com.au.

16. Indemnification Of Officers And Auditors

The Company has entered into Deeds of Access and Indemnity (Deed) with each Director and the Company Secretary (officers). Under the Deed, the Company indemnifies the officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the Deed.

Also pursuant to the Deed, the Company must insure the officers against liability and provide access to all board papers relevant to defending any claim brought against them in their capacity as officers of the Company.

The Company has paid insurance premiums during the year in respect of liability for any past, present or future Directors, secretary, officers and employees of the Company or related body corporate. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance or indemnification for the Auditor of the Company.

17. Non-Audit Services

During the year PKF Perth, the Company's auditor, provided no non-audit services to the Company.

18. Lead Auditor's Independence Declaration Under Section 307c Of The Corporations Act 2001

The lead auditor's independence declaration is set out on page 59 and forms part of the Directors' report for the financial year ended 30 June 2024.

19. Significant Changes In State Of Affairs

In the opinion of Directors, other than that disclosed elsewhere in this report, there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review. This report is made with a resolution of the Directors:

R Davis
Chairman
Perth
19 September 2024

Auditor's Independence Declaration

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Australia

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF HAMMER METALS LIMITED

In relation to our audit of the financial report of Hammer Metals Limited for the year ended 30 June 2024, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

ALEXANDRA CARVALHO
PARTNER

19 September 2024
PERTH, WESTERN AUSTRALIA

HAMMER METALS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30 June 2024 $	30 June 2023 $
Current assets			
Cash and cash equivalents	10	5,228,612	4,357,140
Trade and other receivables	11	172,227	252,649
Total current assets		**5,400,839**	**4,609,789**
Non-current assets			
Other financial assets	12	4,615,933	227,529
Plant and equipment		3,006	3,981
Right-of-use assets	13	177,663	162,012
Exploration and evaluation expenditure	14	26,540,119	24,678,290
Total non-current assets		**31,336,721**	**25,071,812**
Total assets		**36,737,560**	**29,681,601**
Current liabilities			
Trade and other payables	15	660,677	443,893
Lease liabilities	16	108,892	68,892
Total current liabilities		**769,569**	**512,785**
Non-current liabilities			
Lease liabilities	16	68,696	95,701
Total non-current liabilities		**68,696**	**95,701**
Total liabilities		**838,265**	**608,486**
Net assets		**35,899,295**	**29,073,115**
Equity			
Share capital	17	66,810,197	66,593,958
Reserves	18	787,618	1,382,293
Accumulated losses		(31,698,520)	(38,903,136)
Total equity		**35,899,295**	**29,073,115**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

HAMMER METALS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024 $	30 June 2023 $
Other income	4	177,062	190,974
Sale of tenement	4	9,000,000	-
Marketing expenses		(81,454)	(163,931)
Administrative expenses		(969,253)	(608,390)
Employee benefits expense	5	(249,704)	(265,893)
Share based payments	5	(339,357)	(171,229)
Occupancy expenses		(43,636)	(40,314)
Depreciation and amortisation	5	(97,929)	(100,585)
Exploration written off	14	(599,610)	-
Fair value adjustment on financial assets		(611,596)	(143,166)
Other expenses		(1,025)	-
Profit / (Loss) from operating activities		**6,183,497**	**(1,302,534)**
Finance income		99,097	24,367
Finance expenses		(12,010)	(7,369)
Net finance income / (expense)	6	**87,087**	**16,998**
Profit/(loss) before income tax		**6,270,584**	**(1,285,536)**
Income tax benefit	8	-	-
Net profit/(loss) for the year from continuing operations		**6,270,584**	**(1,285,536)**
Other comprehensive income		-	-
Other comprehensive loss for the year, net of income tax		**-**	**-**
Total Comprehensive profit/(loss) for the year		**6,270,584**	**(1,285,536)**
Loss per share:			
Basic gain/(loss) per share (cents per share)	9(a)	0.71	(0.16)
Diluted gain/(loss) per share (cents per share)	9(a)	0.71	(0.16)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

HAMMER METALS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Share capital	Share based payment reserve	Accumulated losses	Total
Balance at 1 July 2022	**62,965,503**	**1,399,364**	**(37,617,600)**	**26,747,267**
Loss for the year	-	-	(1,285,536)	(1,285,536)
Other comprehensive income / loss	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**(1,285,536)**	**(1,285,536)**
Exercise of options for cash	46,000	(11,000)	-	35,000
Exercise of options – cashless exercise	100,200	(100,200)	-	-
Exercise of options – unissued shares	182,100	(77,100)	-	105,000
Shares issued for cash	3,500,000	-	-	3,500,000
Share based payments	-	264,531	-	264,531
Derecognition of share based payments previously expensed	-	(93,302)	-	(93,302)
Share issue costs	(199,845)	-	-	(199,845)
Balance at 30 June 2023	**66,593,958**	**1,382,293**	**(38,903,136)**	**29,073,115**
Balance at 1 July 2023	**66,593,958**	**1,382,293**	**(38,903,136)**	**29,073,115**
Loss for the year	-	-	6,270,584	6,270,584
Other comprehensive income / loss	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**6,270,584**	**6,270,584**
Shares issued for cash	220,000	-	-	220,000
Share based payments	-	339,357	-	339,357
Derecognition of share based payments previously expensed	-	(934,032)	934,032	-
Share issue costs	(3,761)	-	-	(3,761)
Balance at 30 June 2024	**66,810,197**	**787,618**	**(31,698,520)**	**35,899,295**

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

HAMMER METALS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024 $	30 June 2023 $
Cash flows from operating activities			
Interest received		99,097	24,367
Fuel rebate received		9,194	4,021
Payments to suppliers and employees		(1,614,991)	(1,011,169)
Net cash used in operating activities	23	**(1,506,700)**	**(982,781)**
Cash flows from investing activities			
Payments for exploration expenditure		(3,157,246)	(4,897,616)
Purchase of property, plant & equipment		-	(3,981)
Proceeds from partial sale of tenements		4,000,000	-
Management fees received from farm-in and joint arrangement partners		173,676	186,919
Exploration incurred on behalf of farm-in partner		(1,430,271)	(1,232,231)
Reimbursement of exploration on behalf of farm-in partner received		1,531,461	1,476,361
Receipt of research and development grant		1,257,932	1,104,678
Security bonds		(102,000)	-
Government exploration grants received		-	148,676
Net cash provided by / (used in) investing activities		**2,273,552**	**(3,217,194)**
Cash flows from financing activities			
Proceeds from issue of share capital		220,000	3,500,000
Share funds received in advance		-	105,000
Proceeds from issue of options		-	35,000
Transaction costs from issue of shares and options		(3,761)	(199,845)
Lease payments made		(111,619)	(76,713)
Net cash from financing activities		**104,620**	**3,363,442**
Net increase / (decrease) in cash and cash equivalents		871,472	(836,533)
Cash and cash equivalents at beginning of year		4,357,140	5,193,673
Cash and cash equivalents at end of year	10	**5,228,612**	**4,357,140**

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

HAMMER METALS LIMITED
and its Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

Hammer Metals Limited (the "Company") is a company domiciled in Australia. The Company's registered office is Unit 1, 28-30 Mayfair Street, West Perth, Western Australia. The consolidated financial statements of the Company for the financial year ended 30 June 2024 comprises the Company and its subsidiaries (together referred to as the "Group").

The Group is a for profit entity and is primarily involved in the exploration and extraction of mineral resources.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS's) adopted by the International Accounting Standards Board (IASB).

The consolidated financial report was authorised for issue by the Directors on 19 September 2024.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for share based payments and other financial assets which are measured at their fair value.

(c) Functional and presentation currency

The financial report is presented in Australian dollars which is the functional and presentation currency of the Company and its subsidiaries.

(d) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

(e) Use of estimates and judgements

Set out below is information about:

- critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements; and
- assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Critical judgements

i. Going concern
A key assumption underlying the preparation of the financial statements is that the Group will continue as a going concern. An entity is a going concern when it is considered to be able to pay its debts as and when they are due, and to continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

HAMMER METALS LIMITED
and its Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (continued)

(e) Use of estimates and judgements (continued)

Estimates and assumptions

ii. Ore Reserves and Mineral Resources
Economically recoverable reserves represent the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions. The Group determines and reports ore reserves and mineral resources under the standards incorporated in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (the JORC Code). The determination of ore reserves or mineral resources includes estimates and assumptions about a range of geological, technical and economic factors, including: quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Changes in ore reserves and mineral resources impact the assessment of recoverability of exploration and evaluation assets, provisions for site restoration and the recognition of deferred tax assets, including tax losses.

iii. Exploration and evaluation assets
Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policy (refer note 3(l)), requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment is estimates and assumptions as to ore reserves (refer note 2(e)(ii)), the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of an ore reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure under accounting policy 3(l), a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the statement of profit and loss and other comprehensive income in accordance with accounting policy 3(e). The carrying amounts of exploration and evaluation assets are set out in note 14.

iv. Share based payments
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 20 for further information.

(f) Adoption of new and revised standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the accounting policies set out in note 3 to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

i. *Subsidiaries*
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. *Investments in associates*
Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 percent and 50 percent of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term interest that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

iii. *Joint arrangements*
The Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligation for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

iv. *Transactions eliminated on consolidation*
Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(b) Plant and equipment

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 3(f)). Depreciation is charged to the statement of profit and loss and other comprehensive income on a straight-line basis over their estimated useful lives. The estimated useful lives in the current and comparative periods are as follows:

- Office equipment 3 to 4 years
- Plant and equipment 3 to 5 years

The residual value, if significant, is reassessed annually.

HAMMER METALS LIMITED
and its Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets
<u>Financial assets at amortised cost</u>
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

<u>Financial assets at fair value through profit or loss (FVTPL)</u>
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(e) Impairment

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

Financial assets at amortised cost
Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises the lifetime expected credit loss for trade receivables carried at amortised cost.

The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

HAMMER METALS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Impairment (continued)

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Non-financial assets
The carrying amounts of the Company's non-financial assets, other than deferred tax assets (see accounting policy 3(k)) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Share capital

Ordinary shares
Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(g) Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit and loss and other comprehensive income over the period of the borrowings on an effective interest basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

(h) Employee benefits

Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of profit and loss and other comprehensive income as incurred.

Share based payment transactions
The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcome.

Wages, salaries, annual leave, sick leave and non-monetary benefits
Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

(i) Finance income and expenses

Net finance income
Net finance income comprises interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested and realised foreign exchange gains and losses. Interest income is recognised in the statement of profit and loss and other comprehensive income as it accrues, using the effective interest method.

(j) Income tax

Income tax on the statement of profit and loss and other comprehensive income for the periods presented comprises current and deferred tax. Income tax is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company and its Australian resident wholly owned subsidiaries adopted the tax consolidation legislation with effect from 1 July 2014 and are therefore taxed as a single entity from that date. Hammer Metals Ltd is the head entity within the tax-consolidated group. Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group.

HAMMER METALS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

(k) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

(l) Exploration and evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the Group has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resources. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of minerals resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable.

Accounting for exploration and evaluation expenditure is assessed separately for each area of interest. An area of interest is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred.

For each area of interest, the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

a) The rights to tenure of the area of interest are current; and
b) At least one of the following conditions is also met:
   i. The expenditure is expected to be recouped through successful development and commercial exploitation of an area of interest, or alternatively by its sale; and
   ii. Exploration and evaluation activities in the area of interest have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise ‘economically recoverable reserves’ and active and significant operations in, or in relation to, the area of interest are continuing. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

Exploration and evaluation assets include

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling, trenching, and sampling and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised prior to being reclassified.

The carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES (continued)

(l) Exploration and evaluation expenditure (continued)

Impairment testing of exploration and evaluation assets
Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploitation for and evaluation of mineral resources in the specific area are not budgeted or planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified are; or
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development of by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit which is no larger than the area of interest. The Group performs impairment testing in accordance with accounting policy 3(e).

Farm-in arrangements (in the exploration and evaluation phase)
For exploration and evaluation asset acquisitions (farm-in arrangements) in which the Group has made arrangements to fund a portion of the selling partner's (farmor's) exploration and/or future development expenditures (carried interests), these expenditures are reflected in the financial statements as and when the exploration work progresses.

Farm-out arrangements (in the exploration and evaluation phase)
The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained.

Monies received pursuant to farm-in agreements are treated as a liability (advanced cash call) on receipt and until such time as the relevant expenditure is incurred.

HAMMER METALS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		30 June 2024	30 June 2023
4.	**OTHER INCOME**	$	$
	Management fee from farm-in partners	166,843	170,990
	Other income	10,219	19,984
	Total other income	**177,062**	**190,974**
	Partial sale of tenement to Carnaby Resources Limited (ASX:CNB)		
	Proceeds received – cash	4,000,000	-
	Proceeds received – shares (9,090,090 ordinary shares in CNB)	5,000,000	-
	Total income from sale of tenement	**9,000,000**	-
	Total income	**9,177,062**	**190,974**

		30 June 2024	30 June 2023
5.	**RESULT FROM OPERATING ACTIVITIES**	$	$
	Net loss for the year before tax has been arrived at after the charging the following expenses:		
	Depreciation of plant and equipment	976	-
	Amortisation of right-of-use assets	96,953	100,585
	Total depreciation and amortisation	**97,929**	**100,585**
	Salary and wages	227,420	239,876
	Superannuation expense	22,134	24,567
	Share based payments	339,357	171,229
	Other employee expenses	150	1,450
	Total employee costs	**589,061**	**437,122**

		30 June 2024	30 June 2023
6.	**FINANCE INCOME AND FINANCE COSTS**	$	$
	Recognised in loss for the year:		
	Interest income	99,097	24,367
	Finance costs / lease interest expense	(12,010)	(7,369)
	Net finance income	**87,087**	**16,998**

		30 June 2024	30 June 2023
7.	**AUDITORS' REMUNERATION**	$	$
	Auditors of the Company – PKF		
	Audit services:		
	Audit and review of financial reports	37,500	25,450
		37,500	**25,450**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	30 June 2024 $	30 June 2023 $
8. INCOME TAX		
(a) Income tax benefit		
Current tax	-	-
Deferred tax	-	-
Total income tax benefit	**-**	**-**
Numerical reconciliation of income tax benefit to pre-tax accounting profit / (loss):		
Profit / (loss) before income tax	6,270,584	(1,285,536)
Income tax expenses / (benefit) using the Company's domestic tax rate of 25% (2023: 25%)	1,567,646	(321,384)
Adjusted for:		
(Non-deductible expenses) / Non-Assessable Income	(85,891)	(44,059)
Temporary differences and tax losses not recognised	(1,481,755)	365,443
Income tax benefit	**-**	**-**
(b) Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Temporary timing differences related to:		
Property, plant and equipment	1,269	1,025
Investments	346,010	316,884
Accrued expenses and provisions	29,834	28,530
Capital raising costs	46,670	85,234
Income tax losses	10,626,252	12,020,777
	11,050,035	**12,452,450**
(c) Recognised deferred tax assets & liabilities		
Temporary timing differences related to:		
Exploration and evaluation expenditure	(6,635,030)	(6,169,573)
Investments	(1,138,106)	-
Income tax losses	7,773,136	6,169,573
	-	-

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits from.

(d) Movement of temporary differences recognised during the year ended 30 June 2024:

	Balance 1 July 2023	Profit or Loss	Other comprehensive income	Equity	Balance 30 June 2024
Exploration and evaluation expenditure	(6,169,573)	(465,457)	-	-	(6,635,030)
Investments	-	(1,138,106)	-	-	(1,138,106)
Carried-forward tax losses	6,169,573	1,603,563	-	-	7,773,136
	-	**-**	**-**	**-**	**-**

HAMMER METALS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. INCOME TAX (CONTINUED)

(e) Movement of temporary differences recognised during the year ended 30 June 2023:

	Balance 1 July 2022	Profit or Loss	Other comprehensive income	Equity	Balance 30 June 2023
Exploration and evaluation expenditure	(5,334,495)	(835,078)	-	-	(6,169,573)
Carried-forward tax losses	5,334,495	835,078	-	-	6,169,573
	-	-	-	-	-

9. GAIN/(LOSS) PER SHARE

	30 June 2024	30 June 2023
(a) Basic gain / (loss) per share calculated using the weighted average number of fully paid ordinary shares on issue at the reporting date.	0.71 cents	(0.16) cents
Dilutive gain / (loss) per share calculated using the weighted average number of fully paid ordinary shares on issue at the reporting date.	0.71 cents	(0.16) cents
(b) Weighted average number of shares used in calculation of basic earnings per share	886,037,586	824,347,048
(b) Weighted average number of shares used in calculation of dilutive earnings per share	888,037,586	824,347,048

10. CASH AND CASH EQUIVALENTS

	30 June 2024 $	30 June 2023 $
Cash at bank and on hand	**5,228,612**	**4,357,140**

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and financial liabilities are disclosed in Note 25.

11. TRADE AND OTHER RECEIVABLES

	30 June 2024 $	30 June 2023 $
Current		
GST receivable	35,421	31,007
Security deposit	119,392	80,887
Other receivables	17,414	140,755
	172,227	**252,649**

Trade and other receivables are non-interest bearing.

12. OTHER FINANCIAL ASSETS

	30 June 2024 $	30 June 2023 $
Non - Current		
Investments in other entities		
Listed shares in TSXV and ASX-listed companies - at fair value	**4,615,933**	**227,529**
Movements in other financial assets for the period:		
Opening balance at the beginning of the period	227,529	370,695
Additions – CNB shares received as part consideration for sale of tenement	5,000,000	-
Fair value adjustment on financial assets	(611,596)	(143,166)
Closing balance at the end of the period	**4,615,933**	**227,529**

The Group's exposure to equity price risk and sensitivity analysis in disclosed in Note 25. Listed shares recognised as non-current assets have been recognised at fair value through profit or loss ("FVTPL")

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13.	**RIGHT-OF-USE ASSETS**	30 June 2024 $	30 June 2023 $
	Right-of-use assets	443,238	330,634
	Less: accumulated depreciation	(265,575)	(168,622)
	Total right-of-use assets	**177,663**	**162,012**
	Movements in right-of-use assets for the period:		
	Opening balance at the beginning of the period	162,012	268,662
	Additions for the period	112,604	6,372
	Depreciation	(96,953)	(113,022)
	Disposals	-	-
	Closing balance at the end of the period	**177,663**	**162,012**

14.	**EXPLORATION AND EVALUATION EXPENDITURE**	30 June 2024 $	30 June 2023 $
	Balance at 1 July	24,678,290	21,337,979
	Exploration and evaluation expenditure incurred	3,719,371	4,593,665
	Exploration grants received	-	(148,676)
	Exploration written-off	(599,610)	-
	Research and development grant received	(1,257,932)	(1,104,678)
	Balance at 30 June	**26,540,119**	**24,678,290**

During the year, the Group has written off exploration expenditure relating to its Mt. Frosty joint venture, as a result of the Group no longer meeting the requirements for carrying the expenditure forward. The Group maintains that this project retains significant value, however the Group has adopted a conservative approach in accordance with the accounting standards in this instance.

The ultimate recovery of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest at an amount greater than or equal to carrying value. Refer note 3 (n).

Expenses capitalised to Exploration and Evaluation Expenditure assets for the year include direct exploration costs (drilling, rock chip programs and surveys including magnetic and SAM), laboratory costs (assaying, analysis and review), geological and geochemical consultants as well as allocated administration costs (including salary and wages) where those costs can be directly attributed to the exploration or evaluation activities upon a given area of interest.

HAMMER METALS LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		30 June 2024	30 June 2023
15.	**TRADE AND OTHER PAYABLES**	$	$
	Trade payables and accruals	556,245	364,179
	Employee leave accruals	104,432	79,714
		660,677	**443,893**

All trade and other payables are non-interest bearing and payable on normal commercial terms.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 25.

		30 June 2024	30 June 2023
16.	**LEASE LIABILITIES**	$	$
	Current lease liabilities	108,892	68,892
	Non-current lease liabilities	68,696	95,701
		177,588	**164,593**

The nature of the Group's leasing activities includes office leases and the lease of motor vehicles.

		30 June 2024	30 June 2023	30 June 2024	30 June 2023
17.	**ISSUED CAPITAL**	No.	No.	$	$
(a)	Share capital				
	Ordinary shares				
	On issue at 1 July	879,740,682	815,394,623	66,593,958	62,965,503
	Exercise of unlisted options – cash	-	1,000,000	-	46,000
	Exercise of unlisted options – cashless[1]	-	5,012,726	-	100,200
	Shares issued for cash at $0.06 per share	3,666,667	58,333,333	220,000	3,500,000
	Funds for unlisted options – unexercised[2]	3,000,000	-	-	182,100
	Share issue costs	-	-	(3,761)	(199,845)
	On issue at 30 June – fully paid	**886,407,349**	**879,740,682**	**66,810,197**	**66,593,958**

1 – During the year ended 30 June 2023 a total of 8,350,000 unquoted options were exercised using a cashless exercise facility, resulting in a total of 5,012,726 ordinary shares being issued in full settlement of the exercise.
2 – During the year ended 30 June 2023 the Company received a valid exercise notice for 3,000,000 unquoted options exercisable at $0.035 each on or before 30 June 2024, however the exercise of these options and the issue of shares was only completed on 6 July 2023, and therefore the issue of shares and receipt of funds were recorded across the two financial years.

Terms and conditions
Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.
The company does not have authorised capital or par value in respect of its issued shares.
In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Dividends
No dividends were paid or declared for the year (2023: Nil).

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		30 June 2024	30 June 2023
17.	**ISSUED CAPITAL (CONTINUED)**		
(b)	Options outstanding over ordinary shares	No.	No.
	Unlisted options (Share-based payment reserve)		
	Unlisted options exercisable at $0.035 expiring 30 Jun 2023	-	3,000,000
	Unlisted options exercisable at $0.05 expiring 21 Oct 2023	-	3,000,000
	Unlisted options exercisable at $0.06 expiring 21 Oct 2023	-	4,000,000
	Unlisted options exercisable at $0.05 expiring 30 Jun 2024	2,600,000	2,600,000
	Unlisted options exercisable at $0.05 expiring 30 Nov 2024	4,500,000	4,500,000
	Unlisted options exercisable at $0.04 expiring 13 May 2025	2,000,000	2,000,000
	Unlisted options exercisable at $0.07 expiring 30 Nov 2026	4,500,000	4,500,000
	Unlisted options exercisable at $0.08 expiring 30 Nov 2026	5,500,000	-
	Unlisted options exercisable at $0.08 expiring 30 Nov 2026 – Management Tranche 1	2,000,000	-
	Unlisted options exercisable at $0.08 expiring 30 Nov 2026 – Management Tranche 2	2,000,000	-
		23,100,000	**23,600,000**

9,500,000 unlisted options were granted to directors, executives, and employees during the year (2023: 4,500,000). Refer to Note 20.
3,000,000 unlisted options were exercised during the year (2023: 9,350,000).
No unlisted options were granted to consultants during the year (2023: Nil)
7,000,000 fully vested unlisted options expired unexercised during the period (2023: Nil).
Options carry no voting rights until converted to fully paid ordinary shares. All unlisted options were granted for no cash consideration.

		30 June 2024	30 June 2023
		No.	No.
(c)	Performance rights outstanding		
	Performance rights (Share-based payment reserve)		
	Managing Director Performance Rights – Tranche 5	-	5,000,000
	Managing Director Performance Rights – Tranche 6	1,000,000	1,000,000
	Managing Director Performance Rights – Tranche 7	1,000,000	1,000,000
	Managing Director Performance Rights – Tranche 8	1,000,000	1,000,000
	Management Performance Rights – 1A	500,000	-
	Management Performance Rights – 1B	500,000	-
	Management Performance Rights – 2A	500,000	-
	Management Performance Rights – 2B	500,000	-
	Management Performance Rights – 3	7,000,000	-
		12,000,000	**8,000,000**

The following performance rights were granted during the current financial year (refer note 20):

	Number of options	Vesting Date	Vesting Condition	Expiry Date
Management Performance Rights				
- Tranche 1A	500,000	15/12/2024	Refer below	15/12/2027
- Tranche 1B	500,000	15/12/2024	Refer below	15/12/2027
- Tranche 2A	500,000	15/12/2025	Refer below	15/12/2027
- Tranche 2B	500,000	15/12/2025	Refer below	15/12/2027
- Tranche 3	7,000,000	N/A	Refer below	15/12/2027

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. ISSUED CAPITAL (CONTINUED)

All performance rights require the recipient to remain employed until vesting date. The tranches outstanding at balance date contain the following vesting conditions:

- Tranche 1A Management Performance Rights vest upon the continuous service for a period of 12 months from the date of issue;
- Tranche 1B Management Performance Rights vest upon the continuous service for a period of 12 months from the date of issue and the share price of the Company's shares listed on the ASX achieving a premium of 50% over the 15-day VWAP prior to the issue date, or $0.078;
- Tranche 2A Management Performance Rights vest upon the continuous service for a period of 24 months from the date of issue;
- Tranche 2B Management Performance Rights vest upon the continuous service for a period of 24 months from the date of issue and the share price of the Company's shares listed on the ASX achieving a premium of 100% over the 15-day VWAP prior to the issue date, or $0.104; and
- Tranche 3 Management Performance Rights vest upon the completion (to the Board's satisfaction) of a material transaction to the value of a minimum of 30% of the Company's market capitalisation, determined based on the 30-day VWAP immediately prior to the completion or announcement of the transaction.

The following performance rights were granted during the previous financial year (refer note 20):

	Number of options	Vesting Date	Vesting Condition	Expiry Date
Managing Director Performance Rights				
- Tranche 6	1,000,000	N/A	Refer below	13/12/2024
- Tranche 7	1,000,000	N/A	Refer below	13/12/2024
- Tranche 8	1,000,000	N/A	Refer below	13/12/2024

All performance rights require the recipient to remain employed until vesting date. The tranches outstanding at balance date contain the following vesting conditions:

- Tranche 6 performance rights vest upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 50,000 tonnes Cu or equivalent KPI at the sole discretion of the Board;
- Tranche 7 performance rights vest upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 100,000 tonnes Cu or equivalent KPI at the sole discretion of the Board; and
- Tranche 8 performance rights vest upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 200,000 tonnes Cu or equivalent KPI at the sole discretion of the Board.

18. RESERVES

	30 June 2024 $	30 June 2023 $
Share-based payment reserve [(1)]		
Balance at beginning of period	1,382,293	1,399,364
Options issued to Directors and executives	195,680	194,850
Performance rights issued to Managing Director	99,596	-
Options exercised during the period	-	(188,300)
Reversal of previously recognised value relating to Tranche 5 Performance Rights (Note 17(c)) [(2)]	-	(93,302)
Expiry of options	(75,440)	
Reversal of previously recognised value relating to historic options which expired in previous financial periods	(858,592)	
Further vesting expense of options and rights issued in previous periods	44,081	69,681
	787,618	**1,382,293**

[(1)] The share-based payment reserve is used to record the fair value of options and rights issued to Directors and employees and consultants under various share-based payment schemes and options issued for the acquisition of assets.

[(2)] These rights expire on 21 October 2024, and therefore as they are currently unlikely to vest, the amount recognised as an expense to-date has been reversed.

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19. COMMITMENTS

a) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State Governments within Australia. These obligations may be reset when application for a mining lease is made and at other times. As a result, exploration expenditure commitments beyond twelve months cannot be reliably determined.

The Group has a minimum expenditure commitment on tenure under its control.

The Group can apply for exemption from compliance with the minimum exploration expenditure requirements.

These obligations are not provided for in the financial report and are payable:

	Consolidated		Company	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	$	$	$	$
Annual minimum exploration expenditure	4,197,111	3,785,310	-	-

The annual minimum exploration expenditure disclosed above includes $2,099,530 which falls under tenements related to the joint arrangements as set out in note 22. Of this amount, $172,000 is related to the tenement held within the Mt Frosty Joint Venture, under which the Group is responsible for 51% of expenditures on the joint arrangement, $1,773,930 relates to twelve tenements that are held by the Group and fall under, either partially or in full, the Mt Isa East Joint Venture. This is a joint arrangement between the Group and Sumitomo Metal Mining Oceania Pty Ltd ("SMMO"), the full details of which are disclosed in note 22. A further $101,800 and $51,800 relates to the Isa Valley JV and Bullrush JV's, respectively.

20. SHARE BASED PAYMENTS

Employee Incentive Plan

The Hammer Metals Employee Incentive Plan was approved by shareholders on 17 November 2023. The key features of this plan are:

(a) The plan will be available to directors, employees and other permitted persons of the Company and its subsidiaries.
(b) Performance Rights or Options are granted for no consideration.
(c) Where options are issued an exercise price will be determined by the Board from time to time.
(d) The number of shares the subject of Performance Rights or Options issued under this plan and other similar plans will not exceed 5% of the Company's issued capital from time to time.
(e) If a holder ceases to be an eligible participant of the plan during the exercise period of a vested Performance Right or Option, the holder may exercise the options within 30 days of ceasing to be an eligible participant and thereafter the options will lapse.
(f) The Performance Rights or Options issued under this plan shall not be quoted on ASX.
(g) The Performance Rights or Options' terms are at the discretion of the Directors.

Options

The number and weighted average exercise price of unlisted share options on issue is as follows:

	30 June 2024		30 June 2023	
	No of unlisted options	Weighted average exercise price	No of unlisted options	Weighted average exercise price
Outstanding at 1 July	23,600,000	$0.053	28,450,000	$0.043
Granted during the period	9,500,000	$0.08	4,500,000	$0.07
Exercised during the period	(3,000,000)	$0.035	(9,350,000)	$0.032
Expired / lapsed during the period	(7,000,000)	$0.056	-	-
Outstanding at 30 June	23,100,000	$0.065	23,600,000	$0.053
Exercisable at 30 June	23,100,000		23,600,000	

The options outstanding at year end have exercise prices ranging from $0.04 to $0.08 and a weighted average remaining contractual life of 2.63 years.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. SHARE BASED PAYMENTS (CONTINUED)

Options granted during current financial year

The following options were granted during the year.

	Number of options granted	Date granted	% Vested	% Forfeited / Lapsed	Financial year in which grant vested / will vest
Key Management Personnel					
Daniel Thomas – Management Options Tranche 1	2,000,000	17 November 2023	100%	-	-
Daniel Thomas – Management Options Tranche 2	2,000,000	17 November 2023	-	-	30 June 2025
David Church	1,500,000	17 November 2023	100%	-	-
James Croser	4,000,000	7 September 2023	100%	-	-

The fair value of the options issued during the year to Key Management Personnel was determined by reference to the Black-Scholes option pricing model. The key inputs and valuations are summarised as follows:

	Management – T1	**Management – T2**	**D Church**	**J Croser**
Underlying security spot price on grant date	$0.05	$0.05	$0.05	$0.055
Exercise price	$0.08	$0.08	$0.08	$0.08
Grant date	17 November 2023	17 November 2023	17 November 2023	7 September 2023
Expiration date	30 November 2026	30 November 2026	30 November 2026	30 November 2026
Vesting date	Immediate	15 December 2024	Immediate	Immediate
Life (years)	3	3	3	3.25
Volatility	75%	75%	75%	75%
Risk free rate	4.172%	4.172%	4.172%	3.841%
Dividend Yield	-	-	-	-
Number of options	2,000,000	2,000,000	1,500,000	4,000,000
Valuation per option	$0.0199	$0.0199	$0.0199	$0.0258
Remaining life (years)	2.4	2.4	2.4	2.4
Total value	$39,200	$39,200	$29,850	$103,200
Value recognised to date	$39,200	$22,829	$29,850	$103,200
Value still to be recognised	-	13,971	-	-

Options granted during previous financial year

The following options were granted during the prior year.

	Number of options granted	Date granted	% Vested	% Forfeited / Lapsed	Financial year in which grant vested / will vest
Director Options	4,500,000	23 Nov 2023	100%	-	-

The fair value of the options issued during the year to Directors was determined by reference to the Black-Scholes option pricing model. The key inputs and valuations are summarised as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. SHARE BASED PAYMENTS (CONTINUED)

	Directors
Underlying security spot price on grant date	$0.063
Exercise price	$0.07
Grant date	23 Nov 2023
Expiration date	30 Nov 2026
Vesting date	Immediate
Life (years)	4
Volatility	100%
Risk free rate	3.17%
Dividend Yield	-
Number of options	4,500,000
Valuation per option	$0.0433
Remaining life (years)	3.42

Performance Rights

The number of performance rights on issue is as follows:

	30 June 2024 No.	30 June 2023 No.
Outstanding at 1 July	8,000,000	8,000,000
Granted during the period	9,000,000	-
Exercised during the period	-	-
Expired / lapsed during the period	(5,000,000)	-
Outstanding at 30 June	12,000,000	8,000,000
Vested and exercisable at 30 June	-	-

Performance Rights granted during current financial year

The fair value of the Management Performance Rights issued during the year to Key Management Personnel was determined by reference to the underlying security on the date of issue. With respect to Tranches 1A, 2A and 3, these fair values have not been adjusted as there exist no market-based performance conditions attached to the rights. The key inputs and valuations are summarised as follows:

	Management Performance Rights - Tranche 1A	Management Performance Rights – Tranche 2A	Management Performance Rights - Tranche 3
Underlying security spot price on grant date	$0.052	$0.052	$0.052
Grant date	17 Nov 2023	17 Nov 2023	17 Nov 2023
Expiration date	15 Dec 2027	15 Dec 2027	15 Dec 2027
Vesting date (estimated)	15 Dec 2024	15 Dec 2025	15 Dec 2027
Life (years)	4.1	4.1	4.1
Discount applied {a}	-	-	-
Number of rights	500,000	500,000	7,000,000
Value per right	$0.05	$0.05	$0.05
Remaining life (years) {b}	3.5	3.5	3.5
Total value	$26,000	$26,000	$364,000
Value recognised to date (as at 30 June 2024)	$14,914	$7,742	$55,248
Value still to be recognised (as at 30 June 2024)	$11,086	$18,258	$308,752

{a} – all the above three tranches of Management Performance Rights issued during the year contain no market-based vesting conditions and therefore no discount has been applied.
{b} – the remaining life represents the time, in years, left until the expiry of the right.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. SHARE BASED PAYMENTS (CONTINUED)

With respect to Tranches 1B and 2B, the fair values of these rights have been adjusted to recognise the existence of market-based performance conditions attached to the rights. This valuation has been determined by reference to a Monte Carlo Simulation model. The key inputs and valuations are summarised as follows:

	Management Performance Rights - Tranche 1B	**Management Performance Rights – Tranche 2B**
Underlying security spot price on grant date	$0.052	$0.052
Grant date	17 Nov 2023	17 Nov 2023
Expiration date	15 Dec 2027	15 Dec 2027
Vesting date (estimated)	15 Dec 2024	15 Dec 2025
Life (years)	4.1	4.1
Share price barrier	$0.0708	$0.104
Expected volatility	103%	103%
Risk-free rate	4.098%	4.098%
Expected dividend yield	-	-
Number of rights	500,000	500,000
Fair value per right	$0.0502	$0.049
Remaining life (years) {a}	3.5	3.5
Total value	$25,100	24,500
Value recognised to date (as at 30 June 2024)	$14,397	$7,295
Value still to be recognised (as at 30 June 2024)	$10,703	$17,205

{a} – the remaining life represents the time, in years, left until the expiry of the right.

Performance Rights granted during previous financial year

The following performance rights, which all expire on 21 December 2024, were issued to the Company's Managing Director during the previous financial year:

- 1,000,000 Tranche 6 performance rights, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 50,000 tonnes Cu or equivalent KPI at the sole discretion of the Board;
- 1,000,000 Tranche 7 performance rights, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 100,000 tonnes Cu or equivalent KPI at the sole discretion of the Board; and
- 1,000,000 Tranche 8 performance rights, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 200,000 tonnes Cu or equivalent KPI at the sole discretion of the Board.

The fair value of the performance rights issued during the previous year to Key Management Personnel was determined by reference to the underlying security on the date of issue. These fair values have not been adjusted as there exist no market-based performance conditions attached to the rights. The key inputs and valuations are summarised as follows:

	Mr D Thomas – Tranche 6	**Mr D Thomas – Tranche 7**	**Mr D Thomas – Tranche 8**
Underlying security spot price on grant date	$0.044	$0.044	$0.044
Grant date	29 Nov 2022	29 Nov 2022	29 Nov 2022
Expiration date	21 Dec 2024	21 Dec 2024	21 Dec 2024
Vesting date	-	-	-
Life (years)	3	3	3
Discount applied {a}	-	-	-
Number of rights	1,000,000	1,000,000	1,000,000
Value per right	$0.044	$0.044	$0.044
Remaining life (years) {b}	1.4	1.4	1.4
Total value	$44,000	$44,000	$44,000
Value recognised to date (as at 30 June 2024)	$23,204	$23,204	$23,204
Value still to be recognised (as at 30 June 2024)	$20,796	$20,796	$20,796

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. SHARE BASED PAYMENTS (CONTINUED)

{a} – all three tranches of performance rights issued during the previous year contain no market-based vesting conditions and therefore no discount has been applied.
{b} – the remaining life represents the time, in years, left until the expiry of the right.

The fair value of the performance rights issued during the previous year to Key Management Personnel was determined by reference to the underlying security on the date of issue, adjusted as necessary for any market-based performance conditions. The key inputs and valuations are summarised as follows:

	Mr D Thomas – Tranche 6	**Mr D Thomas – Tranche 7**	**Mr D Thomas – Tranche 8**
Underlying security spot price on grant date	$0.044	$0.044	$0.044
Grant date	29 Nov 2022	29 Nov 2022	29 Nov 2022
Expiration date	21 Dec 2024	21 Dec 2024	21 Dec 2024
Vesting date	-	-	-
Life (years)	3	3	3
Discount applied (Note 1)	-	-	-
Number of rights	1,000,000	1,000,000	1,000,000
Value per right	$0.044	$0.044	$0.044
Remaining life (years) (Note 2)	2.4	2.4	2.4
Total value	$44,000	$44,000	$44,000
Value recognised to date	$8,551	$8,551	$8,551
Value still to be recognised	$35,449	$35,449	$35,449

Note 1 – all three tranches of performance rights issued during the previous year contain no market-based vesting conditions and therefore no discount has been applied.
Note 2 – the remaining life represents the time, in years, left until the expiry of the right.

All performance rights require the managing director to remain employed until vesting date. The vesting conditions attached to each tranche issued during the year are as follows:

- Tranche 6 performance rights vest upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 50,000 tonnes Cu or equivalent KPI at the sole discretion of the Board;
- Tranche 7 performance rights vest upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 100,000 tonnes Cu or equivalent KPI at the sole discretion of the Board; and
- Tranche 8 performance rights vest upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 200,000 tonnes Cu or equivalent KPI at the sole discretion of the Board.

21. RELATED PARTIES

Key Management Personnel Compensation:
The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Executive Directors
Mr D Thomas
Non-executive Directors
Mr R Davis
Mr D Church
Mr J Croser (appointed 8 September 2023)
Mr Z Lubieniecki (resigned 7 September 2023)
Executives
Mr M Pitts (Company Secretary)

The key management personnel compensation comprised:	30 June 2024 $	30 June 2023 $
Short-term employee benefits	517,869	547,429
Post-employment benefits	46,067	41,921
Share-based payments	351,054	217,011
	914,990	**806,361**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. RELATED PARTIES (CONTINUED)

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and executives. Remuneration packages include a mix of fixed remuneration and equity-based remuneration.

Information regarding individual Directors and executive's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the remuneration report section of the Directors' report.
Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Some of these entities (as detailed below) transacted with the Group during the reporting period.

The aggregate value of transactions and outstanding balances relating to this entity were as follows:

		Transaction value year ended		Balance outstanding as at	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Transaction	$	$	$	$
Mr Z Lubieniecki	Consulting Fees	3,000	39,313	-	-
Mr R Davis	Consulting Fees	-	7,299	-	-
Mr M Pitts	Accounting services	43,700	45,200	3,900	4,100

The Company paid fees to Endeavour Corporate, a company associated with Mark Pitts, for accounting and financial reporting services provided to the company. The Company also paid fees to Zbigniew Lubieniecki, who resigned on 7 September 2023, and Russell Davis as consulting fees for geological services provided.

22. INTEREST IN OTHER ENTITIES

Name	Country of Incorporation	Percentage held 2024	Percentage held 2023
Parent and ultimate controlling entity			
Hammer Metals Limited			
Subsidiaries			
Hammer Metals Australia Pty Ltd	Australia	100%	100%
Mt. Dockerell Mining Pty Ltd	Australia	100%	100%
Mulga Minerals Pty Ltd	Australia	100%	100%
Carnegie Exploration Pty Ltd	Australia	100%	100%
Hammer Bulk Commodities Pty Ltd	Australia	100%	100%
Midas Metals Asia Pty Ltd [(i)]	Australia	85%	85%

(i) This subsidiary is dormant and has not traded during the year.

The investments held in controlled entities are included in the financial statements of the parent at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. INTEREST IN OTHER ENTITIES (CONTINUED)

Joint arrangements

The Group has the following farm-in / farm-out arrangements:

Mt Frosty – Mt Isa Mines (Glencore)

During a previous financial year the Group (through its wholly owned subsidiary Mulga Minerals Pty Ltd ('Mulga')) completed the acquisition of a 51% interest in the Mt. Frosty prospect and agreed terms for a new joint venture agreement with Mount Isa Mines Limited ('MIM') (a 100% owned subsidiary of Glenore PLC).

Each party to the joint arrangement contributes exploration expenditure according to their participating interest (Hammer – 51% and MIM – 49%). Dilution provisions apply if a party elects not to contribute to a programme. If a party's participating interest falls below 10% their interest will convert to a 3% Net Profits Royalty. Mulga acts as the initial manager of the joint arrangement.

During the year, the Group has written off exploration expenditure relating to its Mt. Frosty joint venture, as a result of the Group no longer meeting the requirements for carrying the expenditure forward. The Group maintains that this project retains significant value, however the Group has adopted a conservative approach in accordance with the accounting standards in this instance.

Mt Isa East JV – JOGMEC/SMMO

The Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") was signed in November 2019 and covers sections of the Even Steven, Mount Philp, Dronfield West and Malbon targets for a total area of approximately 290km^2 of the 2,200km^2 Mount Isa Project. The arrangement is referred to as the Mount Isa East Joint Venture, however in accordance with the Australian Accounting Standards is a joint arrangement by nature.

During the financial year ended 30 June 2022, JOGMEC and Sumitomo Metal Mining Oceania Pty Ltd. ("SMMO") signed an agreement whereby JOGMEC would transfer its position within the Mt Isa East JV to SMMO. The terms of the agreement remain unchanged.

The agreement allowed for SMMO to achieve a 60% interest in the project areas by expending $6,000,000 by 31 March 2024 through five stages (Farm-In Periods). During the current year, SMMO completed its fifth stage of the Farm-In, and therefore earned the 60% interest. The Agreement also allows for, subsequent to the completion of the Fifth Farm-in Period, each company to elect to contribute its pro-rata share of future funding. If either party does not contribute and is diluted to an ownership of less than 10% of the Mt Isa East JV, the Group's equitable interest will convert to a 2% Net Smelter Return Royalty. At any time, the Net Smelter Royalty Return Rate can be reduced to 1% via the payment of A$2,000,000.

The areas of interest subject to the Agreement are held by the Company's subsidiaries Mt Dockerell Mining Pty Ltd and Mulga Minerals Pty Ltd.

Isa Valley Project – South32 Limited

On 27 May 2024, the Group announced a farm-in arrangement with South32 Limited ("South32"), whereby South32 can earn an 80% interest in the Isa Valley Project as follows:

- An initial commitment to earn 70% through the completion of a 900m drilling campaign within 18 months of entering into the agreement (for an estimated cost of $150,000), and the expenditure of an additional $3 million within 3 years. South32 can extend this earn-in period by up to 1 year by spending an additional $1 million (therefore, $4 million over 4 years).
- Once South32 has earned the 70% interest, this can be increased to an 80% interest through the agreement to free-carry the Group's interest in the project through to a Pre-Feasibility Study.

South32 is responsible for managing and operating the exploration program.

Bullrush Project – Sumitomo Metal Mining Oceania Pty Ltd ("SMMO")

On 27 June 2024, the Group announced a farm-in arrangement with SMMO whereby SMMO can earn an 80% interest in the Bullrush Project as follows:

- An initial commitment to earn 51% through the completion of a 2,000m drilling campaign within 12 months of entering into the agreement, and the expenditure of an additional $4.5 million within 4 years.
- An additional 9% interest (to 60% total) through the expenditure of $2 million in a further 2-year period.

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22. INTEREST IN OTHER ENTITIES (continued)

Bullrush Project – Sumitomo Metal Mining Oceania Pty Ltd ("SMMO") – continued

Subsequently, the Group can maintain its 40% interest in the project by contributing its pro-rata share of exploration expenditure. Should the Group elect to not contribute its share, SMMO can increase its interest from 60% to 80% by electing to free-carry the Group's interest in the project through to a Pre-Feasibility Study.

The Group will act as the manager an operator of the project until at least the end of the first earn-in period.

23. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES	30 June 2024 $	30 June 2023 $
Profit / (loss) for the year	6,270,584	(1,285,536)
Adjustments for:		
Depreciation and amortisation	97,929	100,585
Share based payments	339,357	171,229
Fair value adjustment on financial assets	611,596	143,166
Partial sale of tenements	(9,000,000)	-
Interest expense	12,010	7,369
Management fee from farm-in partners	(161,199)	(178,147)
Exploration expenditure written-off	599,610	-
Movements attributable to operating activities:		
Decrease / (increase) in trade and other receivables	68,755	77,351
Increase / (decrease) in trade and other payables	(345,342)	(18,798)
Net cash used in operating activities	(1,506,700)	(982,781)

24. SEGMENT INFORMATION

The Group has three reportable segments, being mineral exploration in Queensland and Western Australia, and corporate activities. The Group's operating segments have been determined with reference to the monthly management accounts, program budgets and cash flow forecasts used by the chief operating decision maker to make decisions regarding the Group's operations and allocation of working capital.

Segment information

The following tables represent revenue and profit information and certain asset and liability information regarding geographical segments for the year ended 30 June 2024.

	Queensland Exploration $	Western Australia Exploration $	Corporate $	Total $
30 June 2024				
Segment income	-	-	177,062	177,062
Segment profit / (loss) before income tax expense	(2,911)	(310)	6,273,805	6,270,584
Segment assets	19,333,058	7,207,061	10,197,441	36,737,560
Segment liabilities	(2,545)	(8,153)	(827,567)	(838,265)
30 June 2023				
Segment income	-	-	190,974	190,974
Segment loss before income tax expense	(3,819)	(360)	(1,281,357)	(1,285,536)
Segment assets	18,522,627	6,155,663	5,003,311	29,681,601
Segment liabilities	(23,090)	(4,875)	(580,521)	(608,486)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS DISCLOSURES

Overview

The Group has exposure to the following risks from their use of financial instruments:
Credit risk
Liquidity risk
Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

Trade and other receivables

As the Company operates in the mining exploration sector it does not have significant trade receivables and is therefore not exposed to credit risk in relation to trade receivables. The Group receives advanced cash calls from its farm-in / joint arrangement partner which are classified as liabilities. The cash call amounts are reduced as and when expenditure in terms of the farm-in/ joint arrangement agreement is incurred.

Presently, the Group undertakes exploration and evaluation activities in Australia. At the balance sheet date there were no significant concentrations of credit risk.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
	Note	30 June 2024	30 June 2023
		$	$
Cash and cash equivalents	10	5,228,612	4,357,140
Trade and other receivables	11	172,227	252,649

Impairment losses

None of the Group's trade and other receivables are past due and impaired (2023: Nil).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due (refer Note 2(g)). The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. Typically, the Group ensures it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

HAMMER METALS LIMITED
and its Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

The expected settlement of the Group's financial liabilities is as follows:

Consolidated	Carrying Amount	Contractual Cash-Flows	< 6 months	6-12 months	1-2 years	2-5 years
30 June 2024						
Trade and Other Payables	660,677	660,677	660,677	-	-	-
Lease liabilities	177,588	177,989	54,444	47,274	72,938	3,333
	838,265	838,666	715,121	47,274	72,938	3,333
30 June 2023						
Trade and Other Payables	443,893	443,893	443,893	-	-	-
Lease liabilities	164,593	172,343	36,183	36,183	72,400	27,577
	608,486	616,236	480,076	36,183	72,400	27,577

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
The Group has no exposure to currency risk on investments and transactions that are denominated in a currency other than the respective functional currencies of Group entities. The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Interest rate risk
The Group is not exposed to interest rate risk on borrowings as it has no borrowings subject to variable interest. The Group is exposed to interest rate risk on its cash balances.

Profile
At the reporting date the interest rate profile of the Company's and the Group's interest-bearing financial instruments was:

	Carrying amount	
	30 June 2024	30 June 2023
	$	$
Fixed rate instruments		
Cash and cash equivalents	23,264	22,367
Weighted average interest rates	4.70%	4.00%
Variable rate instruments		
Cash and cash equivalents	5,205,348	4,334,773
Weighted average interest rates	3.78%	1.32%

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss or equity (2023: Nil)

Cash flow sensitivity analysis for variable rate instruments
A sensitivity of 50 basis points has been used and considered reasonable given current interest rates. A 0.5% movement in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis for 2023 was performed on the same basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

Consolidated	Loss		Equity	
	50bp increase	50bp decrease	50bp increase	50bp decrease
30 June 2024				
Variable rate instruments	$26,143	($26,143)	$26,143	($26,143)
30 June 2023				
Variable rate instruments	$21,786	($21,786)	$21,786	($21,786)

Carrying amounts versus fair values
The fair values of financial assets and liabilities materially equates to the carrying amounts shown in the statement of financial position.

	30 June 2024 $	30 June 2023 $
Financial assets carried at fair value through profit or loss		
Equity securities – listed on ASX and TSXV at quoted prices	4,615,933	227,529
Financial assets carried at amortised costs		
Cash and cash equivalents	5,228,612	4,357,140
Trade and other receivables	172,227	252,649
Financial liabilities carried at amortised costs		
Trade and other payables	(660,677)	(443,893)
Lease liabilities	(177,588)	(164,593)

There are no off-balance sheet financial asset and liabilities at year-end.
All financial assets and liabilities were denominated in Australian dollars during the years ended 30 June 2024 and 2023.

Fair value risk
The group uses three different methods in estimating the fair value of a financial investment. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets; and
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs other than quoted prices.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.
The fair value of derivatives that do not have an active market are based on valuation techniques. Level 2 derivatives include market observable inputs whilst level 3 derivatives do not include market observable inputs.

Transfer between categories
There were no transfers between levels during the year.

The fair value of financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

HAMMER METALS LIMITED
and its Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

Consolidated	Quoted Market Price Level 1 $	Valuation Technique: Market Observable Inputs Level 2 $	Valuation Technique: Non-market Observable Inputs Level 3 $	Total $
30 June 2024				
Equity securities – listed on ASX and TSXV at quoted prices	4,615,933	-	-	4,615,933
	4,615,933	-	-	4,615,933
30 June 2023				
Equity securities – listed on ASX and TSXV at quoted prices	227,529	-	-	227,529
	227,529	-	-	227,529

Other Market Price Risk
Other Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. Investments are managed on an individual basis and material buy and sell decisions are approved by the Board of Directors. The primary goal of the Group's investment strategy is to maximise investment returns.

Fair value sensitivity analysis for equity securities (listed investments)
A sensitivity of 10% has been used and considered reasonable given current market rates. A 10% movement in market prices at the reporting date would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis for 2023 was performed on the same basis.

Consolidated	Loss		Equity	
	10% increase	10% decrease	10% increase	10% decrease
30 June 2024				
Equity securities – listed on TSXV	$461,593	($461,593)	$461,593	($461,593)
30 June 2023				
Equity securities – listed on TSXV	$22,753	($22,753)	$22,753	($22,753)

Commodity Price Risk
The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk at this stage.

Capital Management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.
There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.
Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. PARENT ENTITY DISCLOSURES

	Company	
	30 June 2024	30 June 2023
Financial Position	$	$
Assets		
Current assets	25,935,376	23,208,159
Non-current assets	10,713,566	6,465,856
Total assets	**36,648,942**	**29,674,015**
Liabilities		
Current liabilities	718,691	463,173
Non-current liabilities	30,956	137,727
Total liabilities	**749,647**	**600,900**
Net assets	**35,899,295**	**29,073,115**
Equity		
Issued capital	66,810,197	66,593,958
Accumulated losses	(31,698,520)	(38,903,136)
Reserves	787,618	1,382,293
Total equity	**35,899,295**	**29,073,115**

	Company	
	30 June 2024	30 June 2023
Financial Performance	$	$
Loss for the year	7,204,616	(1,285,536)
Other comprehensive income	-	-
Total comprehensive income	**7,204,616**	**(1,285,536)**

There were no contingent liabilities of the parent entity at 30 June 2024 (2023: None), nor where there any commitments of the parent entity (2023: None).

27. CONTINGENCIES

The Group has no contingencies as at 30 June 2024 (2023: nil).

28. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end the following events have occurred:

- On 3 July 2024, 2,600,000 unlisted options exercisable at $0.05 each expired, having lapsed unexercised on 30 June 2024.

Other than the above, there has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

HAMMER METALS LIMITED
and its Controlled Entities

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2024

Entity Name	Entity Type	Body Corporates Place of Incorporation	Body Corporates % Share Capital Held	Tax Residency Australian or Foreign	Tax Residency Foreign Jurisdiction
Hammer Metals Limited	Body Corporate	Australia	N/a	Australian	N/a
Hammer Metals Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Mt. Dockerell Mining Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Mulga Minerals Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Carnegie Exploration Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Hammer Bulk Commodities Pty Ltd	Body Corporate	Australia	100%	Australian	N/a
Midas Metals Asia Pty Ltd	Body Corporate	Australia	85%	Australian	N/a

All entities except for Midas Metals Asia Pty Ltd are members of the Hammer Metals Limited consolidated tax group.

None of the abovementioned entities acts as a trustee of a trust within the Group, nor is a partner in partnership with the Group, nor is a participant in a joint venture within the Group.

Basis of preparation
The consolidated entity disclosure statement (CEDS) has been prepared in accordance with subsection Section 295 (3A) of the Corporations Act 2001. The entities listed in the statement are Hammer Metals Limited and all the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Key assumptions and judgements
Determination of tax residency
Section 295 (3A) Corporations Act requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997 (Cth). The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency
The Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Directors' Declaration

HAMMER METALS LIMITED
and its Controlled Entities

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Hammer Metals Limited ("the Company"):

(a) the consolidated financial statements and notes and the remuneration report in the Directors' report, are in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations by the managing director and company secretary for the financial year ended 30 June 2024 pursuant to Section 295A of the Corporation Act 2001.

3. The Directors draw attention to Note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

4. The Consolidated Entity Disclosure Statement as set out on page 93 is true and correct.

Signed in accordance with a resolution of the Directors:

R Davis
Chairman

Perth

Dated 19 September 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HAMMER METALS LIMITED

Report on the Financial Report

Opinion

We have audited the financial report of Hammer Metals Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Hammer Metals Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Independence

We are independent of the consolidated entity 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context

Carrying value of capitalised exploration expenditure

Why significant	How our audit addressed the key audit matter

As at 30 June 2024 the carrying value of exploration and evaluation assets was $26,540,119 (2023: $24,678,290), as disclosed in note 14. Exploration and Evaluation assets written off during the year amounted to $599,610.
 	
The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in notes 2(e) iii and 3(l).
 	
Significant judgement is required:
 	
• in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard *AASB 6 - Exploration for and Evaluation of Mineral Resources* ("AASB 6"); and
• in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  ○ whether the particular areas of interest meet the recognition conditions for an asset; and
  ○ which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.
	Our work included, but was not limited to, the following procedures:
	
	• Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
	  ○ assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for permits that will expire in the near future;
	  ○ holding discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
	  ○ obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes.
	• considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
	• testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
	• assessing the appropriateness of the related disclosures in notes 2(e) iii, 3(l) and 14.

PKF

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of:-

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act2001; and

for such internal control as the Directors determine is necessary to enable the preparation of:-

i) the financial report (other than the consolidated entity disclosure statements) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PKF

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Hammer Metals Limited for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

ALEXANDRA CARVALHO
PARTNER

19 September 2024
PERTH, WESTERN AUSTRALIA

ASX Additional Information

Additional information required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report is set out below. Information regarding share and option holdings is current as at 4 October 2024.

(a) Ordinary Shareholders

Twenty largest holders of ordinary shares	Number of shares	% Held
CENTRAL MUTUAL (INVESTMENTS) PTY LTD <CENTRAL MUTUAL (INV) A/C>	87,591,074	9.88
MR ZBIGNIEW WALDEMAR LUBIENIECKI	64,402,901	7.27
ZENITH PACIFIC LIMITED	55,000,000	6.20
BNP PARIBAS NOMS PTY LTD	45,147,642	5.09
DAVIS FAMILY CAPITAL PTY LTD <THE DAVIS SUPER FUND A/C>	41,244,013	4.65
BNP PARIBAS NOMINEES PTY LTD	30,983,382	3.50
LUNDIE INVESTMENTS PTY LTD <PATASH INVESTMENTS S/F A/C>	29,656,350	3.35
SAMLISA NOMINEES PTY LTD	20,000,000	2.26
J P MORGAN NOMINEES AUSTRALIA	10,500,000	1.18
B & C WATSON HOLDINGS PTY LTD <WATSON SUPER FUND A/C>	8,888,888	1.00
MR SHANE RONALD BRITTEN	6,890,842	0.78
MR PHILIP JOSEPH PARKINS <P H FREIGHT A/C>	6,744,086	0.76
CITICORP NOMINEES PTY LIMITED	6,546,695	0.74
ANGIP NOMINEES PTY LTD <JOHNS FAMILY A/C>	6,500,000	0.73
HSBC CUSTODY NOMINEES	6,301,706	0.71
SACCHETTA GROUP HOLDINGS PTY LTD <JOHN SACCHETTA SUPER A/C>	6,236,409	0.70
MR ROBERT SPOONER	5,500,000	0.62
HINTON FAMILY HOLDINGS PTY LTD	4,666,125	0.53
MR BRYCE ROY SYMONS	4,400,000	0.50
MR PAUL CHRISTOPHER CLARKE	4,300,616	0.49
	451,500,729	**50.94**

Significant shareholders	Number of shares	Held %
CENTRAL MUTUAL (INVESTMENTS) PTY LTD <CENTRAL MUTUAL (INV) A/C>	87,591,074	9.88
MR ZBIGNIEW WALDEMAR LUBIENIECKI	64,402,901	7.27
ZENITH PACIFIC LIMITED	55,000,000	6.20
BNP PARIBAS NOMS PTY LTD	45,147,642	5.09

Each fully paid ordinary share entitles the holder to one vote at general meetings of shareholders and is entitled to dividends when declared.

The total number of shares on issue is 886,407,349

The number of shareholders holding less than a marketable parcel is 902.

There is no current on market buy back.

The Company has no ordinary shares which are subject to voluntary escrow.

ASX Additional Information

(a) Ordinary Shareholders

Distribution of ordinary shareholders

Category of shareholding	Number of shareholders	Number of shares	Held %
1 – 1,000	170	31,576	0.00%
1,001 – 5,000	118	428,339	0.05%
5,001 – 10,000	454	3,651,256	0.41%
10,001 – 100,000	1,568	65,860,356	7.43%
100,001 and over	764	816,435,822	92.11%
Total	**3,074**	**886,407,349**	**100.00%**

(b) Unquoted Securities

The Company has the following unquoted securities on issue.

Category of security	Number	Number of holders
Unlisted Options exercisable at $0.05 on or before 30 November 2024	4,500,000	3
Unlisted Options exercisable at $0.04 on or before 13 May 2025	2,000,000	1
Unlisted Options exercisable at $0.07 on or before 30 November 2026	4,500,000	3
Unlisted Options exercisable at $0.08 on or before 30 November 2026	5,500,000	2
Unlisted Management Tranche 1 Options exercisable at $0.08 on or before 30 November 2026	2,000,000	2
Unlisted Management Tranche 2 Options exercisable at $0.08 on or before 30 November 2026	2,000,000	2
Performance rights, expiring 21 December 2024, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 50,000 tonnes Cu or equivalent KPI at the sole discretion of the Board	1,000,000	1
Performance rights, expiring 21 December 2024, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 100,000 tonnes Cu or equivalent KPI at the sole discretion of the Board	1,000,000	1
Performance rights, expiring 21 December 2024, vesting upon the Company announcing a new JORC 2012 compliant mineral resource estimate of 200,000 tonnes Cu or equivalent KPI at the sole discretion of the Board	1,000,000	1
Tranche 1A Management Performance Rights, vesting upon the continuous service for a period of 12 months from the date of issue	500,000	2
Tranche 1B Management Performance Rights, vesting upon the continuous service for a period of 12 months from the date of issue and the share price of the Company's shares listed on the ASX achieving a premium of 50% over the 15-day VWAP prior to the issue date, or $0.078	500,000	2
Tranche 2A Management Performance Rights, vesting upon the continuous service for a period of 24 months from the date of issue	500,000	2
Tranche 2B Management Performance Rights, vesting upon the continuous service for a period of 24 months from the date of issue and the share price of the Company's shares listed on the ASX achieving a premium of 100% over the 15-day VWAP prior to the issue date, or $0.104	500,000	2
Tranche 3 Management Performance Rights, vesting upon the completion (to the Board's satisfaction) of a material transaction to the value of a minimum of 30% of the Company's market capitalisation, determined based on the 30-day VWAP immediately prior to the completion or announcement of the transaction	7,000,000	2


2024

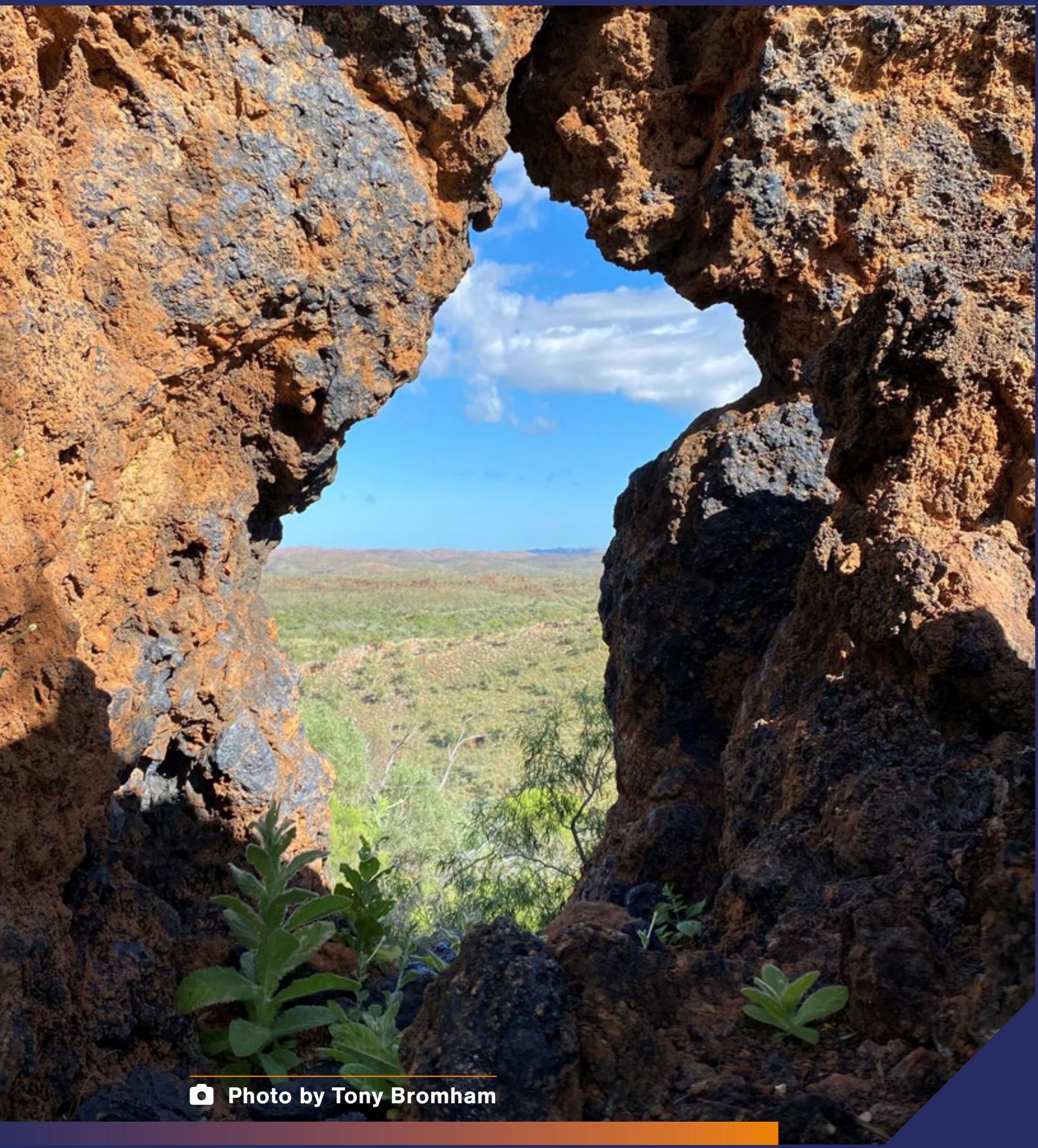

Photo by Tony Bromham

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