MOUNT ISA DRILLING PROGRAM UPDATE

Two phases of drilling completed at Lady Jenny as rain interrupts the program – drilling to resume in the New Year

ASX RELEASE
16 December 2024

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (13/12/2024)	$0.033
Shares on Issue	888m
Market Cap	$30m
Options Unlisted	26.5m
Performance Rights	16.5m
Cash (30/09/2024)	$4.2m

- **Hammer has completed two initial phases of drilling on the Lady Jenny Mining Leases.**
- 11 holes have been completed at Lady Jenny for a total of 1,343m. First assay results are expected in January 2025.
- **A single hole was completed at Kalman Southeast prior to significant rainfall which has prevented the completion of a second hole at this target.**
- Rain also prevented Hammer from accessing the target at **Tourist Zone South, with drilling now delayed until the completion of the wet season.**

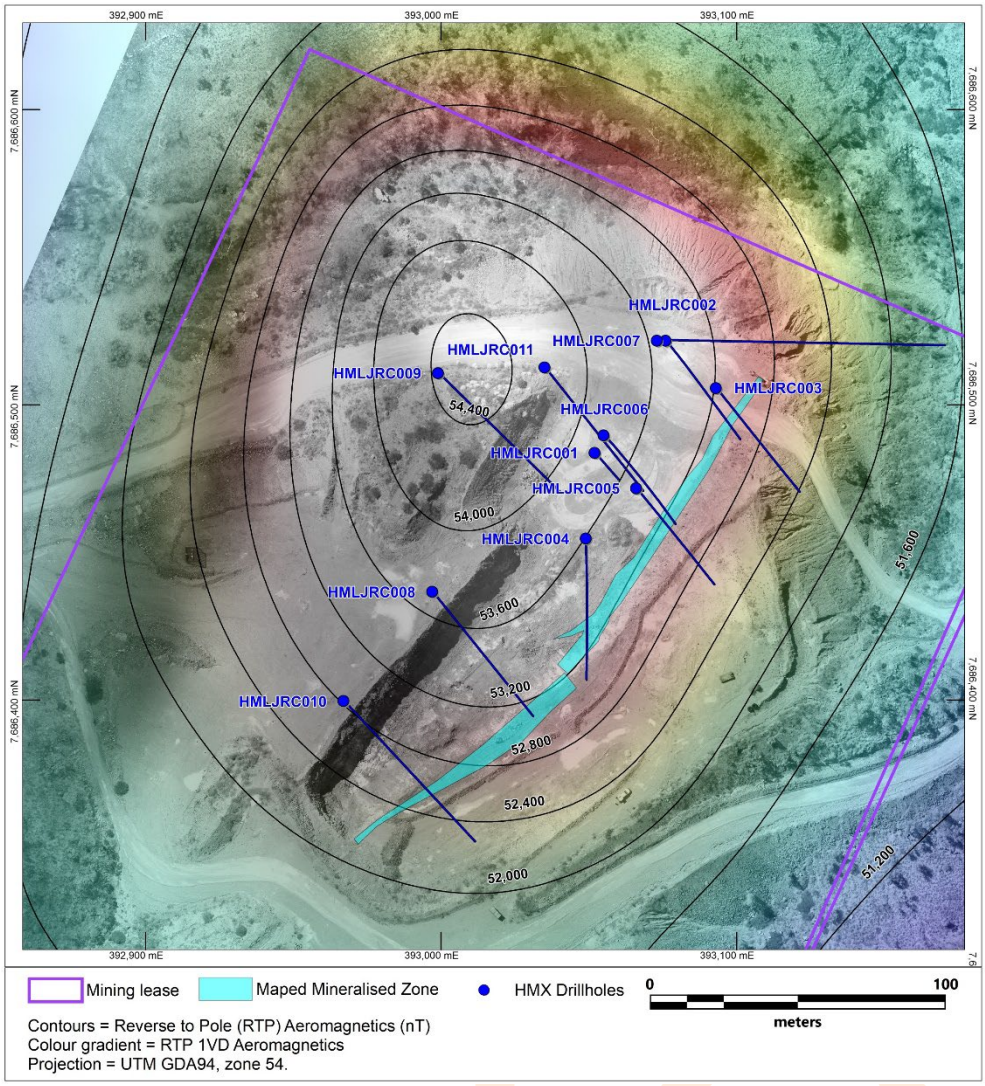

Figure 1. *Lady Jenny drill plan showing the absolute magnetic response as contours (nT) and reduced to pole first vertical derivative as colour gradation*

Hammer's Managing Director, Daniel Thomas, said:

"The first phases of drilling at Lady Jenny have been successfully completed. As we await assays to confirm the success of this program, the team is diligently identifying follow-up targets for a program in early 2025.

"While recent rain events have prevented the team from commencing drilling at the Tourist Zone prospect, this target is now a priority for us at the start of the 2025 field season. The next quarter is shaping up a busy start for 2025, with drilling programs also scheduled for the Bullrush Joint Venture."

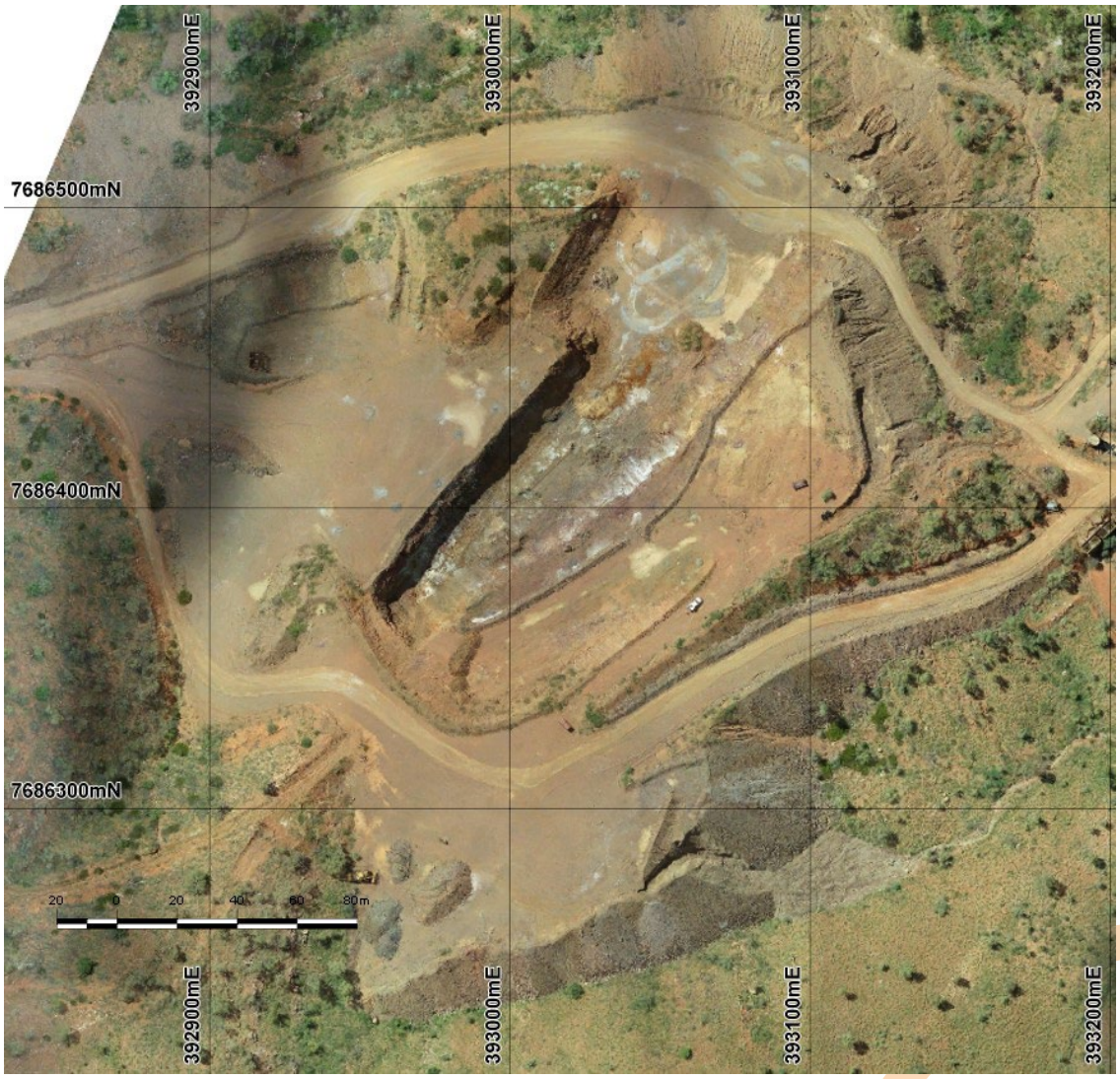

Figure 2. *Birdseye View of Lady Jenny pit with north towards the top of the page.*

Hammer Metals Ltd (ASX: HMX) ("**Hammer**" or the "**Company**") is pleased to advise that it has completed the first drilling phases at the Lady Jenny Project in the Mount Isa region of northwest Queensland, with all samples now submitted to the laboratory for analysis.

With a short break between two programs, Hammer has now completed 11 holes on the Lady Jenny Mining Lease with some 1,343 metres of drilling completed. Drilling at the Kalman Southeast Target was interrupted by a significant rain event with only one hole (342 metres) able to be completed.

The planned program at Tourist Zone could not be completed with multiple creek crossings impacted by the regional rain activity experienced in late November and early December.

Lady Jenny Mining Leases (Hammer's option to purchase an 80% interest)

Hammer's initial program at Lady Jenny was designed to provide key information about the geometry, grade and style of mineralisation and identify the economic potential within the pit and the Mining Lease. The first phase of drilling at Lady Jenny (six RC holes for 653m) was completed from the accessible part of the pit and was focused on testing the shallow part of the tabular mineralised zone that was mined historically (Table 1).

All holes intersected the zones of mineralisation beneath the historic workings within fresh bedrock, with variable widths strongly associated with magnetite alteration and quartz veining.

Hammer will await the completion of laboratory assays to provide definitive widths and grade of mineralisation associated with the Lady Jenny Mining Lease.

Phase Two drilling at Lady Jenny was conducted from outside the pit and has tested the depth and strike extent of recently intercepted mineralisation to the south-west of the Phase 1 drilling, as well as to potentially identify any plunge components to mineralisation. Five additional holes for a total of 690m were completed in the second phase of the program.

Samples from the first phase of drilling were submitted to the laboratory on 18 November with results initially expected in mid-December. No progress on these batches of samples has been made by the laboratory to date and it appears unlikely that the results will be available until early in 2025.

Table 1. *Collar locations – Current Hammer Metals Limited program – Laboratory assays in Progress*

Area	Collar ID	E (GDA94)	N (GDA94)	RL	Dip	Az	TD
Lady Jenny	**HMLJRC001**	393052	7686484	395.0	-64.9	139.1	29
	HMLJRC002	393076	7686522	397.0	-70.2	141.5	120
	HMLJRC003	393093	7686506	397.0	-55.6	141.9	78
	HMLJRC004	393049	7686455	396.0	-60.0	178.4	96
	HMLJRC005	393066	7686472	395.0	-54.7	140.7	72
	HMLJRC006	393055	7686490	395.0	-71.6	136.8	120
	HMLJRC007	393073	7686522	397.0	-60.5	91.0	198
	HMLJRC008	392997	7686437	410.0	-55.5	141.2	96
	HMLJRC009	392999	7686511	397.0	-76.7	134.4	252
	HMLJRC010	392967	7686400	410.0	-55.0	137.1	114
	HMLJRC011	393035	7686513	397.0	-71.4	141.6	168
Kalman East	**K-159**	392323	7669788	445.0	-55.0	94.9	342
Note							
Laboratory Assays in progress							
Position relative to GDA94 Zone54 and captured to GPS accuracy							

Upcoming Activities and Expected Newsflow

- **December** – Bullrush JV – Geophysical Interpretation and drill hole planning for early 2025.
- **January** – Assay results from 100% HMX Isa drilling program – Lady Jenny and Kalman South-East.
- **January** – Soil sampling program results – Pilgrim Fault South (south of Kalman along Pilgrim Fault), Cambrian Pb/Zn, Mascotte and surrounds.
- **January** – EM Modelling of VTEM targets at Mascotte and Revenue.
- **January** – RC copper/gold drilling program continues in Mount Isa – Lady Jenny, Tourist Zone South and Kalman South-East.
- **January** – MIEJV follow up soil sampling program results – Malbon and Dronfield.
- **January** – Yandal Project Review – Orelia North Targeting, Granite/Basalt contact target zones**.**
- **February** (Weather dependant) – Drilling Program Tourist Zone South, Kalman SouthEast, Bullrush JV.
- **February -**RIU Fremantle Conference Presentation and Participation

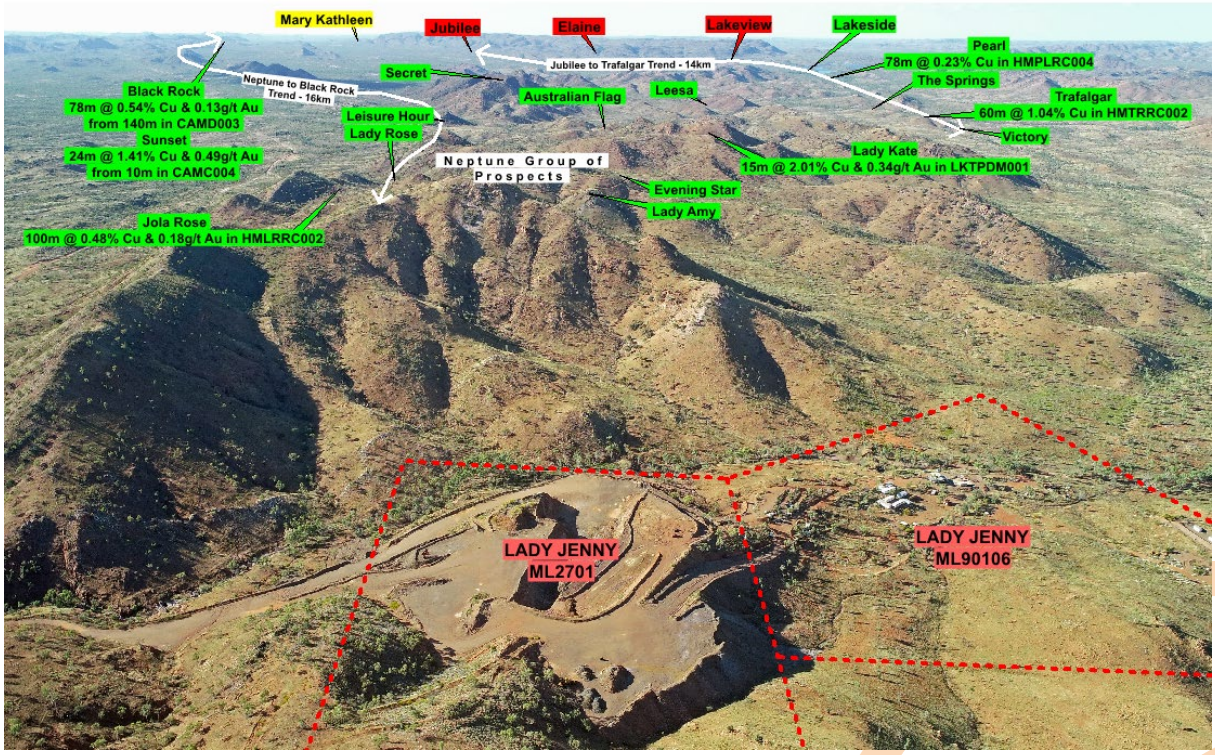

Figure 3. *Lady Jenny Mining Leases with Hammer's northern prospects in the background, including the JORC Resources at Jubilee and Lakeside. See ASX Announcements dated 30 October 2018 (Black Rock and Sunset), 20 January 2021 (Neptune Region), 26 July 2021(Trafalgar) and 12 December 2022 (Pearl).*

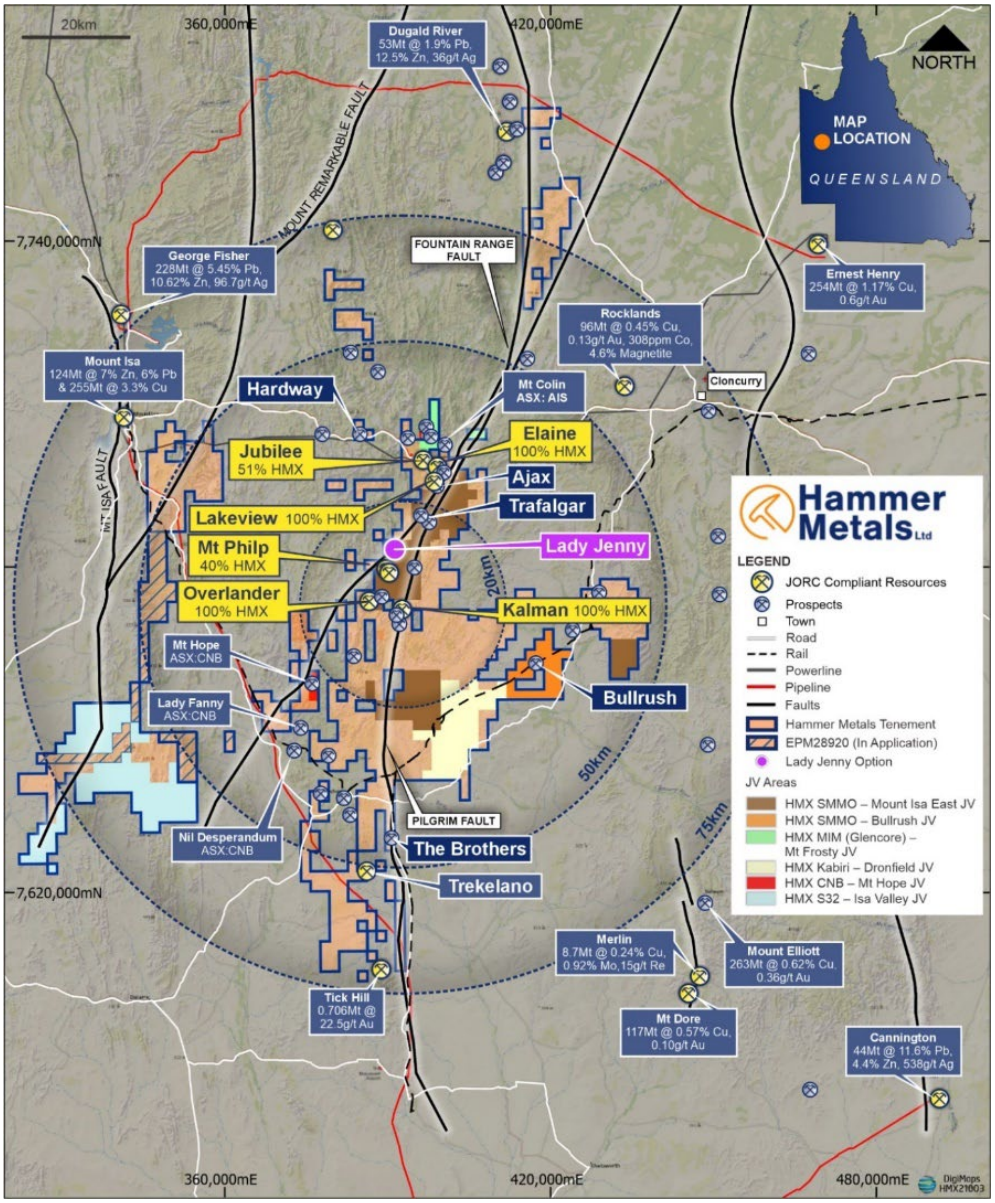

Figure 4. *Mount Isa Project.*

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

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About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,800km^2 within the Mount Isa mining district, with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits, the Lakeview (Cu-Au) deposit and the Elaine (Cu-Au) deposit. Hammer also has a 51% interest in the Jubilee (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of Ernest Henry style and has a range of prospective targets at various stages of testing. Hammer also holds a 100% interest in the Bronzewing South Gold Project located adjacent to the 2.3 million-ounce Bronzewing gold deposit in the highly endowed Yandal Belt of Western Australia.

Competent Person Statement

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 a full-time employee of the Company. Mr. Whittle, who is a shareholder and option-holder, has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Whittle consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Where the Company references exploration results and Mineral Resource Estimates previously announced, it confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the resource estimates with those announcements continue to apply and have not materially changed.

JORC Table 1 report – Mount Isa Exploration Update

- This table is to accompany a release notifying the market of the status of the current Hammer Metals Limited drilling program.
- At this time the drill program was halted due to weather and laboratory analysis of these holes is in progress. The company is of the opinion that no reporting of analytical information should occur until final laboratory assays have been received.
- Lady Jenny does have historic drilling undertaken however, the quality of the data capture, analytical techniques and data management are not considered appropriate for reporting under the JORC code.

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc).* *These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	**Drilling** Drilling was undertaken by Bullion Drilling Pty Ltd utilising a Schramm 685 reverse circulation drilling rig. As the drilling is in progress and laboratory Assays have not been reported the sampling methods and analytical suites are planned. Drill chip samples were taken at dominantly 1m intervals. When multiple metre intervals were sampled, a riffle split of each metre interval was conducted with the split portions then being combined to produce a composite sample. Lab analyses were conducted on a 2-5kg subset of the drill interval which corresponds to the sample eventually submitted for lab analysis. Standards are inserted into portable XRF analyses to monitor possible instrument drift. Calibration checks are also conducted daily. All samples submitted for assay undergo a fine crush with 1kg riffled off for pulverising to 75 microns. Samples will be submitted to ALS for: • Fire Assay with AAS finish for gold. • 4 acid digest followed by ICP-MS for a comprehensive element suite.

Criteria	JORC Code explanation	Commentary
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	**Drilling** The method of drilling was reverse circulation.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**Drilling** Sample recoveries and quality are qualitatively assessed by the logging geologist. Each sample submitted to the lab is weighed on arrival. 80%. Recoveries are typically low in the first 5m of each hole. In holes where recovery or significant sampling bias was observed, the hole was terminated. Significant water was encountered in hole HMLJRC001. This hole was terminated and redrilled (HMLJRC006).
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	**Drilling** All drilling is geologically logged by Hammer Metals Limited Geologists. Quantitative portable XRF analyses are conducted on metre intervals on site. All metres drilled are subject to lab analysis.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.*	**Drilling** Samples consist of RC drill chips. Samples from the hole are collected by a three-way splitter with A and B duplicates taken for every sample. Samples were taken at dominantly one metre intervals however where 2 or 4 metre composites were created, samples were composited by riffle splitting material from each one metre sample bag. Where evidence of mineralisation is encountered or anticipated, the sample length was reduced to 1m. Sample collection methodology and sample size is considered appropriate to the target-

Criteria	JORC Code explanation	Commentary
	Whether sample sizes are appropriate to the grain size of the material being sampled.	style and drill method, and appropriate laboratory analytical methods were employed. Standard reference samples and blanks were each inserted into the laboratory submissions at a rate of 1 per 25 samples.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Drilling No drilling is reported in this release. The lab analytical method: - Gold analyses by fire assay with AAS finish. - Multielement analyses were conducted via ICP MS (for a plus 50 element suite) after a 4-acid digest. Certified reference (CRM) samples and certified blank samples inserted into the sample sequence at rate of 1 CRM and 1 blank per 25 samples. Duplicates were conducted at a rate not exceeding 1 duplicate per 50 samples. The analytical methods and QA/QC procedures employed are appropriate for the nature of the surveys described herein.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	**Drilling** No laboratory analyses have been reported.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	**Drilling** Drill collars are surveyed by GPS with RL determined from Drone generated DTM. For all data reported herein, information is captured in GDA94 datum Zone 54.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	**Drilling** It is planned to intersect the lode position at approximately 40m centres.
Orientation of data in relation to	*Whether the orientation of sampling achieves unbiased sampling of possible structures and*	**Drilling** Drill holes are generally oriented as close to perpendicular as possible to the orientation of

Criteria	JORC Code explanation	Commentary
geological structure	*the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	the targets based on interpretation of previous exploration.
Sample security	*The measures taken to ensure sample security.*	**All Samples** With lab analyses, pre-numbered bags are used, and samples are transported to ALS by company personnel. Samples are packed within sealed polywoven sacks.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	**All Work Conducted** This work is currently in progress. All work is subject to data import validation and assay data, when it is reported is reviewed by two company personnel. No external audits have been conducted at this time.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Mt Isa Project consists of 36 tenements. The tenement on which this drilling is being undertaken is ML2701. The tenement is currently held by Corella Valley Mining Company Pty Ltd. Hammer Metals Limited has executed an operation to purchase an 80% interest in Lady Jenny. The reader is referred to ASX release dated 2/10/2024 for the details of this agreement.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Previous holders held title either covering the tenement in part or entirely and previous results are contained in Mines Department records.
Geology	*Deposit type, geological setting and style of mineralisation.*	**Lady Jenny (ML2701)** Lady Jenny is hosted within the Ballara Quartzite close to the boundary of the Argylla Formation. This large-scale geological setting is common to other Hammer Metals Prospects in the region such as the Neptune Group of prospects 1km to the north of Lady Jenny. Mineralisation parallels lithology with a moderate northwesterly dip and a possible northwesterly plunge. Early drilling observations suggest a magnetite association with copper sulphides. A recently delineated magnetic

Criteria	JORC Code explanation	Commentary
		target downdip of the Lady Jenny mineralisation will be tested in the current program. Examination of pit walls indicates that mineralisation is up to 6m in true thickness however, an envelope of ferruginous fractured sediments occurs on both the hangingwall and footwall suggesting that there is significant potential for thicker zones to occur at depth and down plunge. The mineralisation is shearing zone hosted with the closest analogue being the Mt Colin Cu mine currently operated by Aeris Resources Limited.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	**Drilling** Drilling information in this release is limited to drillhole position and attitude. At this time no assay data is available.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	**Drilling** No drillhole assay data is reported in this release.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	**Drilling** No drillhole assay data is reported in this release.

Criteria	JORC Code explanation	Commentary
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate figures are in the body of this report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.*	**Drilling** The drillholes undertaken during this program are reported in total.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All substantive exploration data depicted or discussed herein have been disclosed to the market previously.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	**Tourist Zone** Once an initial program has been conducted at Lady Jenny the drill rig will move to Tourist Zone.