

DECEMBER 2023 QUARTERLY REPORT

ASX RELEASE

31 January 2024

DIRECTORS / MANAGEMENT

Russell Davis
Chairman

Daniel Thomas
Managing Director

James Croser
Non-Executive Director

David Church
Non-Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (30/01/2024)	\$0.039
Shares on Issue	886m
Market Cap	\$35m
Options Unlisted	23.1m
Performance Rights	12m
Cash (31/12/2023)	\$1.8m

- **Drilling confirms potential for Hardway discovery to add to Hammer's 530kt¹ CuEq Resource inventory.**
- **Multiple high-grade copper hits in Mount Hope region.**
- **High-potential lithium & gold targets to be drill tested in WA in February.**

MOUNT ISA COPPER-GOLD PROJECTS, QLD

Hardway (See ASX Announcement, 31 October 2023)

- **Broad, shallow intercepts of copper & rare earth element (REE) mineralisation in all eight follow-up drill holes over a 600m strike length confirmed Hardway as a significant shallow copper discovery. Assay results included:**
 - **47m at 1% Cu from 14m in HMHWRC017**
 - **43m at 0.90% Cu from 18m** within 88m at 0.62% Cu from surface in HMHWRC014 (**hole terminated in mineralisation**), including:
 - **5m at 2.78% Cu and 0.1g/t Au from 31m**
 - **52m at 0.71% Cu from 78m** in HMHWRC019, including:
 - **3m at 3.9% Cu and 0.12g/t Au from 114m**
 - **35m at 0.84% Cu from 46m** within 65m at 0.59% Cu from 20m in HMHWRC015.
- **Diamond drilling program planned for mid-late February 2024 to explore for a higher-grade sulphide system at depth.**
- **Copper oxide JORC Mineral Resource Estimate targeted for Q2 2024.**

South Hope and Mount Mascotte (See ASX Announcement, 5 December 2023)

- **Drilling at South Hope intersected down-dip extensions of previously identified high-grade mineralisation, returning an outstanding assay result of:**
 - **14m at 3.34% Cu and 0.72g/t Au from 113m**, within:
 - **34m 2.5% Cu and 0.49g/t Au in HMSHRC010**
- **At Mt Mascotte the high-grade zone of mineralisation was extended along strike with an outstanding intercept of:**
 - **4m at 4.82% Cu and 3.84g/t Au from 104m** in HMMARC009.

Kalman, Tourist Zone and others (See ASX Announcement, 30 November 2023)

- **Gold mineralisation intersected at the Kalman North EM target, with a final 4m composite sample from K-158 returning 1.44g/t Au from 128m.**

¹ See ASX Announcement 8 May 2023 – "Kalman Resource Upgrade".

- Drilling at the Tourist Zone extended mineralisation encountered in previous drilling, with significant new intercepts of:
 - **30m at 0.8% Cu and 0.24g/t Au** from 121m in HMTZRC001, including:
 - **12m at 1.14% Cu and 0.18g/t Au** from 107m in HMTZRC002, including:
- **2m at 3.02% Cu and 0.53g/t Au.** Drilling at Overlander intersected two broad zones of copper mineralisation, including:
 - **113m at 0.21% Cu** in OVR037; and
 - **90m at 0.23% Cu** in OVR038
- **An initial drill hole at the Bulonga Prospect** returned an encouraging zone of copper and gold mineralisation:
 - **5m at 2.0% Cu and 0.64g/t Au from 18m in HMPORC003**

Mount Isa East JV (MIE JV) (SMMO earning 60% interest) (See ASX Announcement 28 November 2023)

- **Reverse Circulation drilling program completed (~2,000m)** at the Prince of Wales, Thunderer and Toby targets within the Mount Isa East Joint Venture ("MIEJV").
- **Induced Polarisation ("IP") anomalies recorded at the Secret-Thunderer, Even Steven, Jimmy Creek and Shadow South Regions.**
- **A chargeable IP anomaly** at Shadow South will be drill tested in a program commencing in mid-late February.
- **A major 1250km VTEM survey has been completed over the Malbon and Dronfield regions, defining multiple conductive targets** for follow-up during 2024.
- Soil geochemical programs were completed at Agamemnon-Trafalgar, Jimmy Creek and Malbon.
- At Agamemnon, a 1,200m by 600m zinc soil anomaly has been defined (above 150ppm Zn). The Corella Formation host at Agamemnon also hosts MMG's Dugald River Zn-Pb-Ag deposit.
- **Geological mapping and sampling at Malbon has highlighted the gold potential of this region, returning rock chip results of up to 16.6g/t Au** from east-west striking structures.

YANDAL GOLD-LITHIUM PROJECT, WA

- **Over 100 pegmatites were mapped over an area of 1.4km by 600m, coincident with an anomalous lithium-in-soil response**, ~40km north-east of the world-class Kathleen Valley Lithium-Tantalum Project. (see ASX Announcement 20 November 2023)
- Detailed mapping has delineated the surface extent of a large LCT pegmatite field on the western side of Hammer's Orelia Target 1 prospect.
- Soil sampling has confirmed prospective target horizons with coherent anomalies delivering maximum lithium-soil anomalies of up to 137ppm Li₂O.
- Sampling indicates that a zonation path (typical of LCT pegmatites) is in operation with increased geochemical levels of lithium noted in Hammer drilling at distances of up to 700m from the granite margin.
- Re-analysis of the last metre of historic gold-related drill samples has defined a lithium geochemical dispersion zone with individual lithium grades of up to 592ppm Li₂O.
- **Reverse Circulation (RC) drilling program planned for early-mid February** targeting below the outcropping pegmatites and the anomalous bottom-of-hole lithium assays.
- Follow-up drilling program at the **Target 1 gold prospect** located 9km north of Northern Star's Orelia Mine will also be completed in February to underpin the definition of a JORC compliant gold Mineral Resource.

CORPORATE

- **Cash balance at the end of December is \$1.8 million, which includes \$0.04 million held on behalf of the Company's Joint Ventures.**
- The reported cash balance does not include exploration expenditure incurred on behalf of the Mount Isa East Joint Venture in December. **An invoice of ~\$342k has since been submitted to the MIEJV.**
- Research & Development Tax Refund submission being finalised with returns due during the coming quarter. **The refund in 2023 was \$1.1 million.**
- Through historical transactions, the Company holds investments in three junior exploration companies with a valuation of ~A\$175,000 at the end of December.
- Molybdenum was added to Australia's list of critical minerals, joining rhenium as an element deemed essential to the Australia's energy and security requirements.
- Hammer continues discussions for potential joint ventures on existing Hammer tenure at the Bullrush and Isa Valley Project areas.

MOUNT ISA COPPER-GOLD PROJECTS

Northern Copper Corridor –Hardway, Kalman, Overlander, Tourist Zone, Bulonga (100% HMX)

Hardway

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

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

- **47m at 1% Cu from 14m** in HMHWRC017, including:
 - **21m at 1.21% Cu from 25m**
- **43m at 0.9% Cu from 16m** within **88m at 0.62% Cu from surface** in HMHWRC014 (hole terminated in mineralisation), including:
 - **5m at 2.78% Cu and 0.1g/t Au from 31m.**
- **52m at 0.71% Cu** from 78m in HMHWRC019, including:
 - **3m at 3.9% Cu and 0.12g/t Au from 114m**
- **35m at 0.84% Cu** from 46m within **65m at 0.59% Cu from 20m** in HMHWRC015; and
- **19m at 1.02% Cu** from 56m within 77m at 0.42% Cu from surface in HMHWRC016.



Figure 1. Copper oxide visible in drill chips from HMHWRC0014 (20-40m). A copper grade of 2.78% was reported between 31m and 36m (see ASX Announcement 31 October 2023).

Hardway is located on the western side of the Proterozoic Hardway Granite within metasediments of the Corella Formation. There are two element associations in the prospect: Cu-Au-Co; and a rare earth element assemblage dominated by heavy rare earths and in particular Yttrium (Y) in the mineral Xenotime.

Mineralisation dips to the west-south-west at between 50 to 80 degrees and plunges moderately to the south. Two alteration styles are present and alteration character varies along the 1.5km currently tested in drilling:

- The northern portion of the prospect is typified by the presence of a clay zone (Figure 1), thought to represent acid induced weathering related to the breakdown of sulphide. Significant base metal mineralisation delineated in drilling to date has been exclusively oxidised. Deep oxide profiles can occur over base metal deposits in the Mt Isa Inlier such as Mt Dore (117Mt at 0.57% Cu); and
- Significant jasperoidal silica is present along the tested strike and it is thought that the silica may be the weathered product of (semi) massive sulphide mineralisation at depth.

A deeper sulphide source is yet to be identified, with the data now being analysed to target deeper sulphide zones. A follow-up RC and diamond drilling program is being designed and is currently scheduled to commence in late February. This program will be designed to extend the mineralisation at depth with a view to releasing a Mineral Resource estimate for Hardway later in Q2 2024.

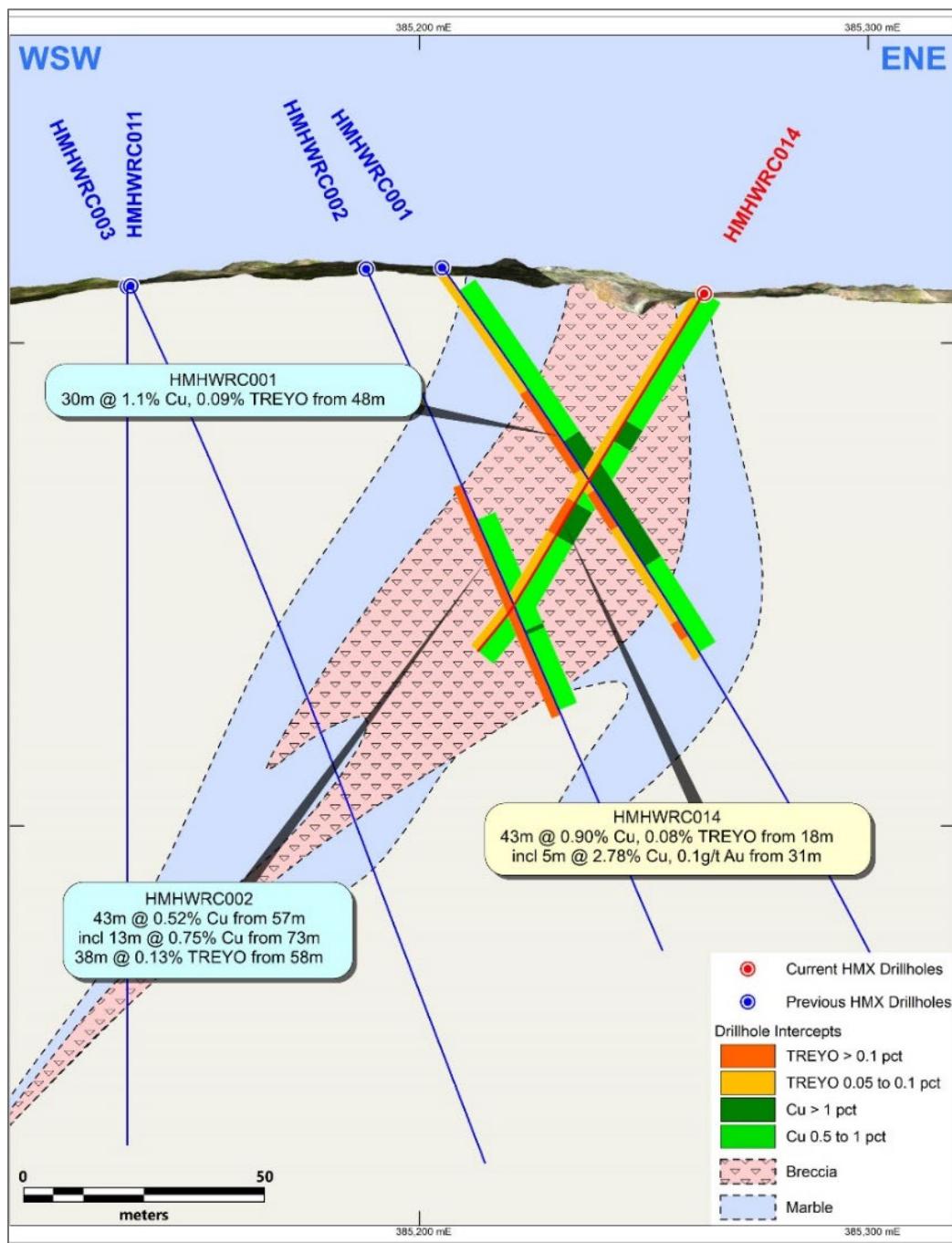


Figure 2. Hardway North – Cross-section looking north illustrating the relationship between marble and chert breccia alteration styles. The thickening of the breccia zone marks the position of the south plunging shoot. Section location is shown in Figure 4 (See ASX announcement 6 February 2023, 24 May 2023 and 31 October 2023).

Hardway REE's and Cobalt

The Hardway Prospect is unique in the Mt Isa inlier due to the combination of copper and REE mineralisation, the heavy rare earth (HREE) dominated REE assemblage and its location near regional infrastructure. Drilling in the recent program continued to intersect significant levels of REE mineralisation, including (see ASX Announcement 31 October 2023):

- 32m at 0.15% TREYO and 747ppm Co from 145m in HMHWRC021, including:
 - 17m at 0.21% TREYO and 451ppm from 160m; and
 - 3m at 0.4% Co from 150m;
- 52m at 0.19% TREYO from 78m in HMHWRC019; including:
 - 2m at 0.57% TREYO from 94m

Heavy elements dominate the total rare earth suite, particularly Yttrium (with an individual maximum grade of 0.24% Y_2O_3). Other maximum grades of Heavy Rare Earth Oxides included:

- 854ppm Neodymium Oxide;
- 384ppm Dysprosium Oxide;
- 342 Gadolinium Oxide; and
- 279 ppm Samarium Oxide

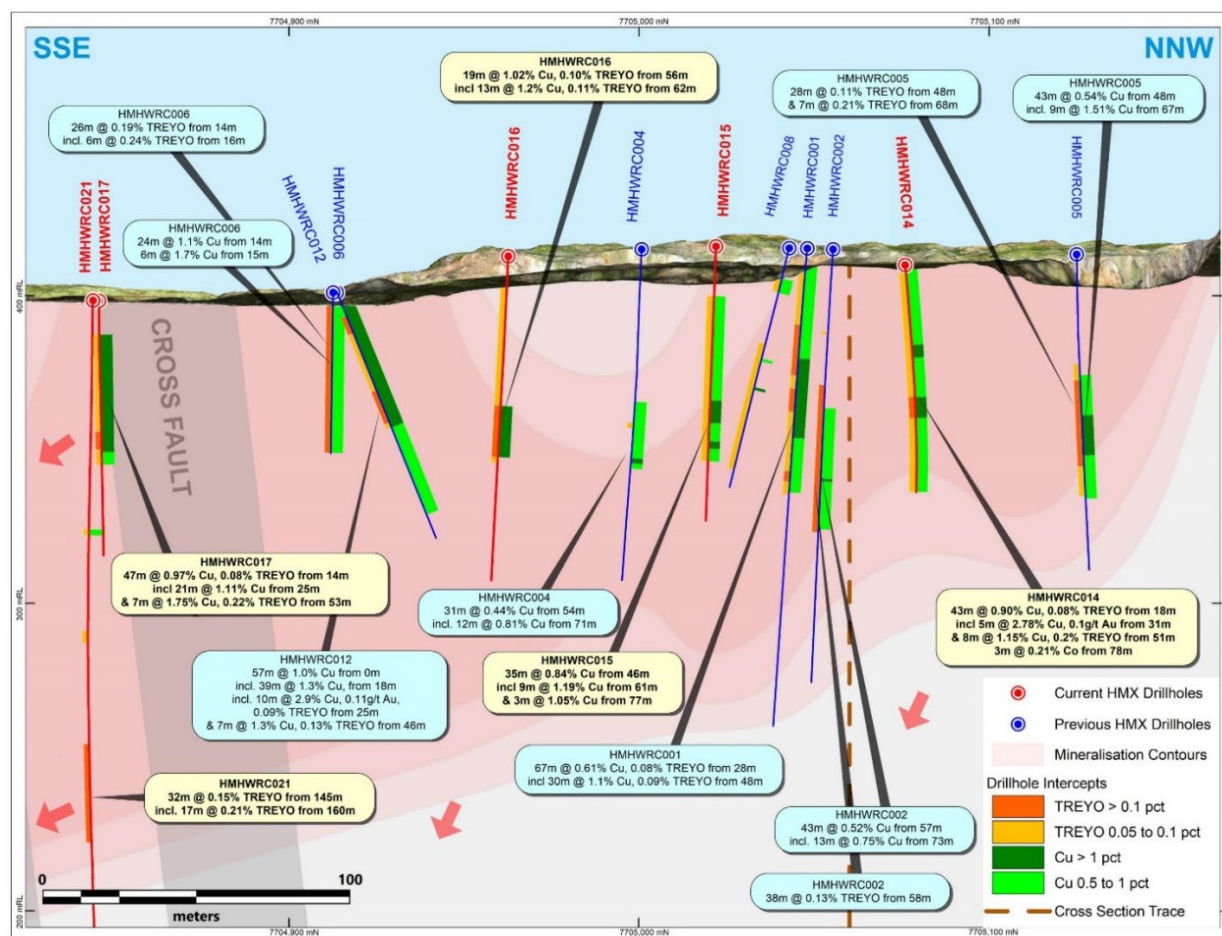


Figure 3. Hardway – Long Section (looking west) along the Hardway North Zone .(refer ASX announcements 6 February 2023, 24 May 2023 and 31 October 2023).

Kalman

Two holes (204m) were drilled at **Kalman North** to test surface rock chip anomalism and a FLEM conductor plate.

The holes intersected a graphitic metasediment in the plate position, which explains the EM response. The last sample in K-158 also intersected a significant gold interval of **4m at 1.14g/t Au from 128m**.

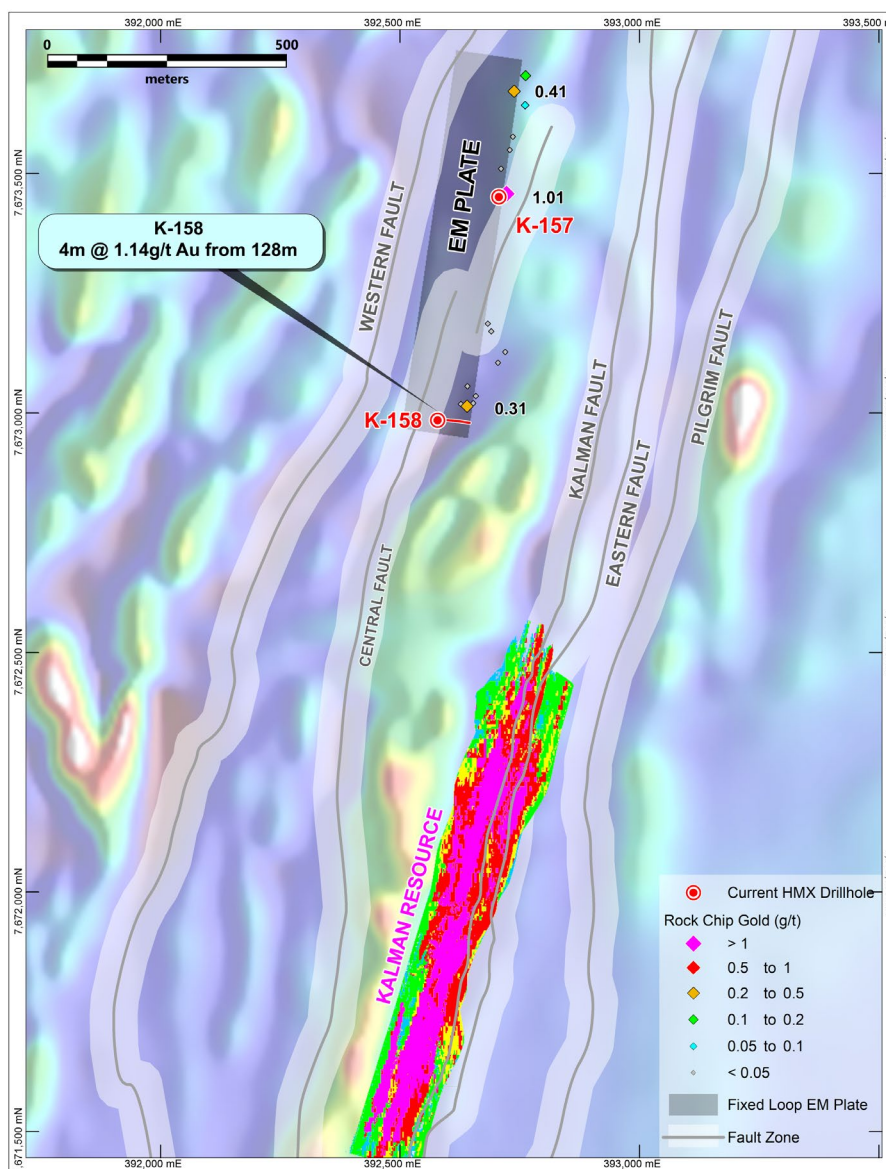


Figure 4. Kalman North region showing the location of K-157 and K-158. For information relating to the Kalman resource refer to ASX announcement dated 8 May 2023 and 30 November 2023.

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

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

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

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

Tourist Zone

Previous drilling by Summit Gold targeted a mineralised jasperoidal vein breccia with a true width of approximately 20m that dips at around 85 degrees to the east (refer to the ASX announcement dated 21 August 2023). The previous program by Summit failed to test the area down-plunge of elevated intercepts of:

- 26m at 1.04% Cu and 0.24g/t Au from 22m in TRC-11; and
- 24m at 1.33% Cu and 0.23g/t Au from 70m in TRC-19

Hammer's program in Q4 of 2203 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.

There is potential to extend this mineralisation along strike and down-plunge. A down-hole EM survey will be completed in the coming months with further drilling being considered for upcoming programs.

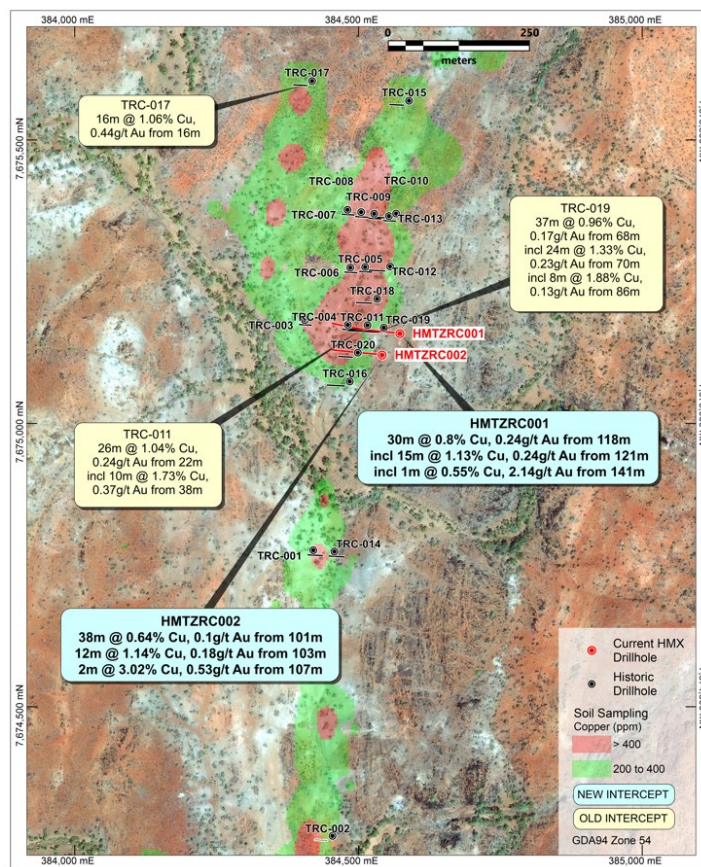


Figure 5. Tourist Zone geochemistry and drilling (See ASX Announcement 30 November 2023).

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.

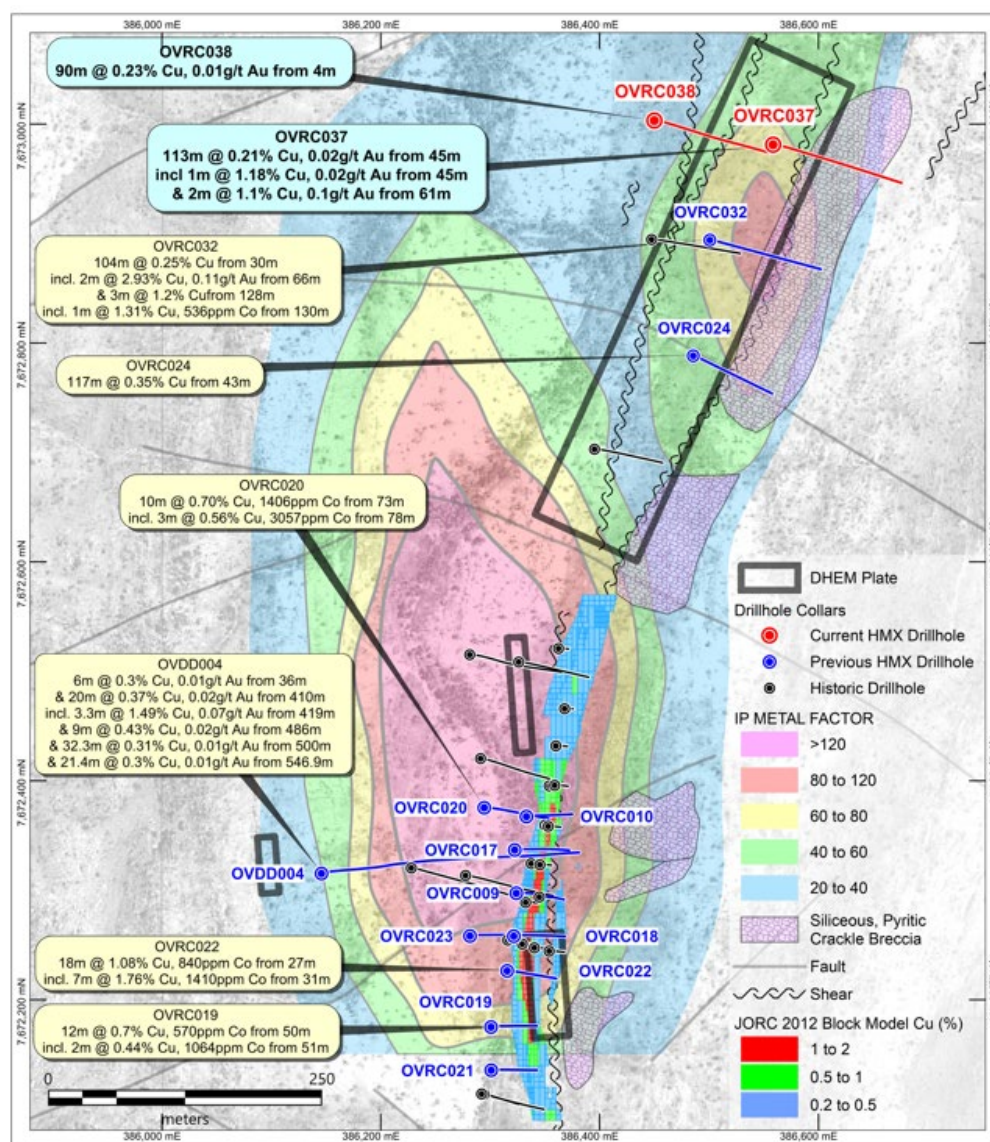


Figure 6. Overlander south and central showing the location of drilling and significant intersections. In relation to IP Metal Factor and the 2015 Overlander South Block Model (refer to ASX announcement dated 26 August 2015).

Pommern and Bulonga

Records indicated that the Pommern and Bulonga prospects had not been drilled previously. Hammer Metals conducted initial drill tests of both prospects in the program.

A single hole (114m) was drilled at the **Bulonga** prospect as a precursor to a possibly more extensive program in 2024. The hole returned significant intercepts of:

- **5m at 2.01% Cu and 0.64g/t Au** from 18m including 1m at 5.51% Cu and 2.02g/t Au from 21m in HMPORC003.

The results from the drilling confirmed previous rock chip results, indicating that the mineralisation at Bulonga has a favourable gold-to-copper ratio. Planning is underway to further test the prospect in 2024. A Fixed-Loop EM survey was conducted prior to drilling but no conductor was delineated at **Pommern**.

Two holes (402m) were completed to test the prospect, however the results were disappointing (Table 2) and the prospect has been downgraded.

Southern Copper Corridor – Mount Hope, Mount Mascotte, Mascotte Junction (100% HMX)

During the quarter, follow-up drilling was completed at Hope South and the nearby Mt Mascotte prospects. Drilling at Hope South and Mt Mascotte extended the shallow zone of high-grade copper-gold mineralisation while initial drilling at Mascotte West downgraded this prospect.

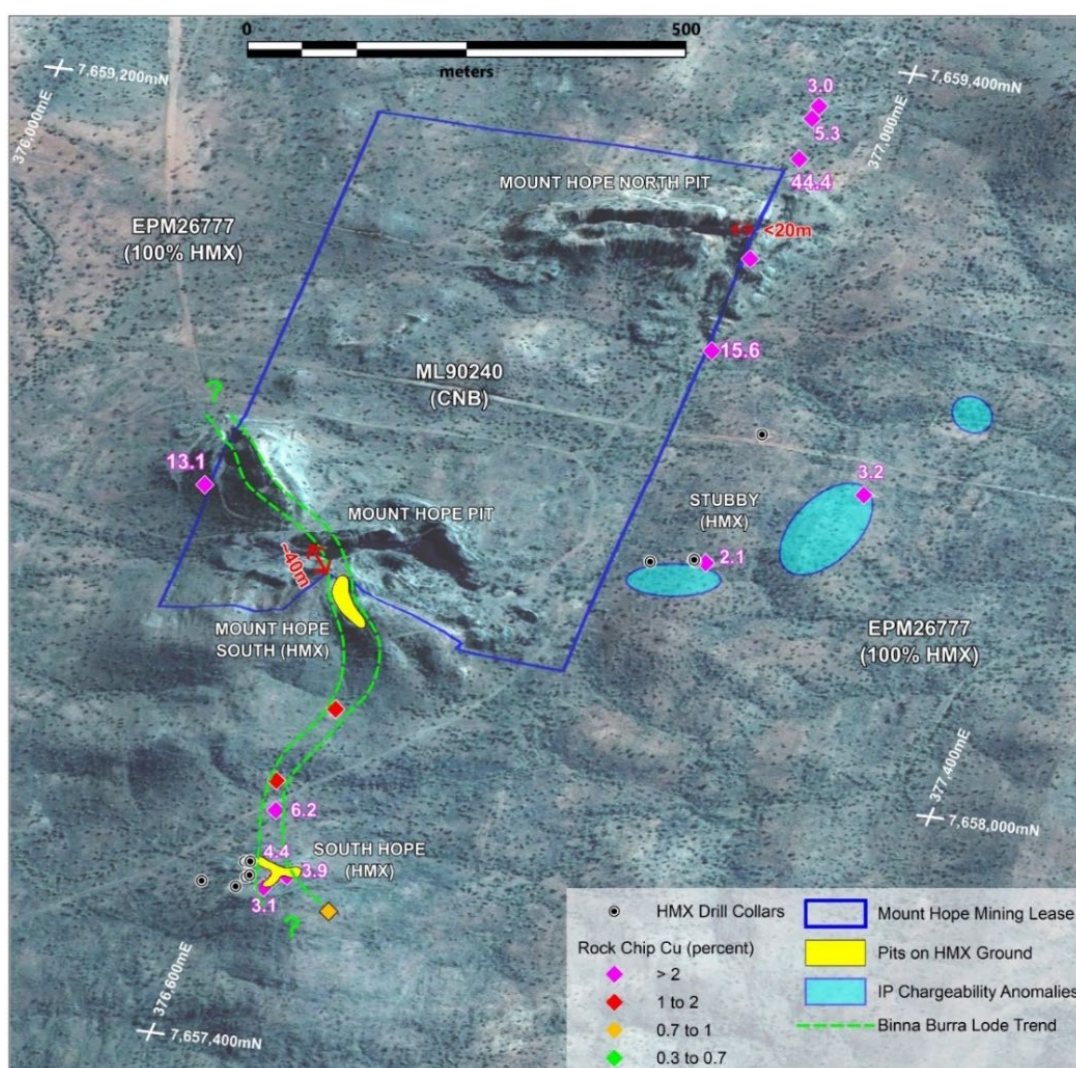


Figure 7. Mount Hope to South Hope trend (See ASX Announcement 22 November 2022 and 4 July 2023).

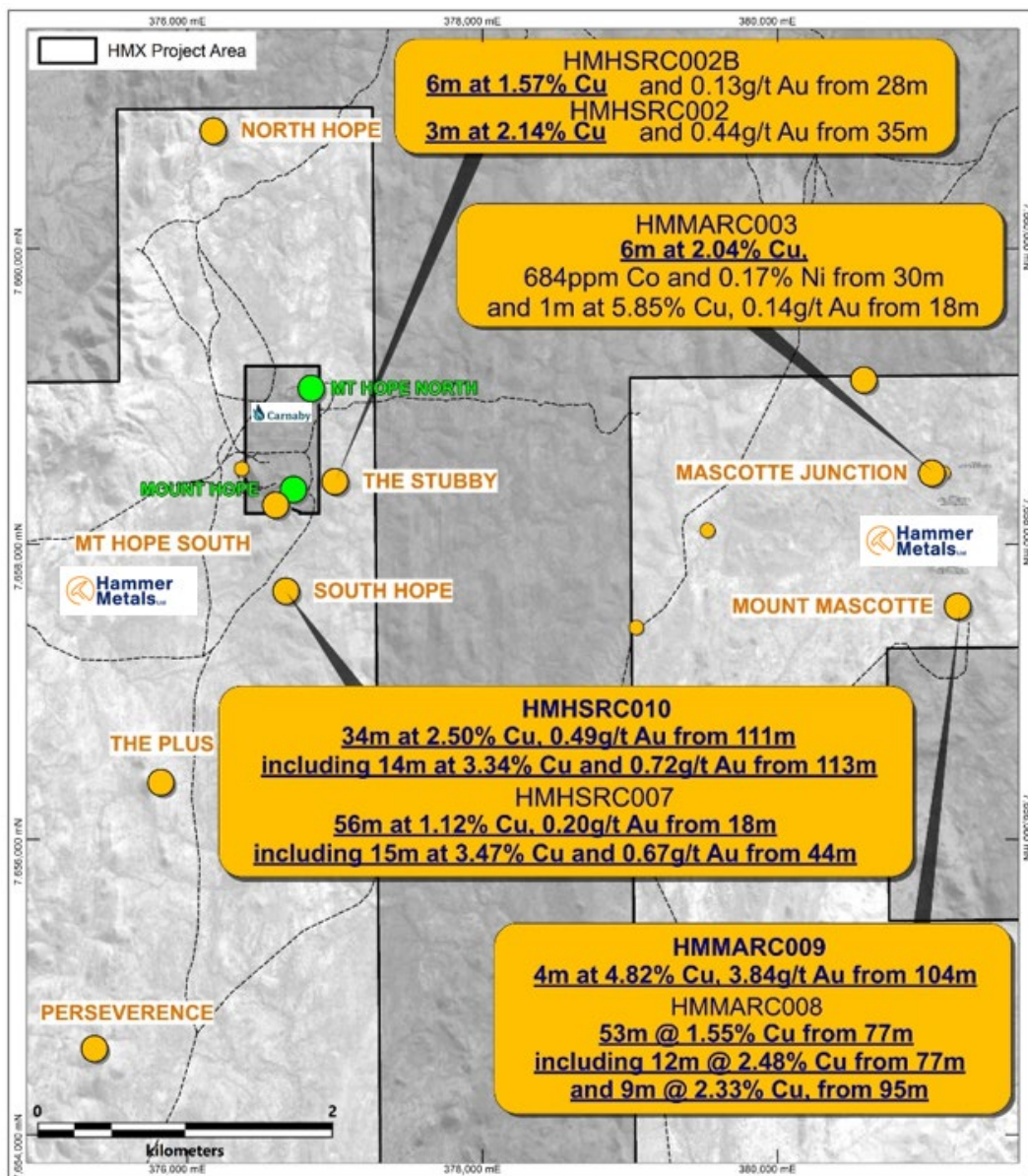


Figure 8: Hammer's Mount Hope and Mascotte tenements and current drilling targets (see ASX Announcements: 22 November 2022, 19 December 2022, 23 December 2022, 14 July 2023 and 5 December 2023).

South Hope

Three holes for 466m were drilled at the **South Hope** prospect. The aim of the drilling was to test beneath existing high-grade intercepts and also test the down-plunge continuation of the South Hope shoot. Follow-up down-hole EM was conducted on HSMHRC011.

The following significant intercepts have been returned (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 HSMHRC010; and
- **6m at 1.05% Cu and 0.28g/t Au from 114m** in HMHSRC011.

The Company has received a preliminary interpretation of down-hole EM conducted on HMHSRC011. The EM indicates a continuation of a steeply south-plunging conductor at the prospect.

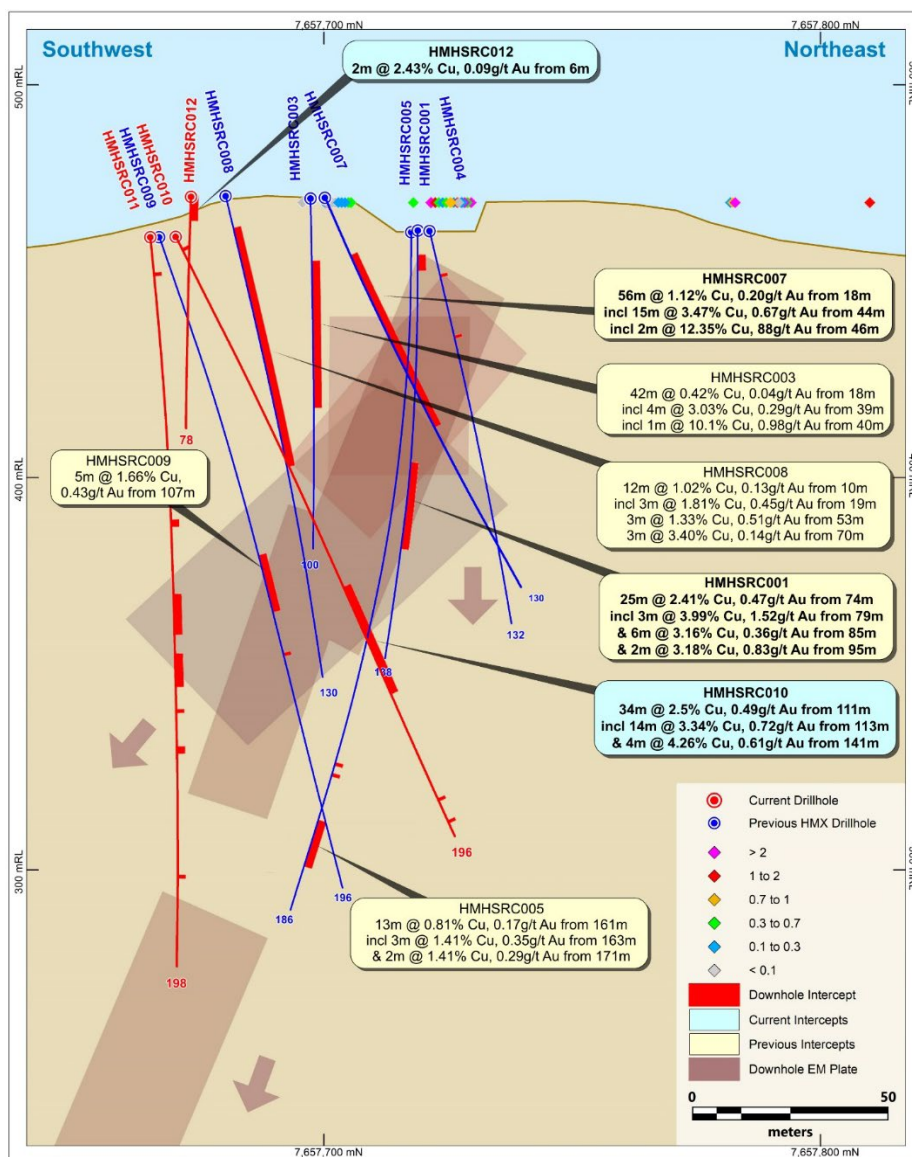


Figure 9. Hope South Long Section looking west and showing the continuation of the conductive zone (see ASX Announcement 5 December 2023).

Mt Mascotte and Mascotte West

At Mt Mascotte, a single follow-up hole was drilled to the south of the previously reported intercept in HMMARC008 (53m at 1.55% Cu from 77m including 12m at 2.48% Cu from 77m).

HMMARC009 was drilled approximately 40m to the south from HMMARC008 and intersected

- **4m at 4.82% Cu and 3.84g/t Au from 104m in HMMARC009.** (see ASX Announcement 5 December 2023):

The Mt Mascotte intersection has potential along strike to the south with follow-up drilling scheduled for later this quarter.

At Mascotte West, follow up of a fixed-loop EM plate delineated a sulphidic zone with weak copper mineralisation.

This exploration will be evaluated further but the Mascotte West prospect has been downgraded as a result of this initial drill test. Significant intercepts at Mascotte West include:

- 12m at 0.2% Cu from 88m in HMMARC011.

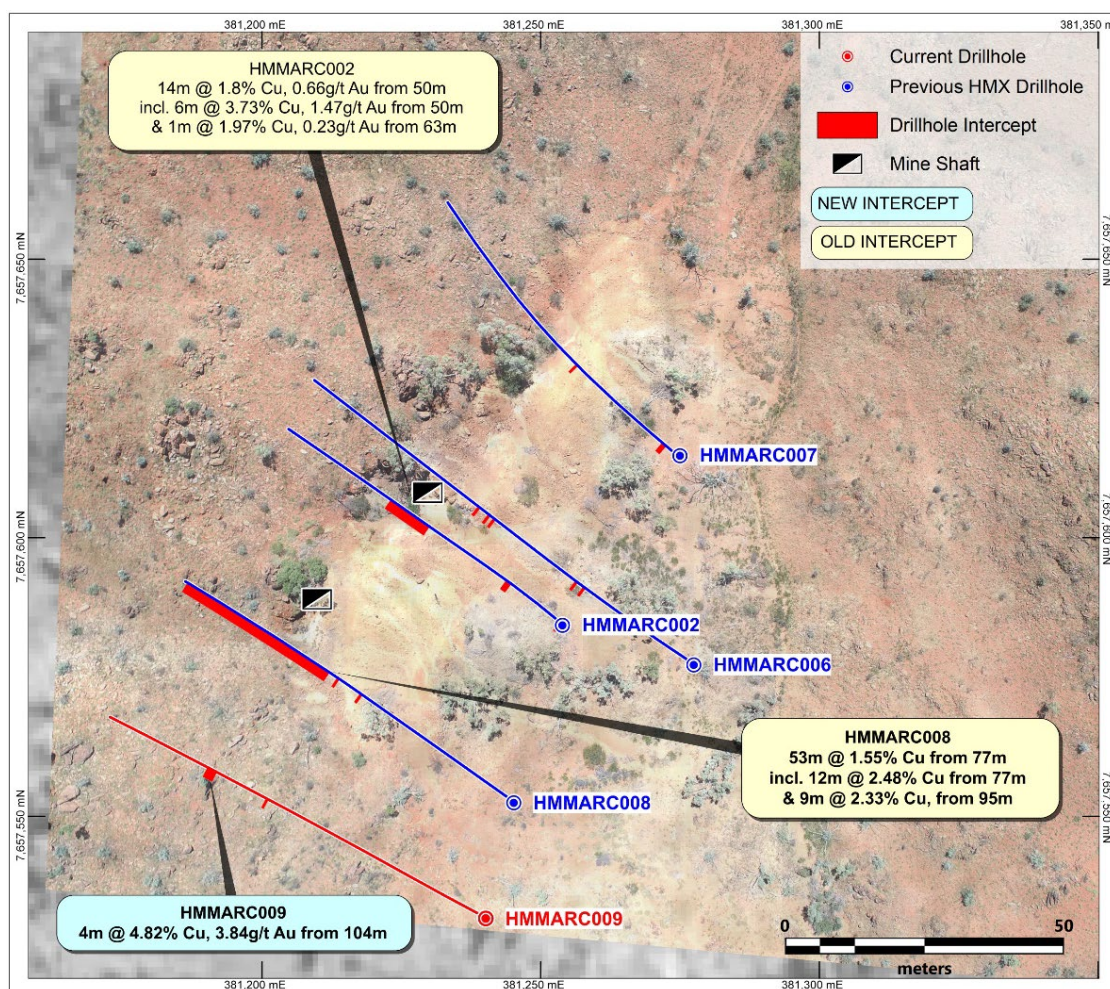


Figure 10. Mt Mascotte plan (See ASX Announcement 5 December 2023).

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

During the Quarter, drilling was completed for the Mount Isa Joint Venture at three prospects within the Company's Mount Isa portfolio in north-west Queensland. The program comprised ~2,000m of Reverse Circulation (RC) drilling across the Thunderer, Prince of Wales and Toby prospects.

Results from the drilling program are expected to be received in early-mid February.

In addition to the drilling, the Company reported results from its exploration activities over the Mount Isa East Joint Venture with SMMO. The highlights from these results include the IP anomaly at Secret South which is scheduled to be drill tested at the end of February.

Prince of Wales

The Prince of Wales prospect is located immediately east of the regional scale Fountain Range Fault in the Ballara region. Hammer Metals has compiled historical drilling on the prospect and conducted geological mapping and further soil sampling to better define anomalies.

As part of the recently commenced drilling program, multiple holes are planned to test the area with one site specifically targeting soil geochemical anomalies.

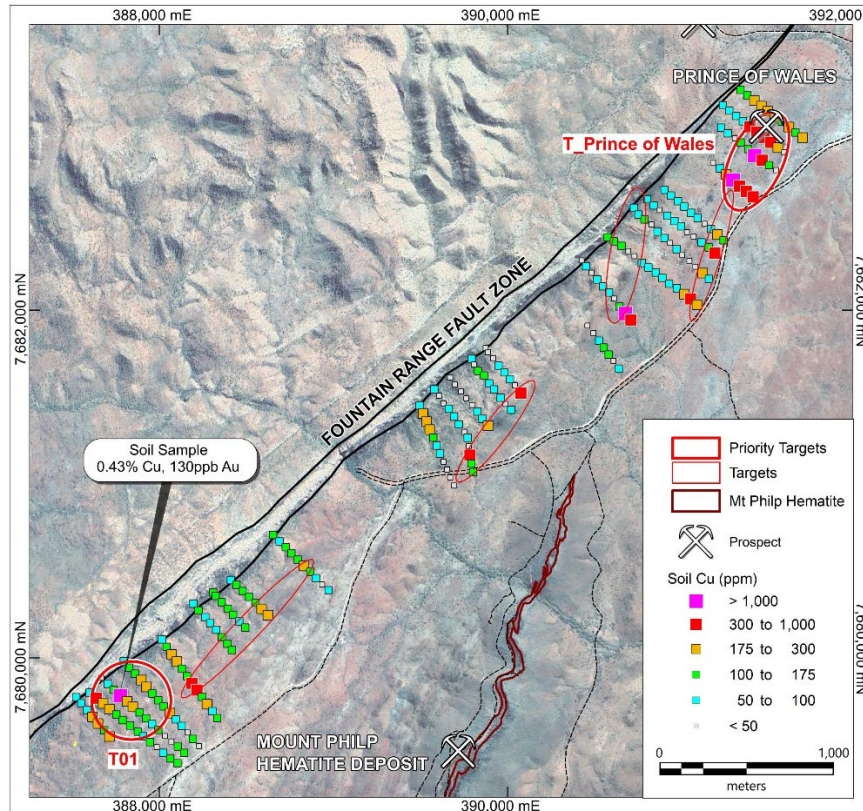


Figure 11. Plan view showing the location of the Fountain Range soil survey. Multiple targets were defined, and the northern areas will be tested in part by the current drilling program. (See ASX Announcement 2 March 2022).

Shadow South

The Shadow trend is over 5km in length and typified by a zone of strong magnetite alteration, elevated copper and gold-in-soil anomalism with common breccia formation. At its northern end, Hammer Metals delineated a sulphidic breccia which was drill tested in 2020 with intersections of:

- **83m @ 0.13% Cu from 81m** including 29m @ 0.16% Cu from 135m in HMSHDD001; and
- **106m @ 0.10% Cu from 44m** including 5m @ 0.23% Cu from 52m in HMSHDD002.

(refer to ASX announcement 7 September 2020).

Further **Induced Polarisation** surveys were conducted comprising four 2km long lines. These lines were located on target zones derived from magnetic modelling and soil geochemistry review.

The southern two lines delineated a chargeability zone approximately 180m across (above 20 mV/V) with peak modelled chargeability responses of 80 mV/V. The location of this chargeable zone is within a 400m wide zone of magnetite alteration which constitutes the core of the Shadow South trend.

The conductivity response on the two northernmost lines was hampered by hematite scree shedding from the Mt Philp Iron Oxide alteration zone.

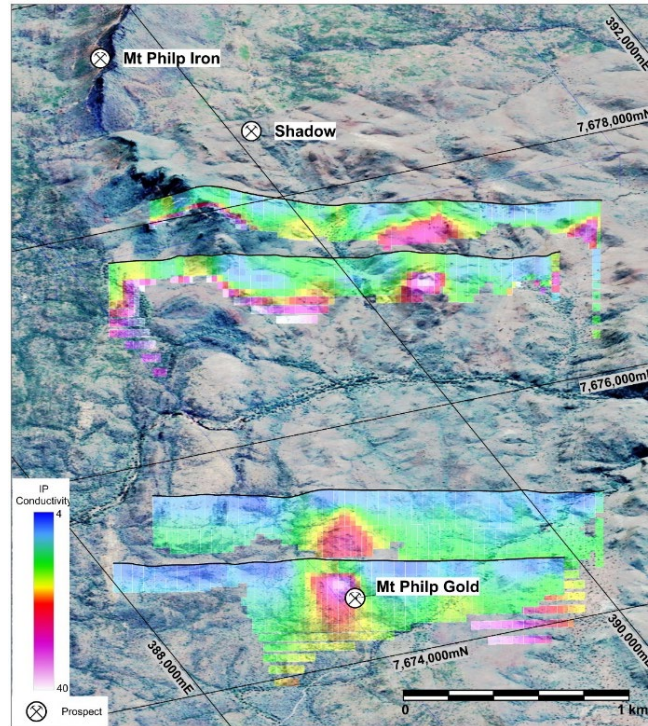


Figure 12. Oblique view looking north along the shadow trend showing the location of the recent Induced Polarisation lines, and magnetic susceptibility isosurfaces (see ASX Announcement 28 November 2023).

Toby

The Toby Prospect is located 8km to the north of Kalman in the intersection zone of the Kalman West Shear and the Pilgrim Fault. Soil sampling at surface has outlined a discrete copper and gold anomaly and rock chip sampling has identified anomalous copper, gold and silver.

The Mount Isa East Joint Venture originally drilled Toby in September 2020 (refer to ASX announcement 7 September 2020). The drill core illustrated the complex structure and intense alteration found at Toby. A subsequent down-hole electromagnetic (DHEM) survey conducted on the Toby hole indicated a possible conductor further to the west of the area tested. A single drill-hole was completed at Toby to test this EM target.

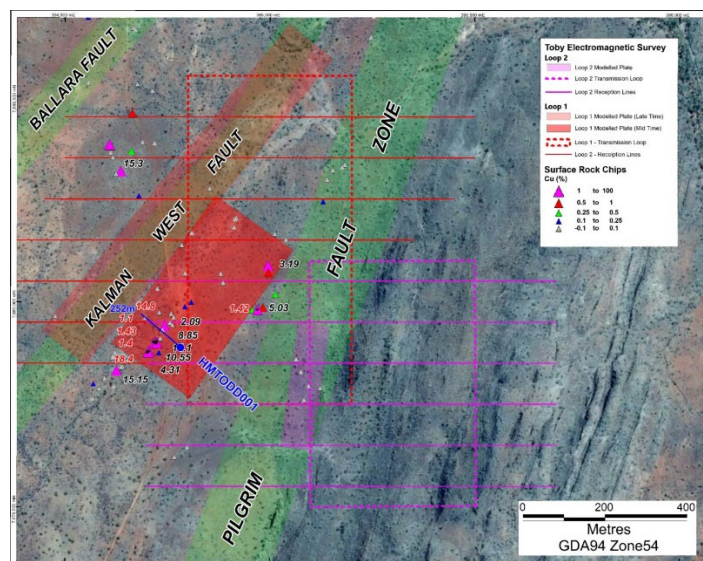


Figure 13. Toby region showing the FLEM EM plates and rock chip results (refer to ASX announcement dated 7 September 2020 for information on previous exploration).

Secret-Shakespeare

The Secret-Shakespeare group of historic workings is located approximately 2.1km to the north-west of the Trafalgar Mine. Little modern work had been conducted over the prospect to determine the extent of mineralisation below the surface expressions.

Mineralisation occurs on the boundary between mafic units and the Ballara Quartzite. This geological setting is similar to the HMX Neptune group of prospects located 2.8km to the south-southwest. The Joint Venture has completed Fixed Loop EM and Induced Polarisation surveys across the project, in addition to soil sampling, rock chipping, geological mapping and ground-based gravity.

Fixed-loop EM failed to delineate conductive zones at depth beneath Secret and this is likely due to either poor mineralisation development, or mineralised zones being structurally disjointed thereby failing to produce a coherent conductor. Induced Polarisation was also conducted at Secret, but the method failed to delineate an anomaly. The IP did however delineate a chargeable zone on the Thunderer trend which is discussed below.

Thunderer

The Thunderer trend is located approximately 500m to the east of the Secret trend and 2km to the north-west of the Trafalgar Mine. Geological mapping undertaken by consultant Nick Tate mapped the extent of the Thunderer Gossan and also defined a 2.5km long Iron Oxide alteration zone within metasandstone of the Ballara Quartzite.

A single Induced Polarisation test line was run directly over the top of the historic Secret Mine. The test failed to discern a response from Secret however the line also covered the trend of the Thunderer alteration zone. This line defined a chargeability and conductivity anomaly above 20 mV/V and less than 1500 Ohm-m respectively. This anomaly was directly beneath the projection of the Thunderer alteration zone.

As part of the recent drilling program, three holes were completed to test the Thunderer trend with one site specifically targeting the IP anomaly.

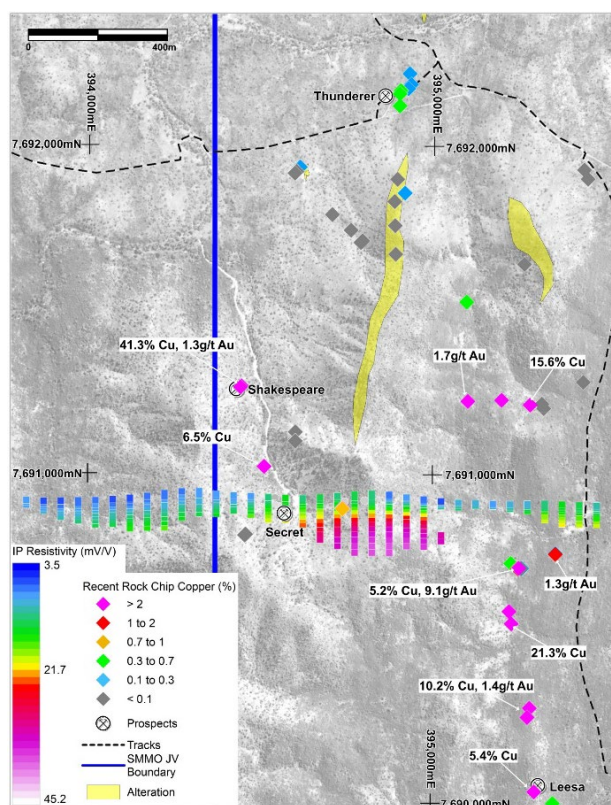


Figure 14. Location of Secret and Thunderer within the Even Steven AOI. For details on rock chip results see Table 1 below (see ASX Announcement 28 November 2023).

Even Steven and Jimmy Creek Trends

Jimmy Creek abuts the western margin of the Pilgrim fault in the south-eastern region of the Even Steven project area. The Even Steven trend is a plus 4km long soil geochemical anomaly (above 400ppm Cu and 10ppb Au).

Geological mapping has noted redrock (albite-actinolite) and magnetite alteration, the latter possibly responsible for a coincident magnetic and gravity anomaly. The area was identified by a CSIRO study as having magnetics conducive to potentially host a large scale IOCG deposit. Work is continuing with a soil sampling program being recently completed.

Induced Polarisation surveys were completed on three lines traversing both the Even Steven and Jimmy Creek trends. The Jimmy Creek trend was evident on all traverses as a broad strongly chargeable anomaly at above 20 mV/V with a peak modelled response of 65 mV/V. The chargeability is coincident with a conductive anomaly less than 1000 Ohm-m.

The Joint Venture awaits the reporting of soil samples taken along the Jimmy Creek Induced Polarisation anomaly and work programs will be proposed for early 2024.

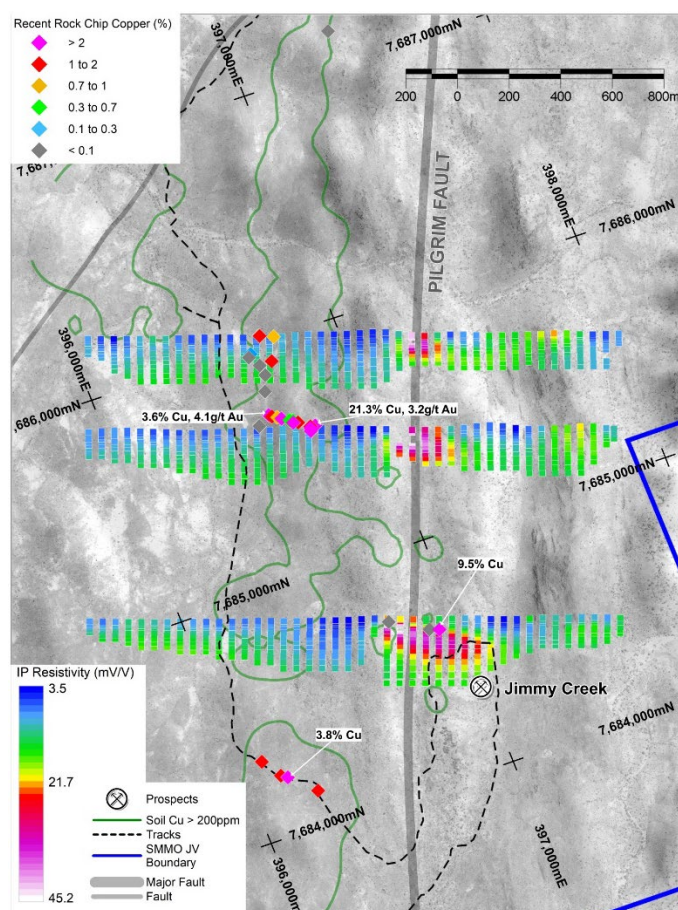


Figure 15. Oblique view of the Jimmy Creek trend and the southern portion of the 4km long Even Steven trend showing IP chargeability response (see ASX Announcement 28 November 2023).

Agamemnon Trend

The Agamemnon trend is located between the Trafalgar and Even Steven trends, approximately 2.5km south of the Trafalgar Mine. The trend is typified by a low magnetic response and soil zinc anomalism which extends over a strike length of 9km. The source of this anomalism has not been adequately explained.

The regional setting and anomalism could be caused by a SEDEX style of mineralisation that would have a laterally extensive zinc halo.

Soil sampling at Agamemnon delineated a broadly concordant zinc anomaly which is approximately 2.2km in length and 600m in width (above 150ppm Zn in soil) within the overall plus 9km Agamemnon trend. The geochemical anomaly is supported by anomalous levels of barium, strontium, lead, manganese, lithium and potassium.

Rock chip sampling and geological reconnaissance by Hammer's geologists has been conducted and the Joint Venture is waiting on laboratory assays. This anomaly is significant as the Corella Formation host rocks also host significant Zn-Pb-Ag mineralisation at the MMG Dugald River Deposit, located ~70km to the north.

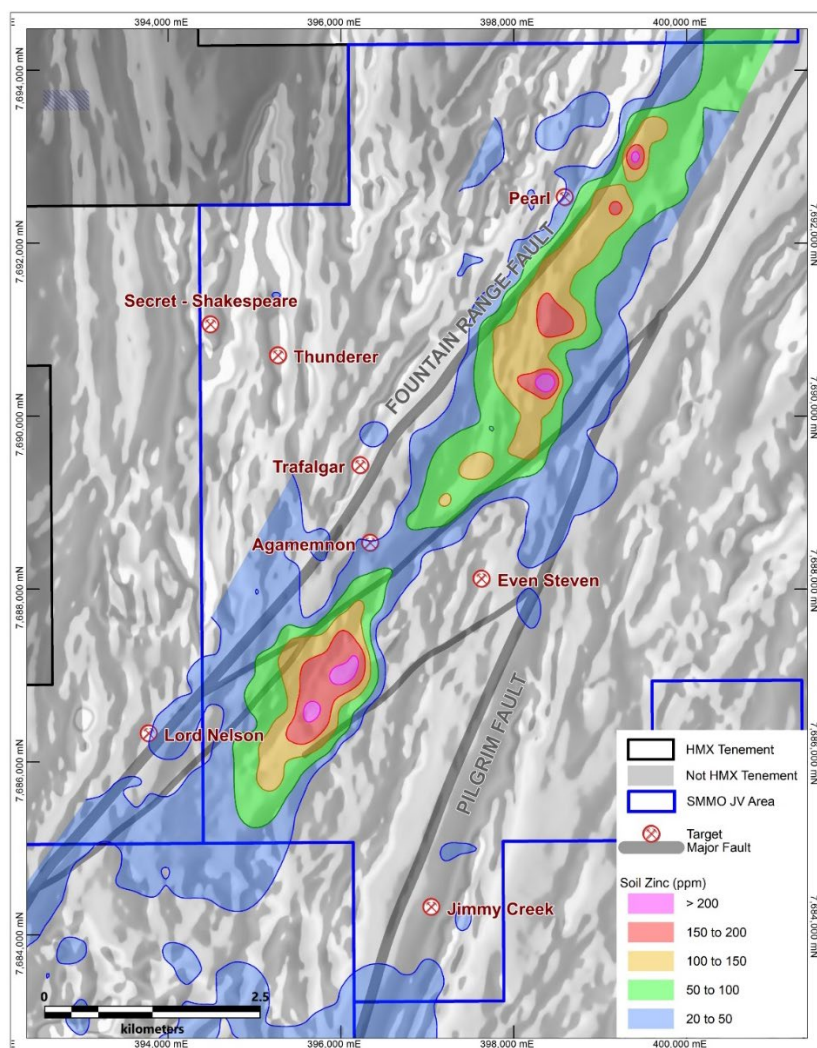


Figure 16. The Even Steven region showing the extent of the Agamemnon Zn-in-soil anomaly.

Malbon Region

The Malbon area of Interest is located 49km south-southeast of Cloncurry on the eastern edge of the Georgina Basin. The project is prospective for IOCG copper-gold mineralisation spatially associated with the nearby Williams-aged Wimberu Granite.

Geological Mapping conducted by Nick Tate highlighted a series of east-west trending extensional structures which host copper-gold mineralisation with elevated Au-to-Cu ratios. Recent rock chip sampling has reported an individual maximum gold analysis of 16.6g/t from these structures (see ASX Announcement 28 November 2023). The structures horsetail off the boundary of the Wimberu granite and are visible in aeromagnetic datasets.

In August, the Joint Venture initiated a VTEM Max survey flown by UTS Geophysics. This survey encountered IP effect issues which hampered the ability of the system to collect clean data at depth, however two targets were defined by this survey and these targets will be followed up in the coming months.

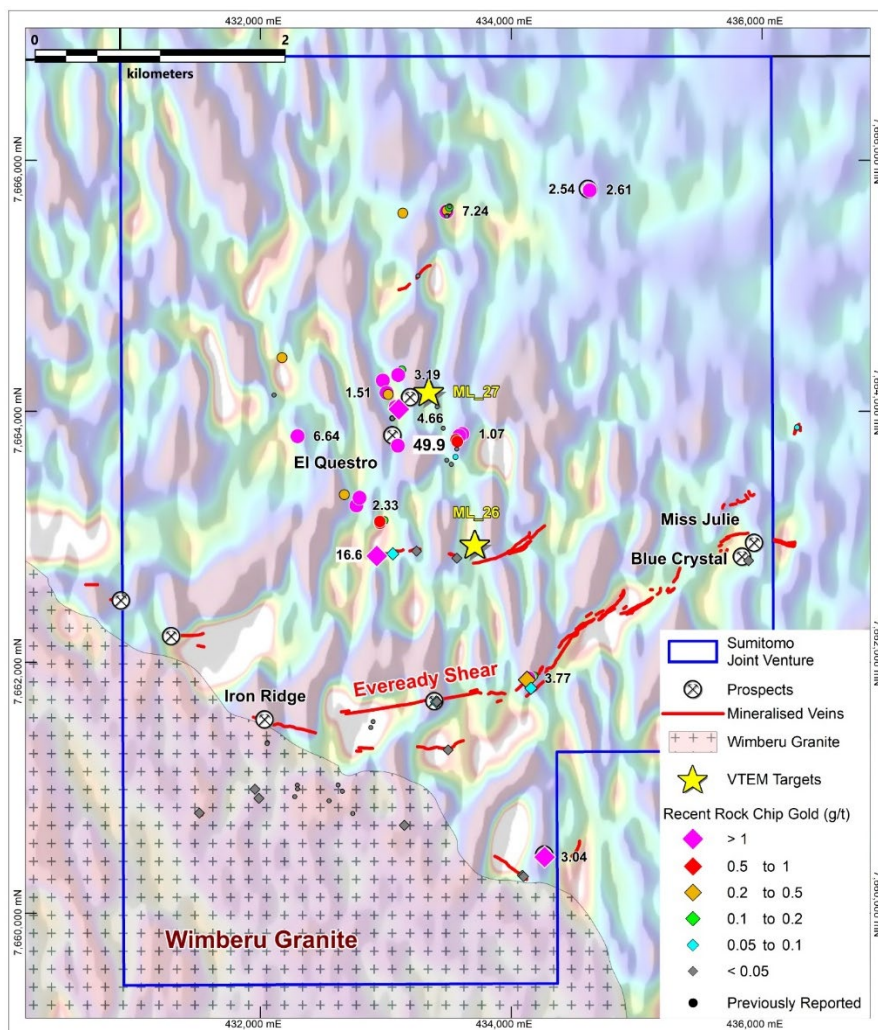


Figure 17. Malbon region showing the main east-west structures defined in the recent mapping with rock chip anomalism. Previously reported and current rock chip sampling differentiated (refer to ASX announcement dated 23 July 2019 and 28 November 2023).

Dronfield Region

The Dronfield area of interest spans the Pilgrim Fault across to the Williams-aged Wimberu Granite to the east. The target in this AOI is Kalman Style Cu-Au-Mo-Re mineralisation spatially associated with the Pilgrim fault, in addition to IOCG Cu-Au mineralisation linked to the Wimberu Granite.

The VTEM survey noted above was also flown over the Dronfield area. As with the Malbon survey significant IP effect issues occurred which hampered target definition. A single target was defined on the western side of the Pilgrim fault and two trends were visible close to the interpreted trace of the Pilgrim Fault. These areas will be followed up in the next quarter.

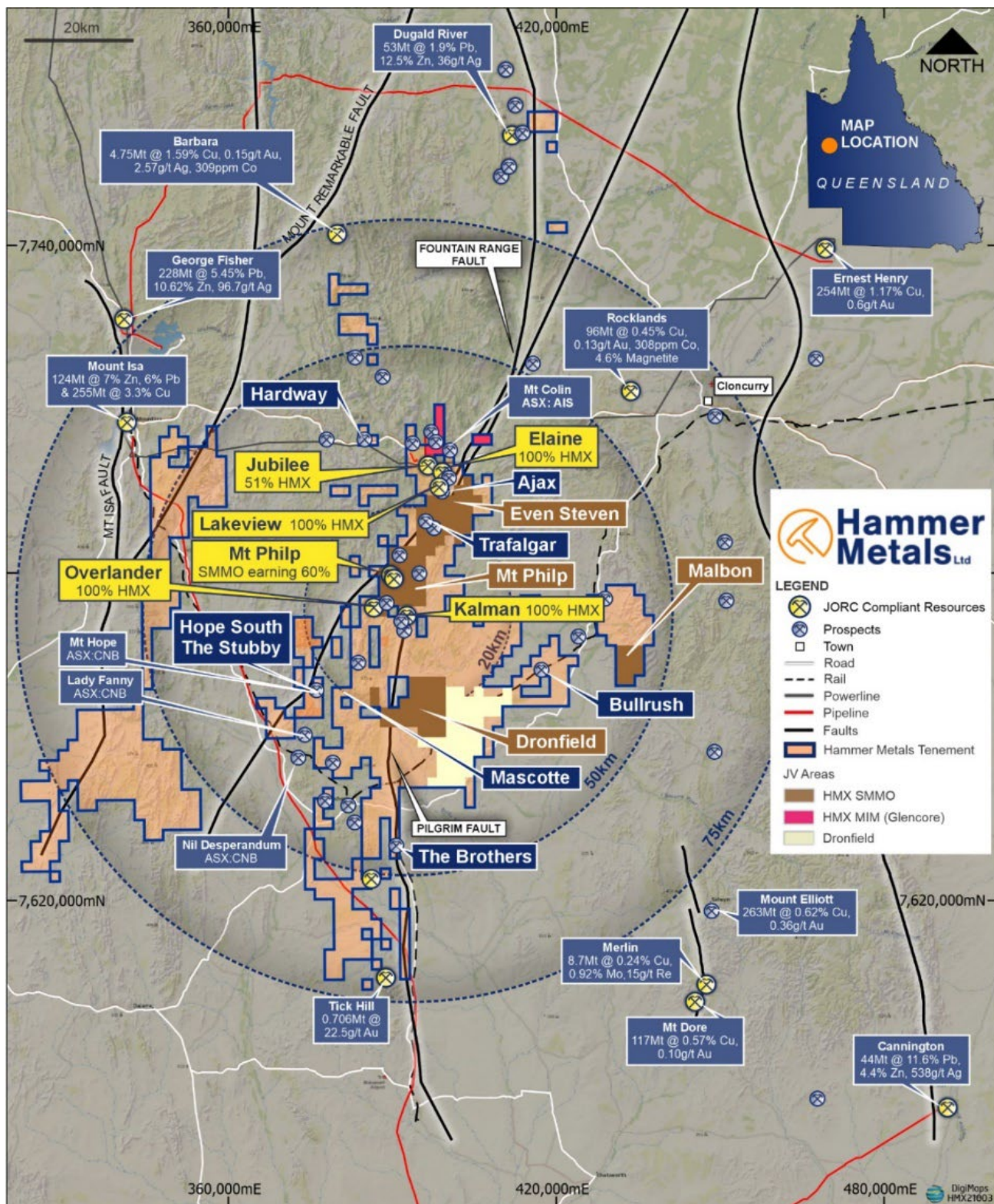


Figure 18. Mt Isa Project Area

YANDAL GOLD PROJECTS (100% Hammer), WA

The Company completed a lithium-focused geological mapping together with additional soil sampling results from the Orelia North area within its 100%-owned Yandal Project in Western Australia's Northeastern Goldfields.

Pegmatites were initially discovered on the eastern side of the Kathleen Valley Batholith after follow-up of a 35ppm lithium soil response (see ASX announcement, 6 December 2022). Subsequent sampling of the Kathleen Valley Granite to the west of the Orelia pegmatite swarm indicates that it is a fractionated i-type granite. This is an ideal parental magma chemistry to produce LCT pegmatites.

Drill testing of these prospective zones will commence in early February with drilling also set to in-fill historical gold mineralisation at Target 1 with an aim of defining a small JORC compliant gold resource at North Orelia.

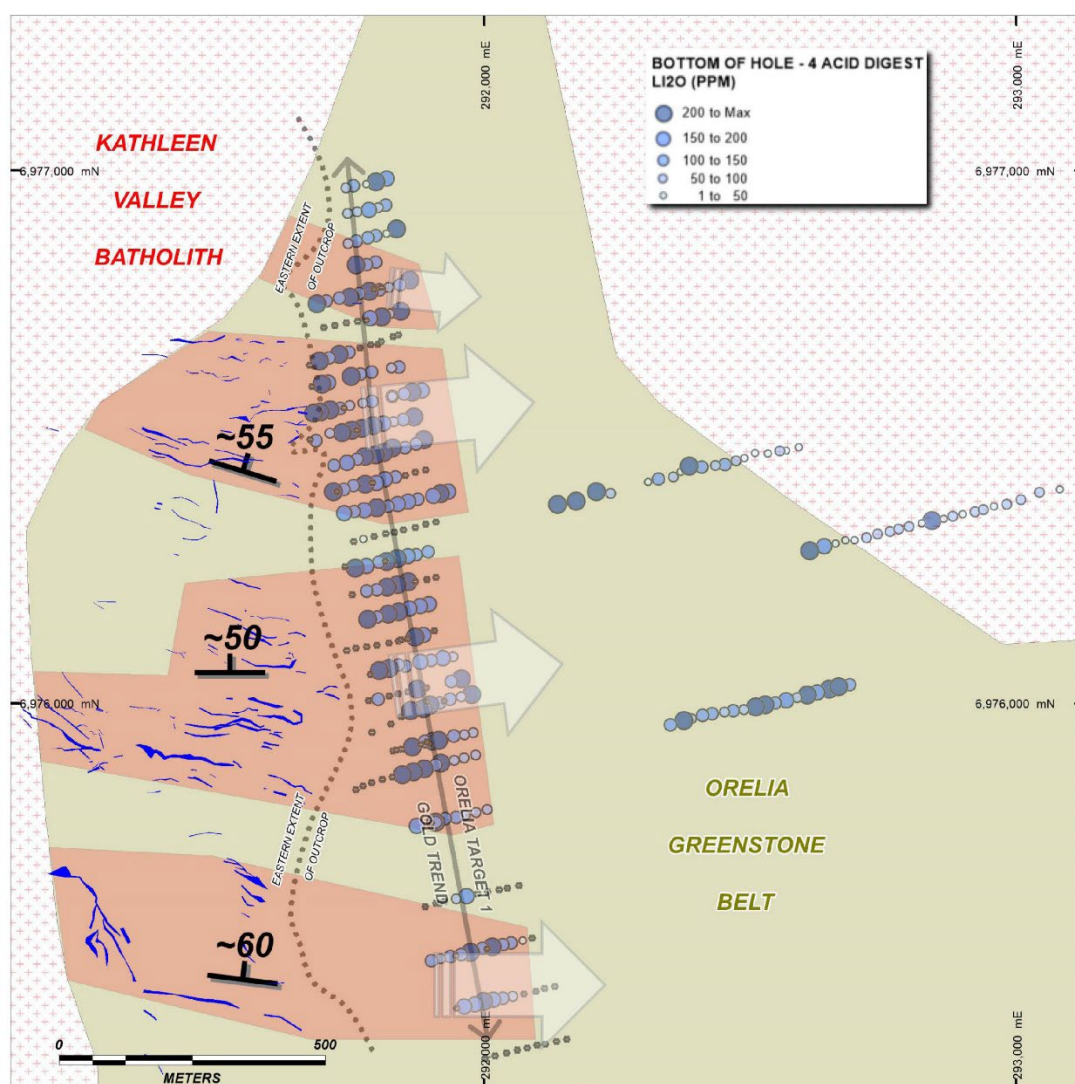


Figure 19. Mapping of the Orelia North Pegmatite Field, showing pegmatite swarms, bottom-of-hole lithium assays and possible target zones (shown in red) highlighting zonation vectors (arrows). Refer to ASX announcements dated 4 August 2020, 13 October 2020, 23 December 2021, 6 December 2022 and 22 November 2023.

Multi-element analysis of rock chip samples has confirmed that the pegmatites are of the lithium, caesium, tantalum ("LCT") type. Multi-element geochemistry indicates that the pegmatites are anomalous in Be, Cs, Na, Nb, Ta and Rb and depleted in Ca, Ba, Fe, REE, V, Ti and Zr. Indicator ratios of $K/Rb < 150$, $Nb/Ta < 5$ and $Zr/Hf < 18$ confirm the LCT nature of the pegmatites.

While the lithium grade of the pegmatites is low (see ASX announcement dated 6 December 2022), Hammer's exploration team interprets that this response is related to the proximity of the pegmatites to the granite and the degree of pegmatite zonation.



Figure 20. Examples of pegmatites from the Orelia North pegmatite field. Left Sample MW2211_15 and Right Sample MW2211_37. See ASX announcement dated 6 December 2022.

Extrapolation of the strike of the pegmatite swarm shows that it would trend through the Orelia T1 gold prospect area. Previous drilling conducted by Hammer Metals at this prospect targeted gold mineralisation hosted by north-trending shear zones.

However, these historic holes drilled by Hammer would have been oriented sub-parallel to the pegmatite trends, which means that further testing is warranted using a different drilling orientation.

Soil and Bottom-of-Hole Re-assaying

Soil sampling was recently undertaken to identify a potential lateral zonation in the lithium response at greater distances from the Kathleen Valley Batholith. When used in conjunction with bottom-of-hole assays and older soil sampling, it appears that the lithium response is strengthening at greater distances from the granite contact than would be indicated by examining the distribution of the pegmatites in isolation (Figure 21).

North-south oriented soil sampling lines located to the east of Orelia Target 1 are anomalous in lithium, indicating a possible source beneath cover.

Bottom of hole re-assaying was conducted by Hammer Metals on the gold-focused drilling at Target 1 and analyses confirmed that there is a detectable lithium dispersion halo peaking over a plus 1km strike extent with an individual maximum response of 592ppm Li_2O . This halo would be expected if a lithium-bearing source was located nearby (Figure 19).

Geological Mapping

Over 100 individual pegmatites were mapped with maximum individual pegmatite lengths of up to 600m and widths of up to 20m. The pegmatite zone spans an area extending over 1.4km from north-to-south and 600m

from east-to-west. This is comparable to Liontown Resources' Kathleen Valley pegmatite field, located approximately 37km to the south-west.

The pegmatites strike between 80 to 120 degrees, broadly perpendicular to the Kathleen Valley Batholith, which is thought to be the fluid source for the pegmatites. Dips in general are moderate to the north.

Pegmatites are largely hosted within mafic units abutting the granite contact. At a broad scale there is a correlation between magnetic lows and increased pegmatite density, possibly indicating that the pegmatites are associated with large throughgoing structures.

Significance and implications for further work

Pegmatites are zoned late-stage emanations from granites and different granite types produce different pegmatite types. A fractionated i-type granite is a suitable parent chemistry for the production of LCT pegmatites.

The zonation path at increasing distances from the granite produces chemical characteristics similar to that seen in Hammer's multi-element pegmatite analyses, and the culmination of the zonation results in the emplacement of a lithium-enriched pegmatite.

In relation to the Orelia prospect, two pegmatite zonation paths are possible:

- The zonation path can occur with increasing distance from the granite contact. This appears to be the case at Orelia, with the zone of elevated lithium noted in bottom of hole re-assays being located at a further distance from the granite contact from the pegmatite swarm outcrops.
- Zonation could also occur at depth relative to the pegmatite outcrops.

A Reverse Circulation drilling program has been designed and is anticipated to commence in early February testing beneath the outcropping pegmatite units in addition to testing the zones of the highest bottom-of-hole lithium responses.

Drilling will also focus on historical gold intercepts at the prospect with the aim of delineating a small gold resource at the North Orelia prospect.

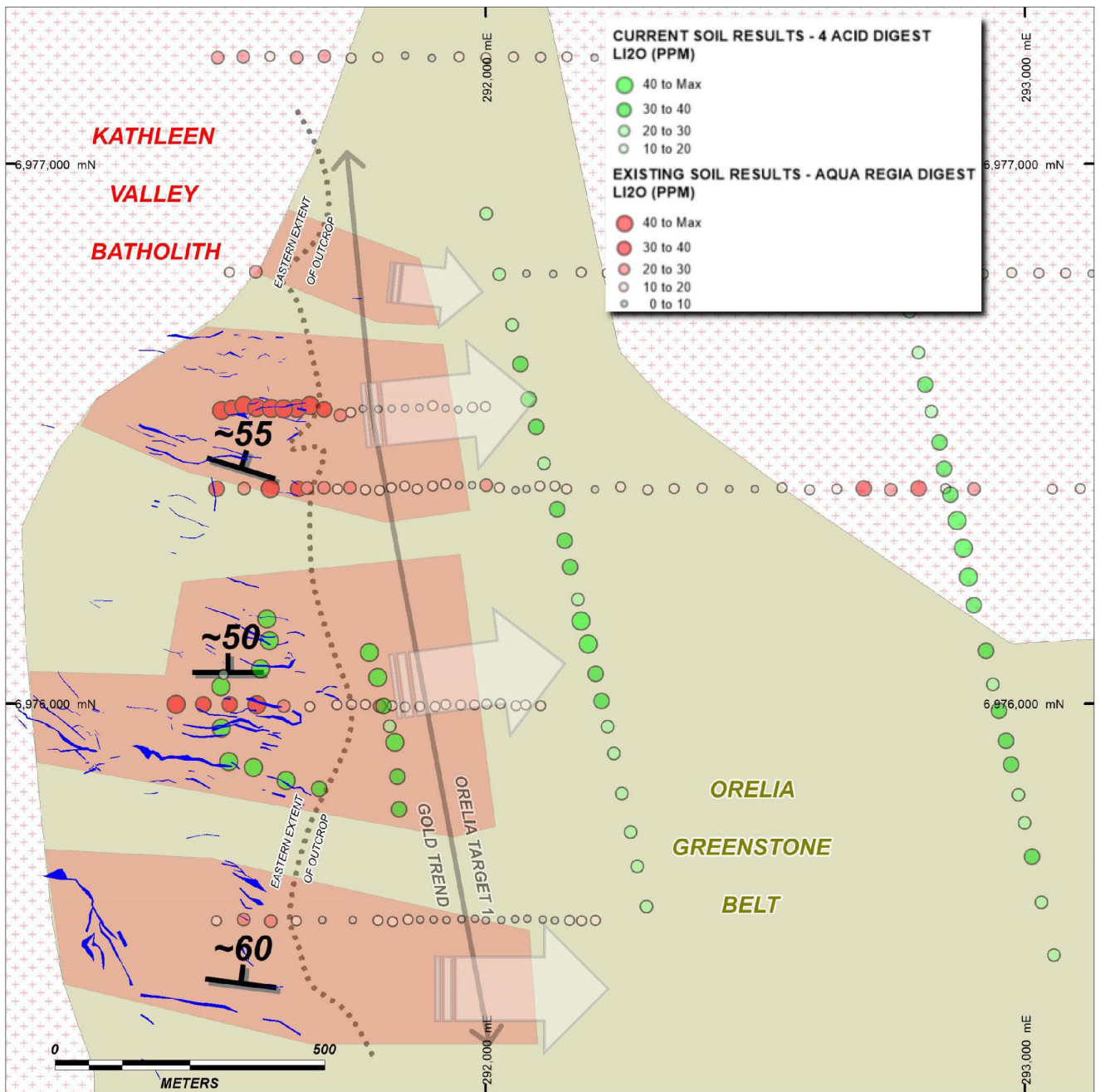


Figure 21. Orelia North Pegmatite field showing zones of mapped pegmatites, surface soil samples (old and current) and possible target zones (red zones) showing zonation vectors (arrows). Refer also to ASX announcements 13 October 2022 and 6 December 2022.

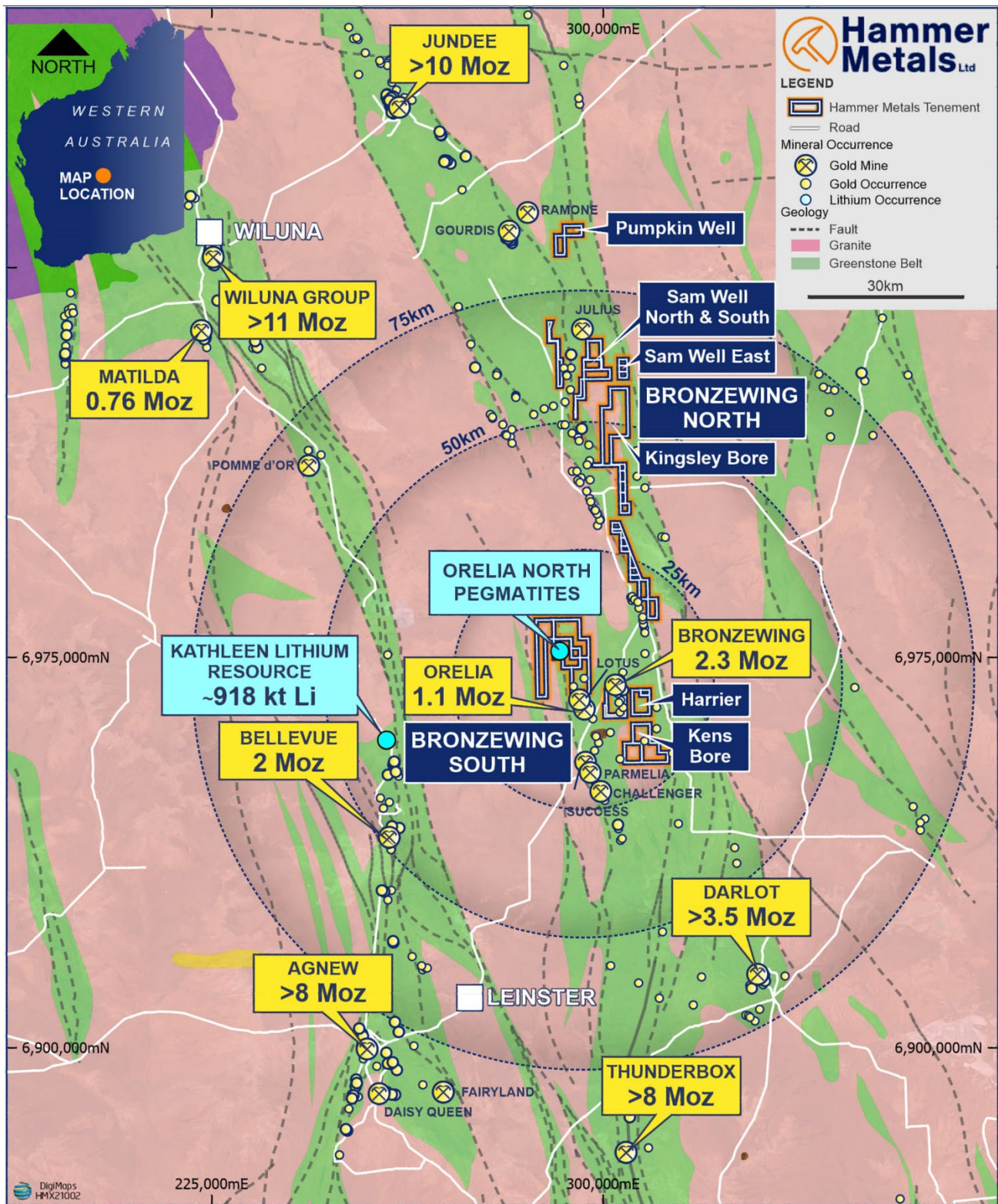


Figure 22. Overview of the greater Bronzewing Project.

CORPORATE

Hammer's cash balance as at 31 December 2023 was \$1.8 million including \$0.04 million held in Joint Venture expenditure accounts.

The reported cash balance does not include exploration expenditure incurred on behalf of the Mount Isa East Joint Venture in December. An invoice of ~\$342k has since been submitted to the MIEJV.

The company is also well advanced in its application for the Australian Government R&D tax rebate for the FY23 period. A similar return to previous years is anticipated (\$1.1 million in FY22).

Hammer also retains investments in junior ASX and TSX listed companies with a value at 31 December 2023 of approximately: A\$175k.

In accordance with the reporting requirements of ASX Listing Rule 5.3, the Company incurred \$1.139 million on exploration and evaluation activities during the Quarter. There was no mining development or production activities conducted during the Quarter.

In addition, during the Quarter, related party payments totalling \$133,000 were paid to the Directors of the Company, representing Directors' salary and fees for the period.

Upcoming Events and Newsflow:

- **February – Drilling Assays** – Mount Isa East Joint Venture Drilling Program. Results from Prince of Wales, Thunderer and Toby.
- **Early/Mid February** – Yandal Reverse Circulation Drilling Program to commence – North Orelia Target 1 (Li/Au) and Tapenade(Li) prospect.
- **Late February** – Mount Isa East Joint Venture Drilling Program – Secret South/ Mount Philp copper/gold (weather dependent).
- **February/March** – Mount Isa Drilling Program – Hardway (Cu/REE), South Hope (Cu/Au) and Mascotte (Cu/Au).

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

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- END -

About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 3,000km² within the Mount Isa mining district, with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits and the Elaine (Cu-Au) deposit. Hammer also has 51% interest in the Jubilee (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of the Ernest Henry style and has a range of prospective targets at various stages of testing. Hammer also holds a 100% interest in the Bronzewing South Gold Project located adjacent to the 2.3 million-ounce Bronzewing gold deposit in the highly endowed Yandal Belt of Western Australia.

Competent Person Statements

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

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

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

Appendix A. Tenement Interests at the end of December 2023 as per Listing Rule 5.3.3

PROJECT	TENEMENT	STATUS	INTEREST %	Acquired during quarter	COMMENT
Mt Isa Project - QLD	EPM 11919	Granted	100%	No	Subject to 1.5% NSR
	EPM 12205	Granted	100%	No	
	EPM 13870	Granted	100%	No	Subject to 2% NSR
	EPM 14019	Granted	100%	No	
	EPM 14022	Granted	100%	No	
	EPM 14467	Granted	51%	No	
	EPM 18084	Granted	80%	No	
	EPM 25145	Granted	100%	No	
	EPM 25165	Granted	100%	No	Subject to 1.5% NSR
	EPM 25866	Granted	100%	No	
	EPM 25867	Granted	100%	No	
	EPM 26126	Granted	100%	No	
	EPM 26127	Granted	100%	No	
	EPM 26130	Granted	100%	No	
	EPM 26474	Granted	100%	No	
	EPM 26511	Granted	100%	No	
	EPM 26512	Granted	100%	No	
	EPM 26628	Granted	100%	No	
	EPM 26694	Granted	100%	No	
	EPM 26775	Granted	100%	No	
	EPM 26776	Granted	100%	No	
	EPM 26777	Granted	100%	No	
	EPM 26902	Granted	100%	No	
	EPM 26904	Granted	100%	No	
	EPM 27018	Granted	100%	No	
	EPM 27355	Granted	100%	No	
	EPM 27469	Granted	100%	No	
	EPM 27470	Granted	100%	No	
	EPM 27806	Granted	100%	No	
	EPM 27815	Granted	100%	No	
	EPM 27861	Granted	100%	No	
	EPM 28189	Granted	100%	Yes	
	EPM 28285	Application	100%	No	
	EPM 28903	Application	100%	Yes	
	EPM 28921	Application	100%	Yes	
Bronzewing Sth Project - WA	E36/854	Granted	100%	No	
	E36/855	Granted	100%	No	Subject to 1.5% NSR
	E36/868	Granted	100%	No	
	E36/869	Granted	100%	No	
	E36/870	Granted	100%	No	
	E36/882	Granted	100%	No	Subject to 1.5% NSR
	E36/916	Granted	100%	No	
	E36/996	Granted	100%	No	
	E36/1006	Application	100%	No	
	E53/1989	Granted	100%	No	
	E53/1996	Granted	100%	No	
	E53/2030	Granted	100%	No	
	E53/2085	Granted	100%	No	
	E53/2112	Granted	100%	No	
	E53/2113	Granted	100%	No	
	E53/2114	Granted	100%	No	
	E53/2115	Granted	100%	No	
	E53/2116	Granted	100%	No	
	E53/2117	Granted	100%	No	
	E53/2118	Granted	100%	No	
	E53/2127	Granted	100%	No	
	E53/2128	Granted	100%	No	
	P36/1857	Granted	100%	No	
	P36/1858	Granted	100%	No	
	P53/1682	Granted	100%	No	
	P53/1683	Granted	100%	No	
	P53/1684	Granted	100%	No	
	P53/1685	Granted	100%	No	
	P53/1686	Granted	100%	No	
	P53/1687	Granted	100%	No	
	P53/1688	Granted	100%	No	
	P53/1689	Granted	100%	No	
	P53/1690	Granted	100%	No	
	P53/1691	Granted	100%	No	
	P53/1692	Granted	100%	No	
	P53/1693	Granted	100%	No	
	P53/1694	Granted	100%	No	
	P53/1695	Granted	100%	No	
	P53/1696	Granted	100%	No	
	P53/1697	Granted	100%	No	

Appendix 5B

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

Name of entity

Hammer Metals Limited

ABN

87 095 092 158

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers			
1.2 Payments for			
(a) exploration & evaluation			
(b) development			
(c) production			
(d) staff costs		(119)	(238)
(e) administration and corporate costs		(161)	(400)
1.3 Dividends received (see note 3)			
1.4 Interest received		28	52
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Government grants and tax incentives			
1.8 Other (provide details if material)			
- Management fees charged to JV partners		37	70
1.9 Net cash from / (used in) operating activities		(215)	(516)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities			
(b) tenements			
(c) property, plant and equipment			
(d) exploration & evaluation		(1,139)	(1,801)
(e) investments			
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
	- Recovery of exploration costs from JV partners	374	668
	- Exploration expenditure on behalf of JV partners	(576)	(1,053)
2.6	Net cash from / (used in) investing activities	(1,341)	(2,186)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	220
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
	- Lease payments made	(28)	(50)
3.10	Net cash from / (used in) financing activities	(28)	(170)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,409	4,357
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(215)	(516)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,341)	(2,186)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(28)	170
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,825	1,825

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,767	3,350
5.2	Call deposits	22	22
5.3	Bank overdrafts	-	-
5.4	Other – Balance of JV bank accounts	36	37
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,825	3,409

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	95
6.2	Aggregate amount of payments to related parties and their associates included in item 2	38
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(215)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,139)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,354)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,825
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,825
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.35
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: The company expects additional working capital to be available through the annual research and development refund process which is close to completion and expected to be received during the upcoming quarter. A similar refund for FY23 is expected (FY22: ~\$1.1million).</p> <p>It should also be noted that the reported cash balance does not include exploration expenditure incurred on behalf of the Mount Isa East Joint Venture in December. An invoice of ~\$342k has been submitted to the MIEJV during January.</p> <p>The Company continues to monitor its level of expenditure relative to it's cash balance with current commitments able to be met through the available and anticipated funds. Additional exploration activities and studies are largely discretionary and will be dependent on available cash.</p>	

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

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

Answer: The Company has not taken any steps toward raising additional funds. In addition the additional funds anticipated to be received (as per 8.8.1) the company has the support of its major shareholders and will assess the need to raise additional capital as and when required.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects that it will be able to continue its operations and to meet its business objectives. Refer to 8.8.2

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 January 2024.....

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.