

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 JUNE 2023

MOUNT ISA COPPER-GOLD PROJECTS

Kalman (100% HMX)

- Updated Mineral Resource Estimate (MRE) completed for the 100%-owned Kalman copper-gold-silver-molybdenum-rhenium deposit:
 - 39.2Mt at 1.07% Recovered Copper Equivalent ("CuEq Rec") at 0.53% Cu, 0.27g/t Au, 0.10% Mo, 1.5g/t Ag and 2.1g/t Re (See ASX Announcement 8 May 2023).
- New MRE represents a ~39% increase in the contained metal within the deposit and equates to ~500,000t of contained copper equivalent metal.
- Open pit material represents 71% of the MRE (27.7Mt at 0.89% Cu Eq Rec)¹.
- The Kalman MRE contains 208,400t of copper, 343,200oz of gold, 38,000t of molybdenum, 1.92Moz of silver and 84,100kg of rhenium.

Hardway (100% HMX)

- Broad, shallow intercepts of copper and rare earth element (REE) mineralisation in wide-spaced follow-up drilling confirm Hardway as an exciting new discovery. Significant results include (See ASX Announcement 24 May 2023):
 - 57m at 1.0% Cu from surface in HMHWRC012, including:
 - 10m at 2.87% Cu, 0.11g/t Au and 0.09% Total Rare Earth and Yttrium Oxides (TREYO) from 25m;
 - 24m at 1.06% Cu and 0.20% TREYO from 14m within 58m at 0.55% Cu from surface in HMHWRC006 (hole terminated in mineralisation).
- New high-grade REE zone identified at the Easy Life Prospect, 1.2km south-west of Hardway, where rock chip sampling has identified a new Cu/REE-bearing gossan:
 - Individual assays of up to 1.2% TREYO and 1.6% copper, including maximum individual REE values of 0.40% yttrium oxide, 0.06% dysprosium oxide and 0.15% neodymium oxide.

Southern Tenure – Mount Hope, Pilgrim Fault South, Mascotte (100% HMX)

South Hope

- Outstanding initial results from follow-up drilling at South Hope, where drilling continues to define shallow and high-grade copper mineralisation (See ASX Announcement 3 and 27 July 2023):
 - 15m² at 3.47% Cu and 0.7g/t Au from 44m, in HMHSRC007 within a broader zone of:
 - 56m² at 1.12% Cu and 0.2g/t Au from 18m, including 2m at 12.4% Cu and 0.9g/t Au from 46m²

¹ Previous pit optimisation studies at Kalman have determined that above the 75m RL level is classed as potentially open-pittable.

² True thicknesses not yet established for South Hope Prospect

ASX RELEASE

31 July 2023

DIRECTORS / MANAGEMENT

Russell Davis
Chairman

Daniel Thomas
Managing Director

Ziggy Lubieniecki
Non-Executive Director

David Church
Non-Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (28/07/2023)	\$0.067
Shares on Issue	883m
Market Cap	\$59m
Options Unlisted	20.6m
Performance Rights	8m
Cash (30/6/2023)	\$4.4m

- New targets emerging in the corridor between South Hope and Mount Hope South: Apparent Binna Burra structure extends into Mount Hope South – former workings (previously located on ML5421).
- Mineralisation was encountered in all three holes, with drilling identifying multiple zones of copper mineralisation.
- Mount Hope South is located just ~40m from the Mount Hope Central prospect, currently being explored by Carnaby Resources (ASX: CNB).
- Induced Polarisation survey to be conducted between South Hope and Mount Hope South.
- Extensional prospects at Mount Hope North also being considered with the EPM boundary located just ~20m from the Mount Hope North prospect.

Mascotte

- At Mt Mascotte, drilling intercepted a broad zone of mineralisation, likely indicating a south-plunging shoot, with the drill hole terminating in mineralisation. Significant intercepts of (See ASX Announcement 27 July 2023):
 - 53m³ at 1.55% Cu and 0.52g/t Au from 77m in HMMARC008, including:
 - 12m³ at 2.48% Cu and 0.71g/t Au from 77m; and
 - 9m³ at 2.33%Cu and 0.68g/t Au from 95m.
- High-priority EM conductor defined at Mascotte West coincident with outcropping surface gossans, with maximum assays of 24% Cu and 1.1g/t Au.

Mount Isa – Ongoing Exploration Activities

- In late July/early August, Hammer will be embarking on its third drill program for 2023. The program will consist of further drilling at South Hope, Hardway and Overlander Central. New targets will be tested at Kalman North, Tourist Zone, Bulonga and Pommern.

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

- Gravity surveys underway at Secret, Shakespeare and Malbon.
- VTEM survey to commence in early August across the Malbon and Dronfield project areas.
- Structural study completed on Trafalgar and Pearl trends.
- IP surveys at Shadow, Shadow South and Mount Philp Copper Gold targets to be conducted in Q3.
- The Mount Isa East Joint Venture program with Sumitomo is ongoing with geochemical and geophysical surveys planned in the coming months.
- Assays received for Malbon, Dronfield, Trafalgar, Agamemnon, Secret and Shakespeare soil programs. Interpretation underway.
- Drilling programs deferred, with targets to be considered for drilling in the upcoming period including Secret, Shakespeare, Prince of Wales and others.

YANDAL GOLD-LITHIUM PROJECT

- Further field trips conducted during the quarter to review and sample pegmatite units identified on tenure.
- Upcoming drone magnetic survey to be conducted over prospective target zones at North Orelia Target 1 zone.
- Bottom-of-hole rock chips with elevated lithium results (>200ppm) have been sent for petrology to determine the mineralogy of the lithium anomalism.

³True widths are yet to be established at Mount Mascotte and Mount Hope.

- Follow up soil sampling program to be considered to aid in further definition of prospective targets.
- Drilling program dependent upon meeting requirements of the newly introduced Aboriginal Cultural Heritage legislation.

CORPORATE

- Cash balance at the end of June is \$4.4 million, which includes \$0.04 million held on behalf of the Company's Joint Ventures. An additional \$220,000 has since been received representing the shares purchased by directors as part of the Placement announced in May.
- Through historical transactions, the company holds investments in three junior exploration companies with a current valuation of ~A\$300,000.
- Hammer raised \$3.5M in a Placement at \$0.06 per share that was well supported by several existing shareholders and new sophisticated and institutional investors.
- Hammer to acquire an 80% interest in the Mount Dorothy and Cobalt Ridge projects, two critical minerals projects in the Mount Isa district.

MOUNT ISA COPPER-GOLD PROJECTS

Northern Copper Corridor – Ajax, Ajax East, Lakeview, Kalman and Hardway (100% HMX)

Kalman

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.

Hammer reported an updated Mineral Resource Estimate (MRE) for Kalman during the June Quarter, delivering significant additional tonnage of shallow mineralisation. The MRE update reflects successful extensional drill programs completed last year and positions Hammer with one of the largest undeveloped mineral inventories in the Mount Isa region.

Table 1. Hammer's JORC Resources – May 2023

Deposit	Tonnes Mt	Contained	Recovered	Cu %	Au g/t	Co %	Mo %	Re g/t	Fe %	Contained	Copper
		CuEq %	CuEq %							Copper Tonnes	Equivalent Tonnes ^(1, 2, 3, 4)
Kalman (Updated)	39.2	1.27	1.07	0.53	0.27	-	0.10	2.1	-	208,360	417,440
Jubilee (51% HMX)	1.4	-	-	1.41	0.62	-	-	-	-	10,070	10,070
Elaine	9.3	-	-	0.82	0.19	-	-	-	-	76,260	76,260
Overlander	1.8	-	-	1.20	-	0.05	-	-	-	21,120	21,120
Lakeview	0.6	-	-	1.03	0.30	-	-	-	-	5,950	5,950
Mount Philp	30.5	-	-	-	-	-	-	-	39.00	N/A	N/A
Total										321,760	530,840
Note (1)	Includes Kalmans Recovered Copper Equivalent Metal										
Note (2)	Does not include substantial Au or Co by-product credits from Jubilee, Elaine, Overlander or Lakeview										
Note (3)	Where no contribution of metal by-product credits are included, no metallurgical recoveries have been adopted										
Note (4)	Attributable to HMX										

(Refer to ASX Announcements 26 August 2015, 20 December 2018, 21 December 2022 and 9 February 2023 and 8 May 2023).



Figure 1: Kalman structure looking south.

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

The updated MRE contains a significant improvement in the confidence of the mineralisation categorisation, with approximately 25% more ore now categorised as Indicated (see Table 3).

In addition to the improvement in resource categorisation, the open pit resource at Kalman has grown from 13.3Mt to 27.7Mt. The inclusion of additional mineralisation at a shallow depth has the potential to positively impact the economics of the deposit. An update to previous internal mining studies at Kalman will assess the improvement in the economics of the Kalman deposit associated with these zones of shallow mineralisation.

Table 2. Kalman MRE by JORC Classification – May 2023 vs 2016

Kalman Deposit - JORC 2012 Mineral Resource Estimate (May, 2023)										
Classification	Tonnes Kt ⁽¹⁾	CuEq Contained % ^(3, 4)	CuEq Recovered % ^(2, 3, 4)	Cu %	Au g/t	Ag g/t	Mo %	Re g/t	Contained Cu Eq Metal (Kt) ⁽¹⁾	Recovered CuEq Metal (Kt) ⁽¹⁾
Indicated	17,120	1.04	0.87	0.43	0.22	1.2	0.08	1.7	180	150
Inferred	22,070	1.46	1.22	0.61	0.31	1.7	0.11	2.5	320	270
Total ⁽⁵⁾	39,190	1.27	1.07	0.53	0.27	1.5	0.10	2.1	500	420
2016 Kalman Resource ⁽⁶⁾	20,000	1.80	N/A	0.61	0.34	1.9	0.14	3.7	360	N/A
Change	96%	-29%	N/A	-13%	-20%	-20%	-31%	-42%	39%	N/A
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)	2016 Cut Off Grades: Open Cut: 0.7% Cu Eq. and Underground 1.2% Cu Eq.									
Note (6)	2023 Cut Off Grades: Open Pit 0.4% Cu Eq. and Underground 1.0% Cu Eq.									

The previous Mineral Resource Estimate (MRE) completed for the Kalman deposit was reported to the ASX on 27 September 2016. The 2016 MRE reported a Contained Copper Equivalent of 360,000 tonnes. The 2023 MRE has reported a 39% increase in contained copper equivalent metal to 500,000 tonnes.

Table 3. Kalman MRE Categorisation Changes – 2016 to 2023

Categorisation Kalman Resource	2016 MRE Kt ⁽¹⁾	2023 MRE Kt ⁽²⁾	% Increase
Indicated	7,100	17,120	141%
Inferred	13,200	22,070	67%
Proportion of Indicated	35%	44%	25%
Proportion of Inferred	65%	56%	-13%
Note (1)	2016 Cut Off Grades: Open Cut: 0.7% Cu Eq. and Underground 1.2% Cu Eq.		
Note (2)	2023 Cut Off Grades: Open Pit 0.4% Cu Eq. and Underground 1.0% Cu Eq.		

Further work in 2023 will continue to improve previous study work, much of which now more than five years old and based upon the prior resource model. This work will include a revision of historical mining study optimisations with updated metal prices, cost assumptions and incorporate the recent successful ore sorting test results (see ASX Announcement 1 November 2022).

A program to enhance metallurgical work completed in 2010 is expected to be commissioned later this year with a view to improving the historical recoveries for copper and molybdenum. The separation of copper and molybdenum sulphides is a relatively straightforward process and is common practice in many global porphyry deposits such as Cadia (NSW), Sierra Gorda and Spence.

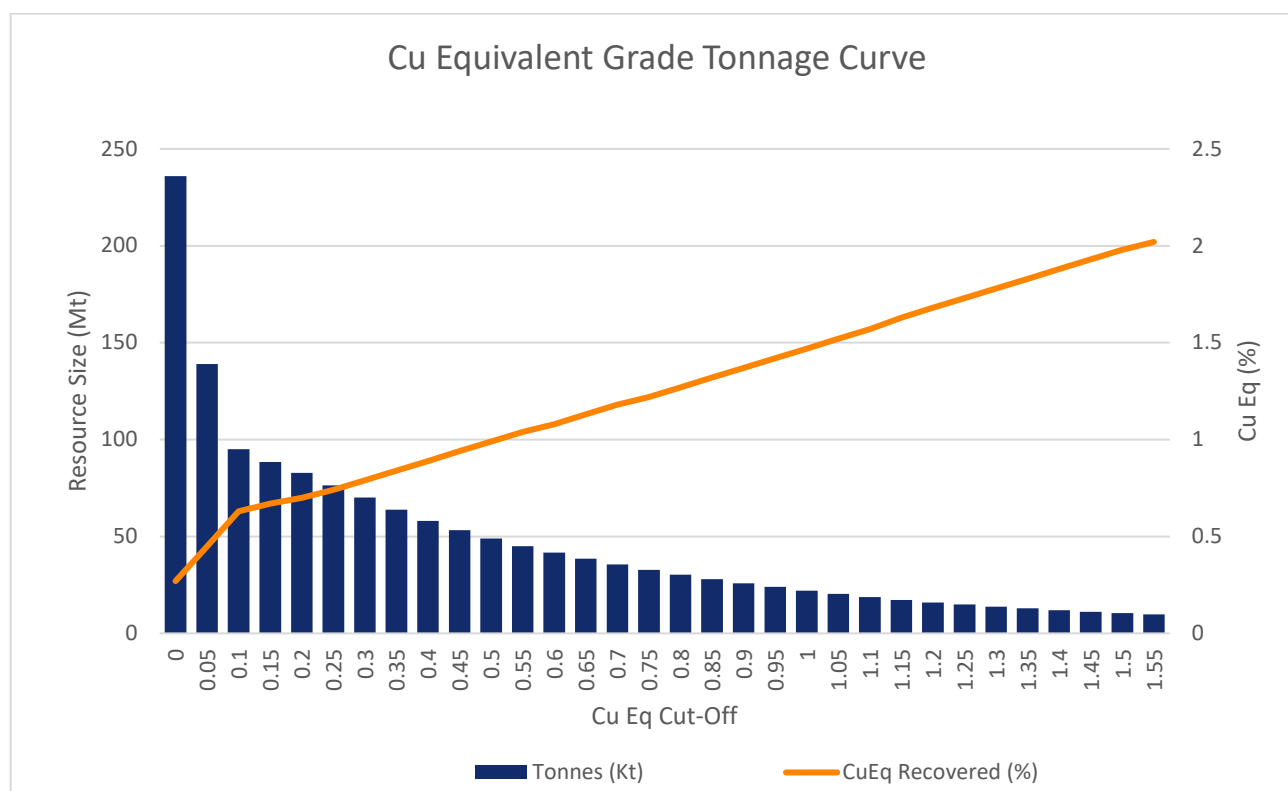


Figure 2: Kalman Cu Equivalent Grade Tonnage Curve.

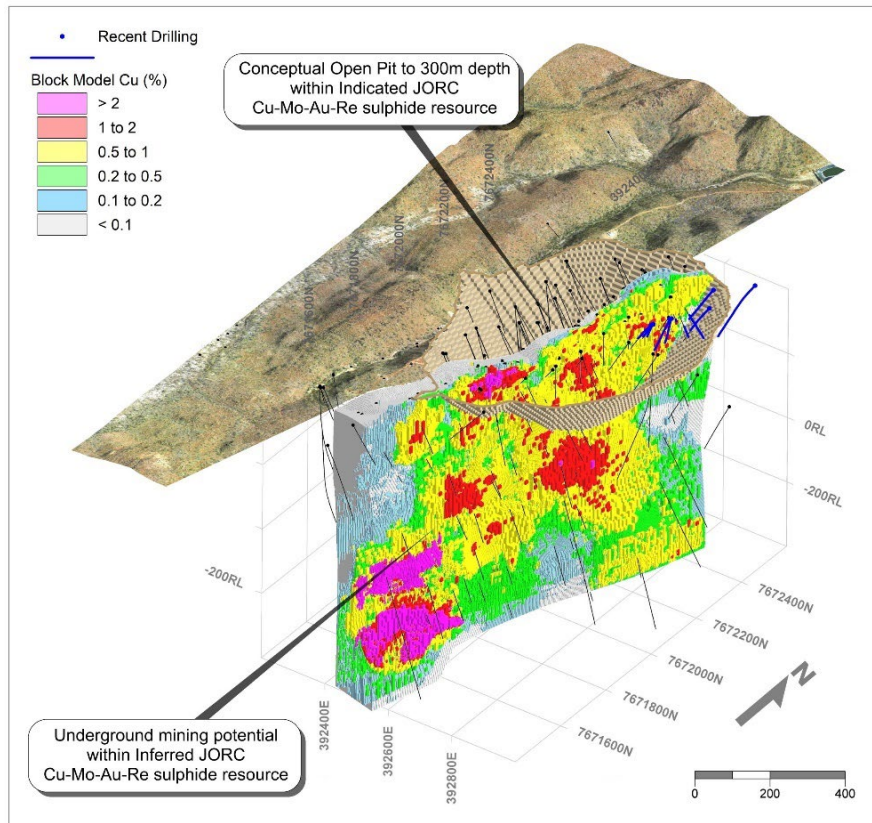


Figure 3. Kalman oblique view looking northwest Copper % blocks.

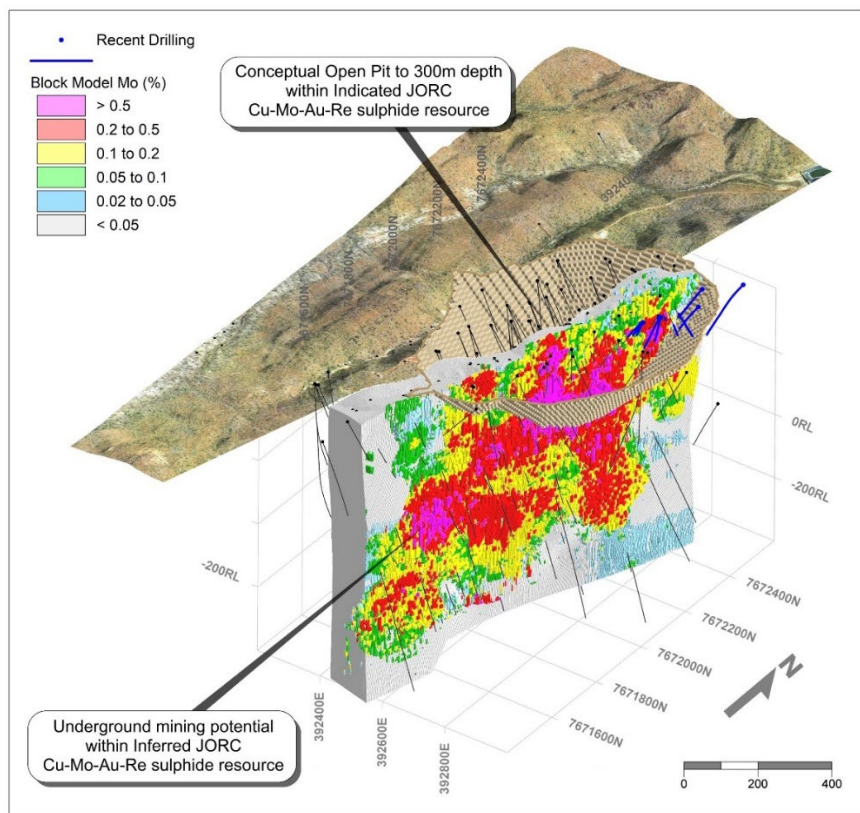


Figure 4. Kalman oblique view looking northwest showing Molybdenum % blocks.
(See ASX Announcement 8 May 2023)

Hardway

Hardway is situated within Hammer Metals' 100%-owned EPM14022, located between Mount Isa and Cloncurry and just 1km north of the Barkly Highway. Hardway is located along a north-west trending structure identifiable by outcrops of quartz breccia.

The Hardway Prospect is unique in the Mt Isa inlier due to its combination of copper and REE mineralisation, the heavy rare earth (HREE) dominated REE assemblage and its location near regional infrastructure.

Following initial exploration success at Hardway in late 2022, 12 additional holes (1,725m) were drilled at the prospect in late March 2023. The key objectives of the program were to determine the oxide-sulphide transition depth and extend Cu-REE mineralisation along strike. Most intercepts are located within the oxide zone. Significant intercepts include (see ASX Announcements, 6 February 2023 and 24 May 2023):

- 57m at 1.0% Cu from surface in HMHWRC012, including 10m at 2.87% Cu, 0.11g/t Au and 0.09% Total Rare Earth and Yttrium Oxides (TREYO) from 25m;
- 24m at 1.06% Cu and 0.20% TREYO from 14m within 58m at 0.55% Cu from surface to the end of hole in HMHWRC006;
- 13m at 1.20% Cu from 35m within 38m at 0.66% Cu from 13m in HMHWRC010;
- 9m at 1.51% Cu and 0.18% TREYO from 67m within 43m at 0.54% Cu from 48m in HMHWRC005;
- 43m at 0.52% Cu and 0.12% TREYO from 57m in HMHWRC002; and
- 30m at 1.1% Cu from 48m and 26m at 0.14% TREYO from 34m in HMHWRC001 (reported in February 2023).



Figure 5. Hardway North Pit looking North.

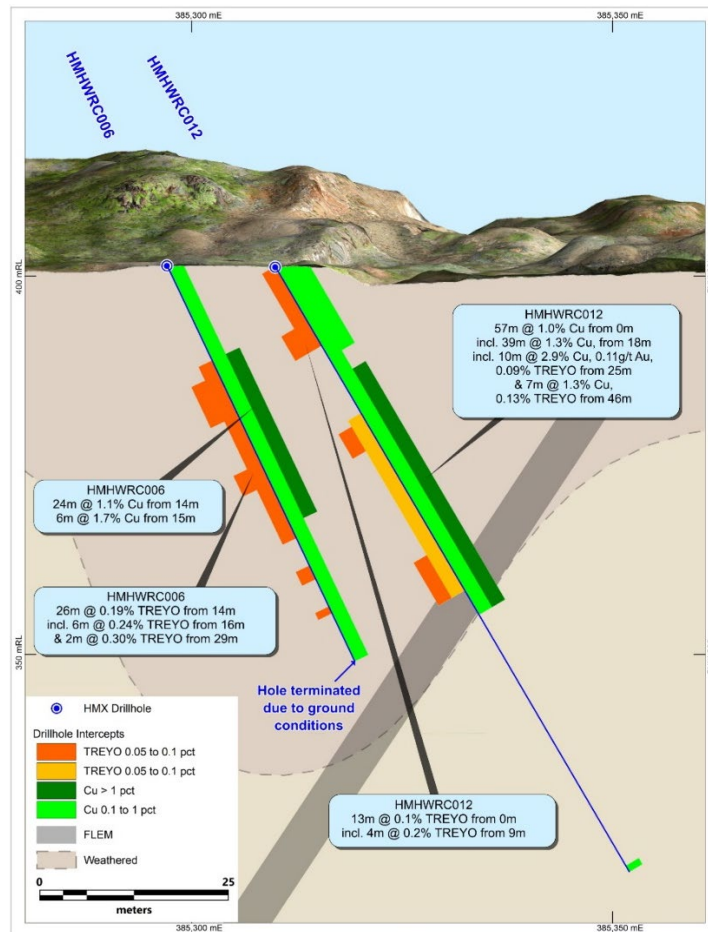


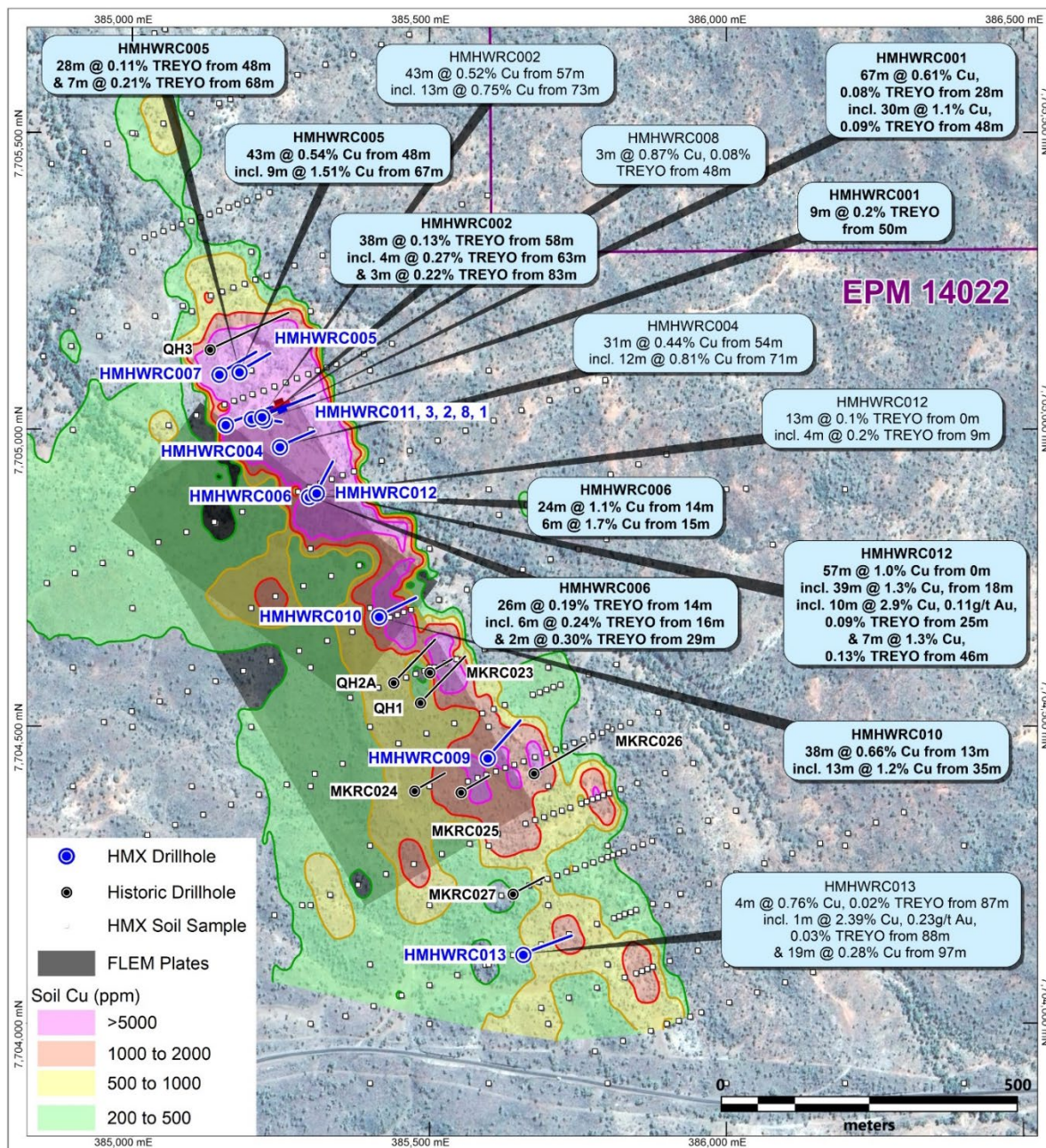
Figure 6. Hardway Cross Section through Holes HMMWRC006 and HMMWRC012. HMMWRC006 was terminated due to poor ground conditions. (See ASX Announcement 24 May 2023)

The mineralisation appears to be spatially associated with a younger zone of marble which has formed close to the contact with the Hardway Granite. Copper and REE mineralisation have partly replaced the marble. At Hardway South, copper and REE mineralisation are slightly overlapping.

Significant zones of cobalt mineralisation have also been identified in this latest round of drilling, including:

- 58m at 0.05% Co from surface in HMMWRC006 including 8m at 0.11% Co from 15m;
- 24m at 0.07% Co from 26m in HMMWRC010 including 12m at 0.1% Co from 36m; and
- 13m at 0.09% Co from 38m in HMMWRC008 including a program-high assay of 1m at 0.21% Co from 39m.

Two tranches of fixed loop electromagnetic (FLEM) surveying have been conducted and these surveys have identified two conductive plates, one of which is yet to be drilled (see ASX announcement dated 7 March 2023).



Easy Life Rock Chip and Soil Sampling

Extensional soil and rock chip sampling has identified a new copper and heavy rare earth enriched zone of mineralisation at the Easy Life Prospect, located approximately 1.2km south-west of the Hardway trend.

Notable maximum rock chip assays included 4,013ppm yttrium oxide, 644ppm dysprosium oxide and 1,487ppm neodymium oxide. Heavy rare earth elements constitute approximately 45% of the total in this prospect.

Geological mapping is underway to determine the extent of the mineralised zone.

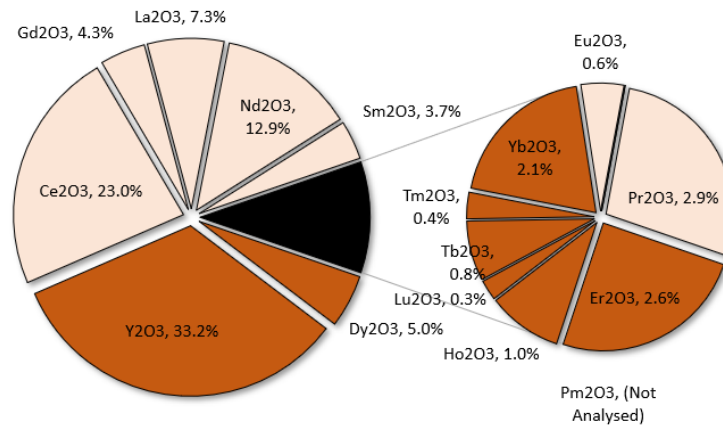


Figure 8. Hardway (Easy Life) - Average REE distribution for REE bearing rock chip samples.

Table 4. Hardway (Easy Life) - Average rare earth element distribution for samples with anomalous rare earth elements. Data used in Figure 8

Easy-Life Rock Chips - Average and Individual Maximum individual REE component Element Oxides								
LREO	Ce ₂ O ₃	Eu ₂ O ₃	Gd ₂ O ₃	La ₂ O ₃	Nd ₂ O ₃	Pm ₂ O ₃	Pr ₂ O ₃	Sm ₂ O ₃
Maximum	2,870	73	542	680	1,487	N/A	319	446
Average	1,500	37	281	473	842	N/A	188	240
HREYO	Dy ₂ O ₃	Er ₂ O ₃	Ho ₂ O ₃	Lu ₂ O ₃	Tb ₂ O ₃	Tm ₂ O ₃	Y ₂ O ₃	Yb ₂ O ₃
Maximum	644	336	126	35	104	45	4,013	262
Average	328	170	65	18	52	23	2,159	133
Note								
N/A - Not analysed in analytical suite								
TREYO is the sum of LREO and HREYO								
LREO is calculated by summing the element oxide responses of Ce, Eu, Gd, La, Nd, Pm (not analysed), Pr and Sm.								
HREYO is calculated by summing the element oxide responses of Dy, Er, Ho, Lu, Tb, Tm, Yb and Y								

Southern Tenure – Mount Hope, Pilgrim Fault South, Mascotte, Mascotte Junction (100% HMX)

During the Quarter, Hammer completed follow-up Reverse Circulation (RC) drilling program across the South Hope, Mt Mascotte, Mascotte Junction and the Stubby prospects in North Queensland. The program consisted of nine holes for 1,188 metres.

South Hope

The 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.

In the latest program, drill-hole HMHSRC007 was designed to intercept the shoot at a higher elevation than HMHSRC001. Significant intercepts included (see ASX Announcement: 4 and 27 July 2023).

- **15m⁴ at 3.47% Cu within a broader mineralised zone of 56m at 1.12% Cu.**

Final assays from the other two holes drilled during this program included:

- 12m at 1.02% Cu and 0.1g/t Au from 10m in HMSHRC008, including:
 - 3m at 1.81% Cu and 0.45g/t Au from 19m; and
- 3m at 1.33% Cu and 0.5g/t Au from 53m; and
- 7m at 1.6% Cu and 0.1g/t Au from 68m, including:

⁴ True widths are yet to be established

- 3m at 3.4% Cu and 0.14g/t Au from 70m.
- 17m at 0.66% Cu and 0.2g/t Au from 99m in HMHSRC009, including:
 - 9m at 0.99% Cu 0.25g/t Au from 107m.

Previous drilling (reported to the ASX on 25 October 2022) included significant intercepts of:

- 25m at 2.41% Cu and 0.47g/t Au from 74m in HMHSRC001, including 6m at 3.12% Cu and 0.36g/t Au from 85m;
- 4m at 3.03% Cu and 0.29g/t Au from 39m in HMSHRC003, including 1m at 10.1% Cu and 0.98g/t Au from 40m; and
- 13m at 0.81% Cu and 0.17g/t Au from 161m in HMHSRC005, including 3m at 1.41% Cu and 0.35g/t Au from 163m.

Holes HMHSRC008 and HMHSRC009 were designed to intercept the shoot at a lower RL. Follow-up drilling commencing in late July/early August will continue to test this zone down-plunge.

Mount Hope South to South Hope

To the north of South Hope, Hammer has defined a mineralised trend which appears to intersect with the Binna Burra structure, currently being drilled by Carnaby Resources (ASX: CNB). The Binna Burra structure is thought to continue onto Hammer's EPM and is the likely source of the mineralisation which was previously mined at the Mount Hope South prospect.

Prospecting between the Mount Hope South and South Hope prospects has shown zones of quartz and ironstones with high-grade copper/gold rock chip analyses (see ASX Announcement 20 July 2022).

The potential for these zones to link is still being evaluated with future Induced Polarisation surveys being considered to generate targets at depth.

Hammer is yet to test this prospective horizon on the boundary as the Company continues to gather valuable geological information from our neighbour's drilling programs. Any future mining of this zone, if mineralisation is defined, may need to occur in conjunction with our neighbours as the mining pits would be likely to impinge on the neighbouring Mining Lease.

Mount Hope Boundary Dispute

Hammer received an official decision document from the Queensland Department of Resources on 30th May 2023. Hammer's Board of Directors appropriately considered the potential avenues to review the decision and has decided to not pursue the matter further. The Company considered the minor nature of the boundary change (~80m movement and a reduction in tenure of ~1hectare) against Hammer's strong tenement position around all boundaries of the Mining Lease and believes that it is in the best interests of its shareholders to see the rapid evolution of the prospects in the Mining Lease and within Hammer's EPM.

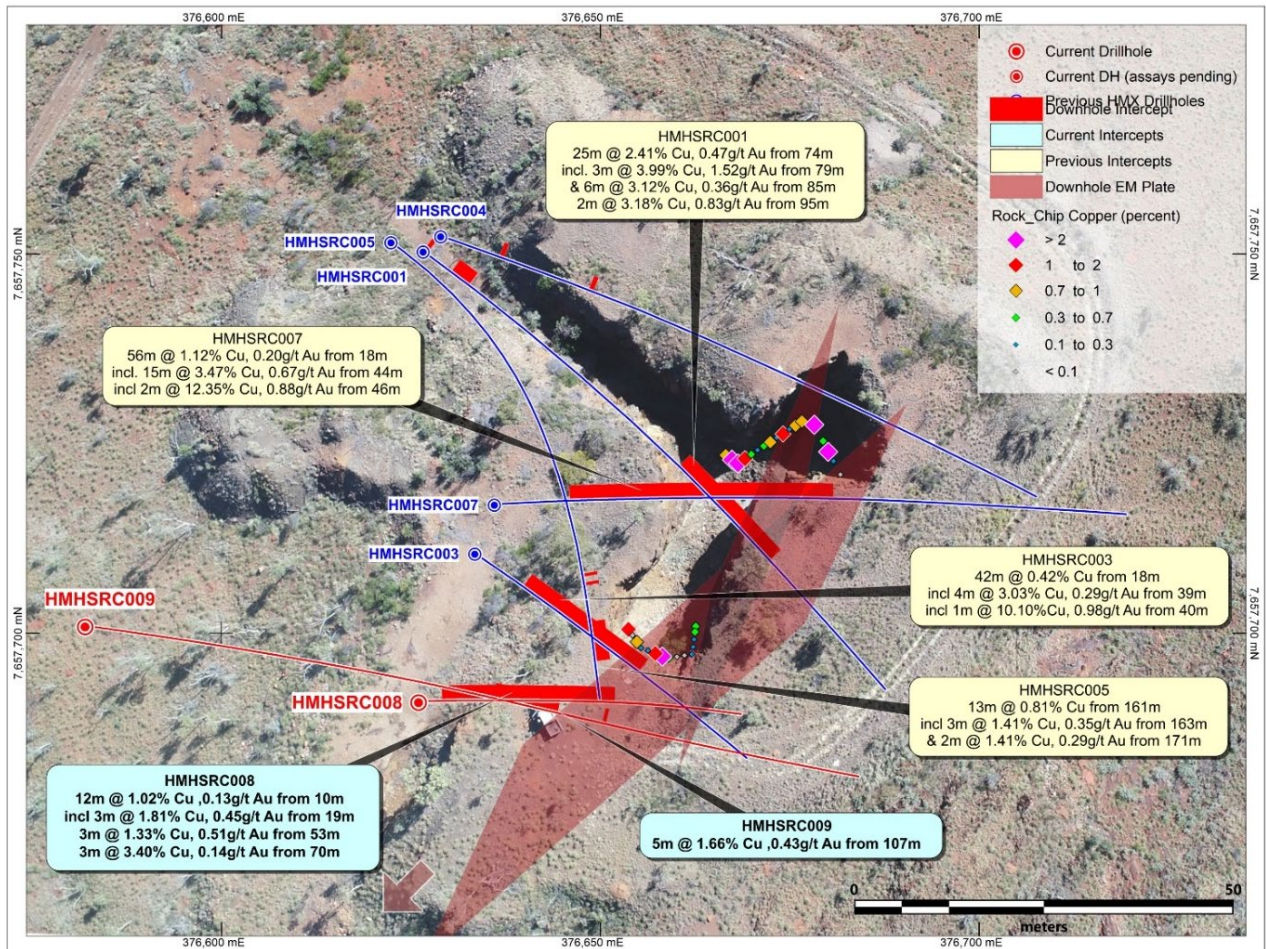


Figure 9. Plan view of drill-holes, with modelled DHEM plates (refer also ASX announcements 20 July 2022, 25 October 2022, 22 November 2022, 4 and 27 July 2023).

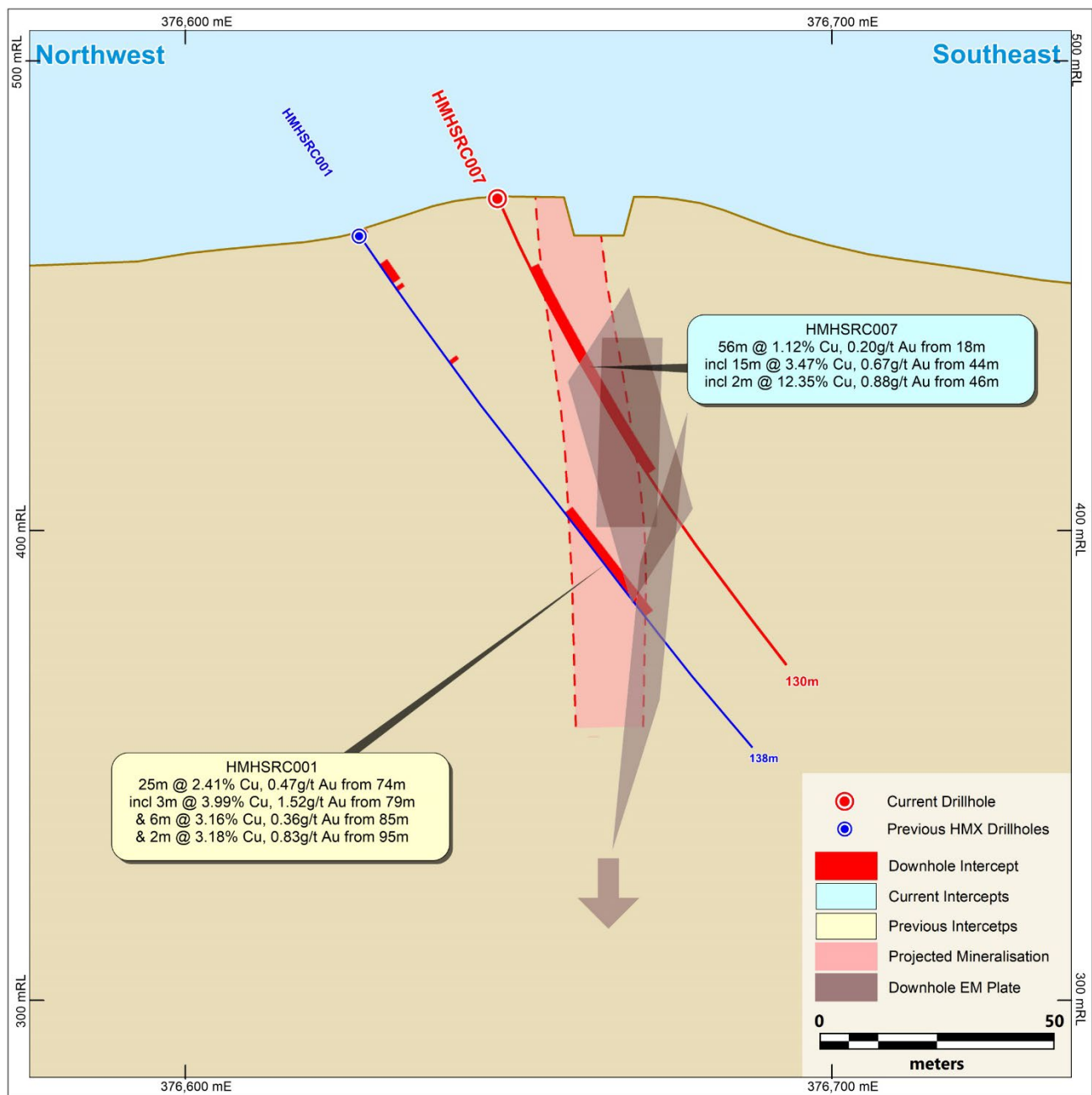


Figure 10. Cross section along HMHSRC001 and HMHSRC007 showing modelled EM plates and IP Chargeability (See ASX Announcement 4 and 27 July 2023).

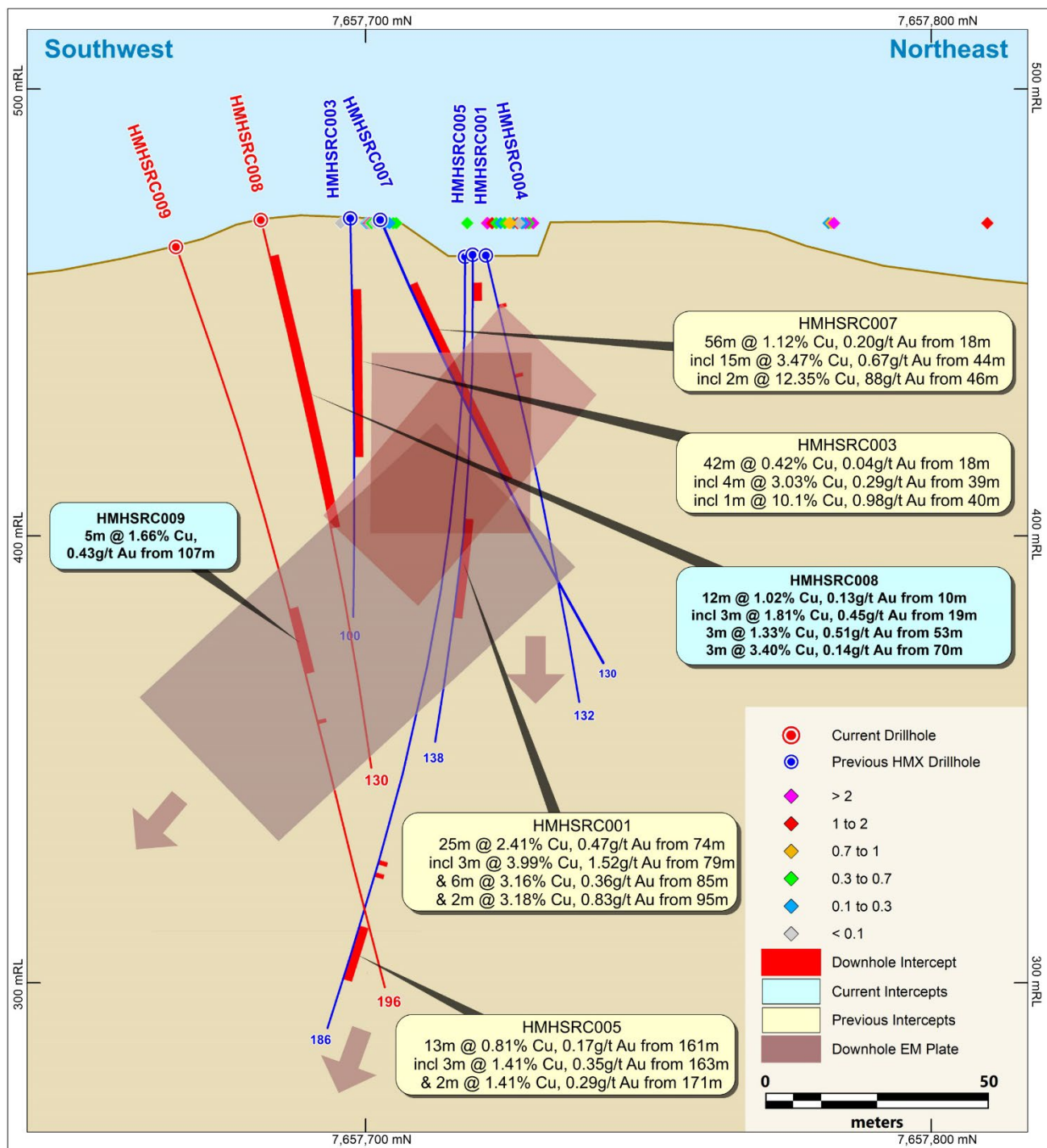


Figure 11. Long section looking west showing the southern plunge of the EM plates. Positions down plunge will initially be tested by HMHSRC008 and HMHSRC009. (See ASX Announcement 4 and 27 July 2023).

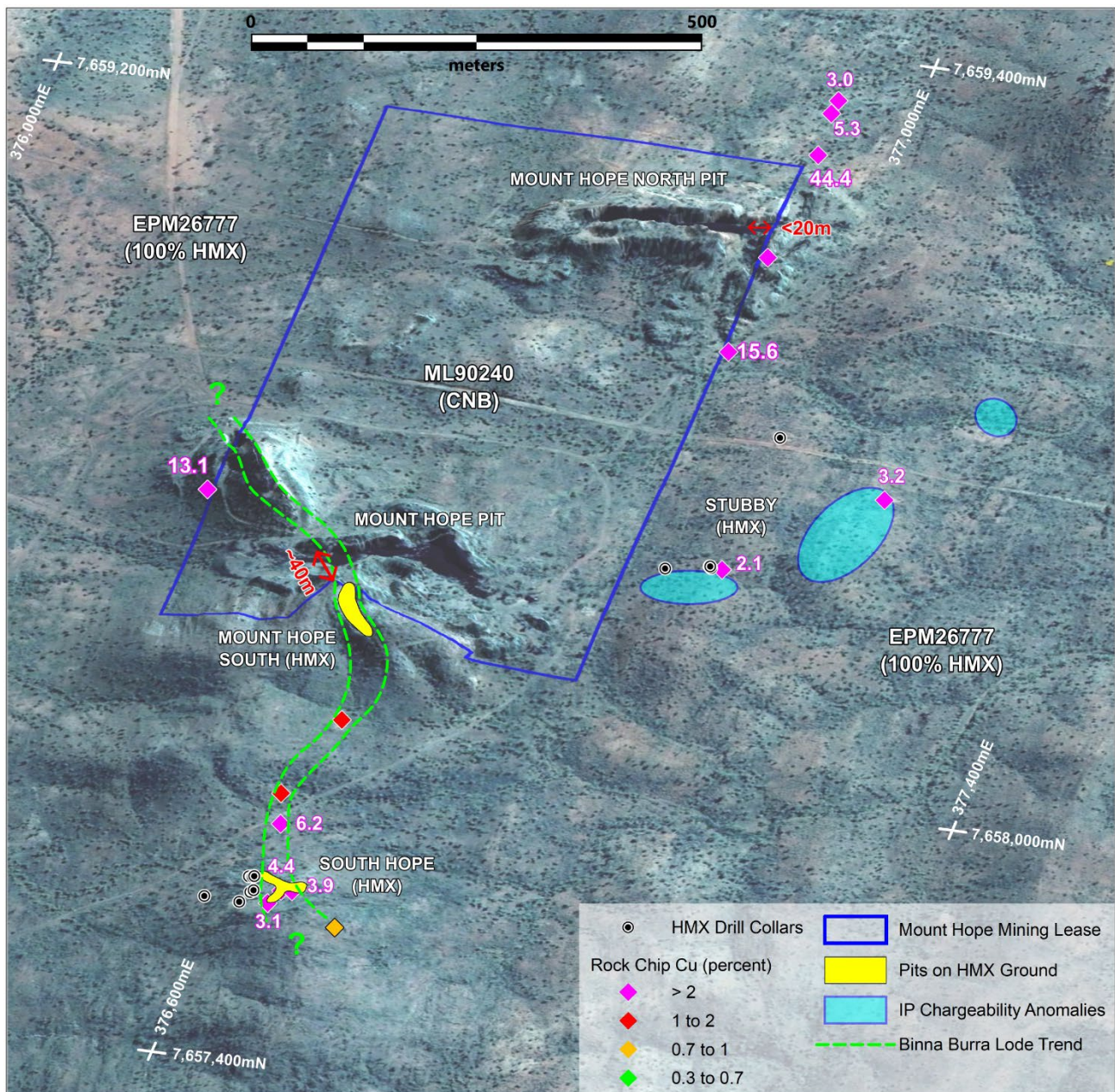


Figure 12. Mount Hope Plan showing recently completed drill-holes and the chargeability response from the IP survey lines (See ASX Announcements 22 November 2022 and 4 July 2023).

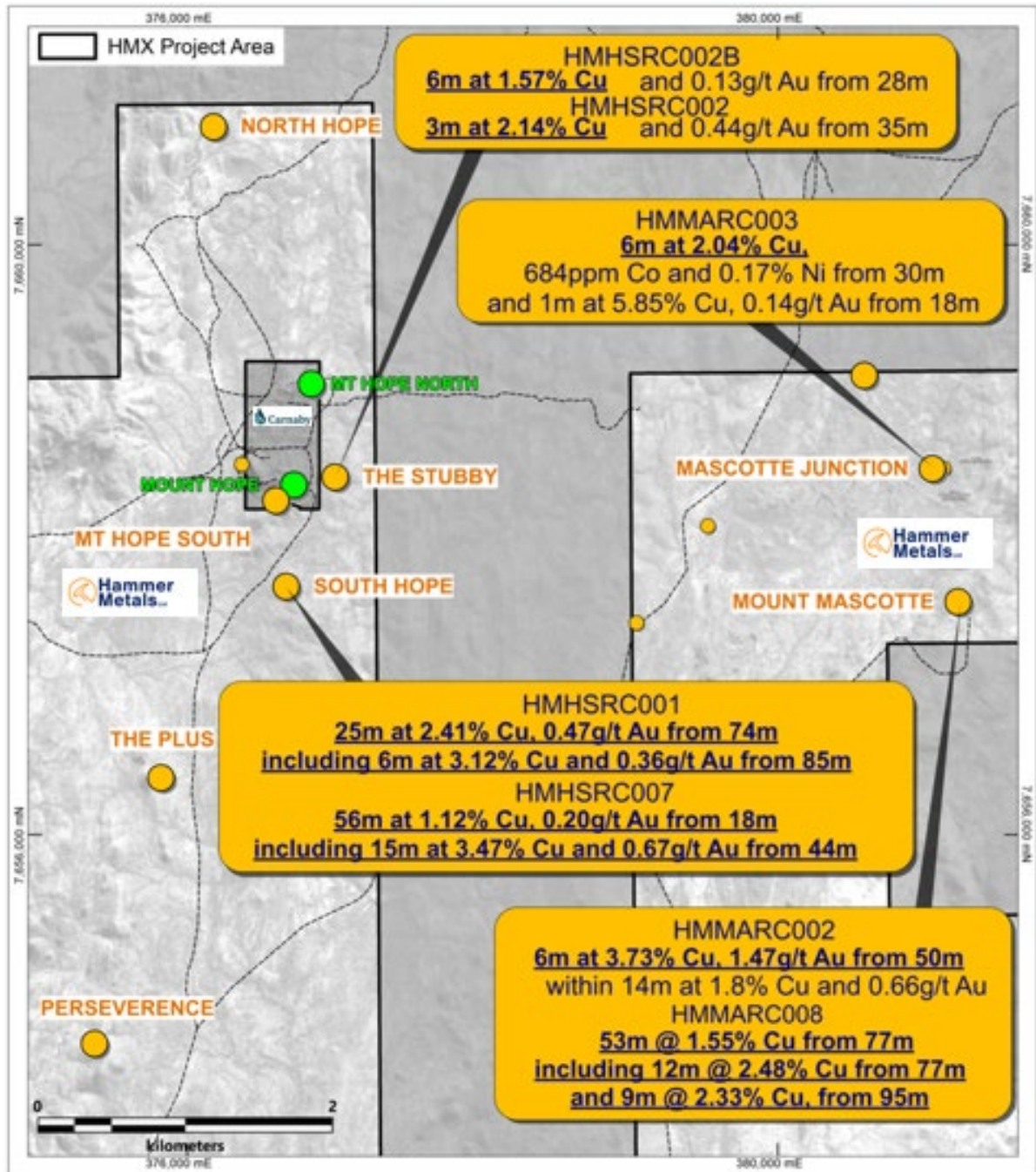


Figure 13. Hammer's Mount Hope and Mascotte tenements and current drilling targets (See ASX Announcements: 22 November 2022, 19 December 2022, 23 December 2022, 4 and 27 July 2023).

Mount Mascotte and Mascotte Junction

The Mascotte group consists of two prospects separated by approximately 900m, both of which are located approximately 4.5km to the east of the Mount Hope project area.

Mt Mascotte, which represents the more southerly of the two targets, 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.

In total, five holes were drilled for 578m: two holes at Mascotte Junction and three holes at Mt Mascotte. Full intercepts were provided in the Company's ASX Announcement dated 27 July 2023.

The drilling was designed to follow-up results from an earlier drilling program which delivered significant intercepts including (See ASX announcement 19 December 2022):

- **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.** These higher-grade zones occurred within a mineralised envelope of 14m at 1.80% Cu and 0.66g/t Au from 50m.

Follow-up drilling looked to extend this mineralisation along strike to the north and the south. Whilst the main mineralised zone was not encountered to the north, a broad zone of mineralisation was intercepted to the south in HMMARC008 including:

- **53m⁵ at 1.55% Cu and 0.52g/t Au from 77m 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.**

The zone of copper mineralisation intercepted in HMMARC008 is thought to potentially represent a southerly plunging zone of mineralisation, and at this time the true width of the intercept is unable to be estimated. It is also noteworthy that the drill hole was terminated in mineralisation.

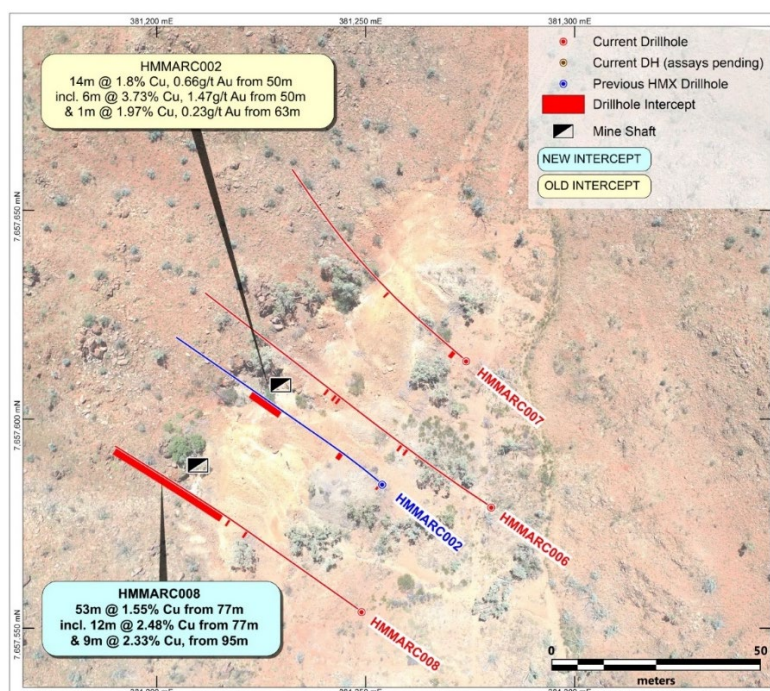


Figure 14. Mt Mascotte showing the location of completed and current drilling.

⁵True widths are yet to be established

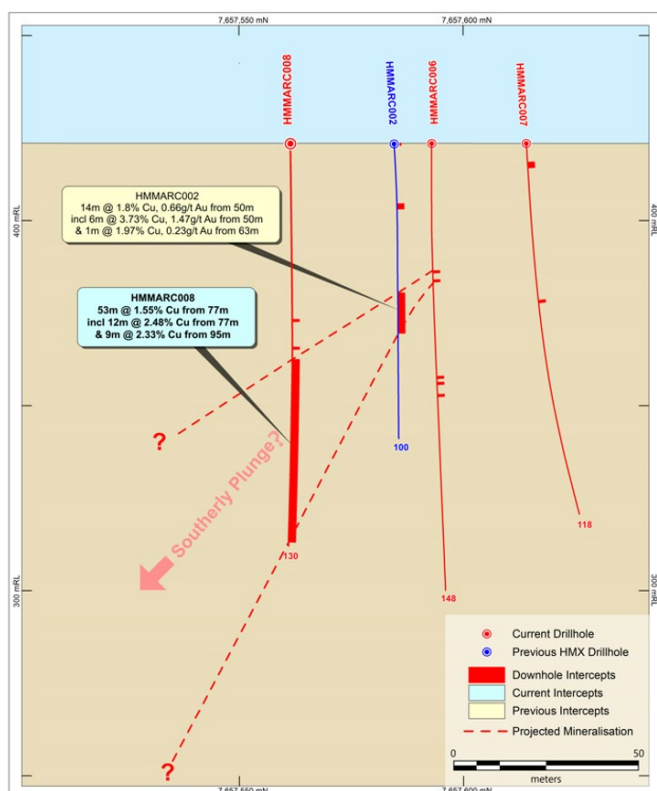


Figure 15. Mt Mascotte Long Section – Potentially representing a plunging mineral system

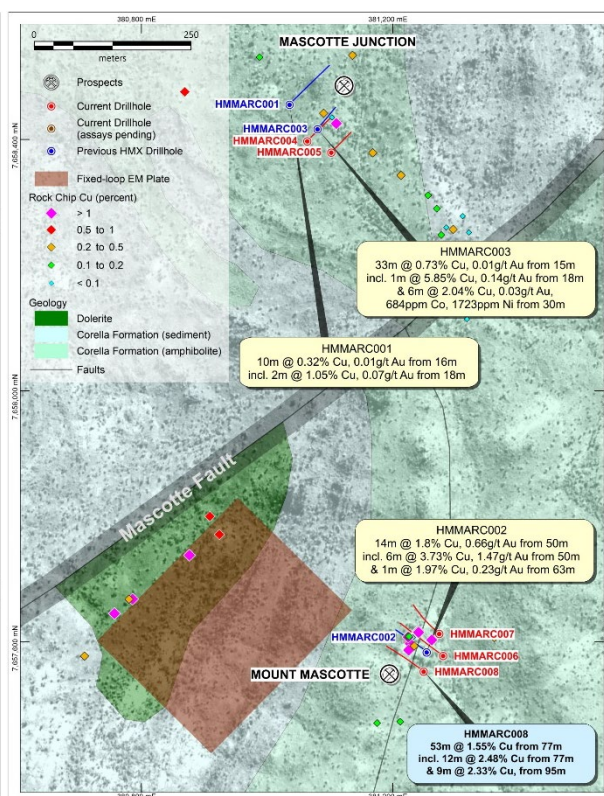


Figure 16. Mt Mascotte and Mascotte Junction showing the location of completed and current drilling in addition to the west-dipping Fixed Loop EM plate to the west of Mt Mascotte.

Mount Isa – Ongoing Exploration Activities

Hammer continues to progress several new exploration targets with requisite approvals now in position to complete drilling programs at Tourist Zone and Pommern,

A final approval process to complete an initial drilling test at Bulonga is underway whilst final targets are being reviewed at Kalman North and Overlander Central. These targets will all be drilled in an upcoming drilling program which will aim to further delineate zones of copper mineralisation at Hardway, Mascotte and South Hope.

An Induced Polarisation (IP) survey will commence in the coming month targeting the zone between Mount Hope South and South Hope. A VTEM survey is also scheduled to commence during August and will focus on both tenure within the Mount Isa East JV and Hammer's 100% owned Malbon prospects.

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

The MIE JV has entered the final year of the 4-year earn-in phase, concluding March 31, 2024.

Ongoing geophysical and geochemical programs within the MIE JV are continuing, with soil surveys being completed at Malbon and a gravity survey at Secret, Shakespeare, Dronfield and Malbon underway.

A VTEM survey will commence in August, targeting the project areas at Malbon and Dronfield following up on previously identified geochemical anomalies.

Induced Polarisation (IP) Surveys for copper-gold targets at South Shadow and Mount Philp have been scheduled, in addition to IP survey lines at the Jimmy Creek and Even Steven target zones.

A structural review of the Trafalgar to Pearl trend was completed during the quarter.

A drilling program is being scheduled for late in the third quarter with targets to be further refined during the current geophysical and geochemical programs.

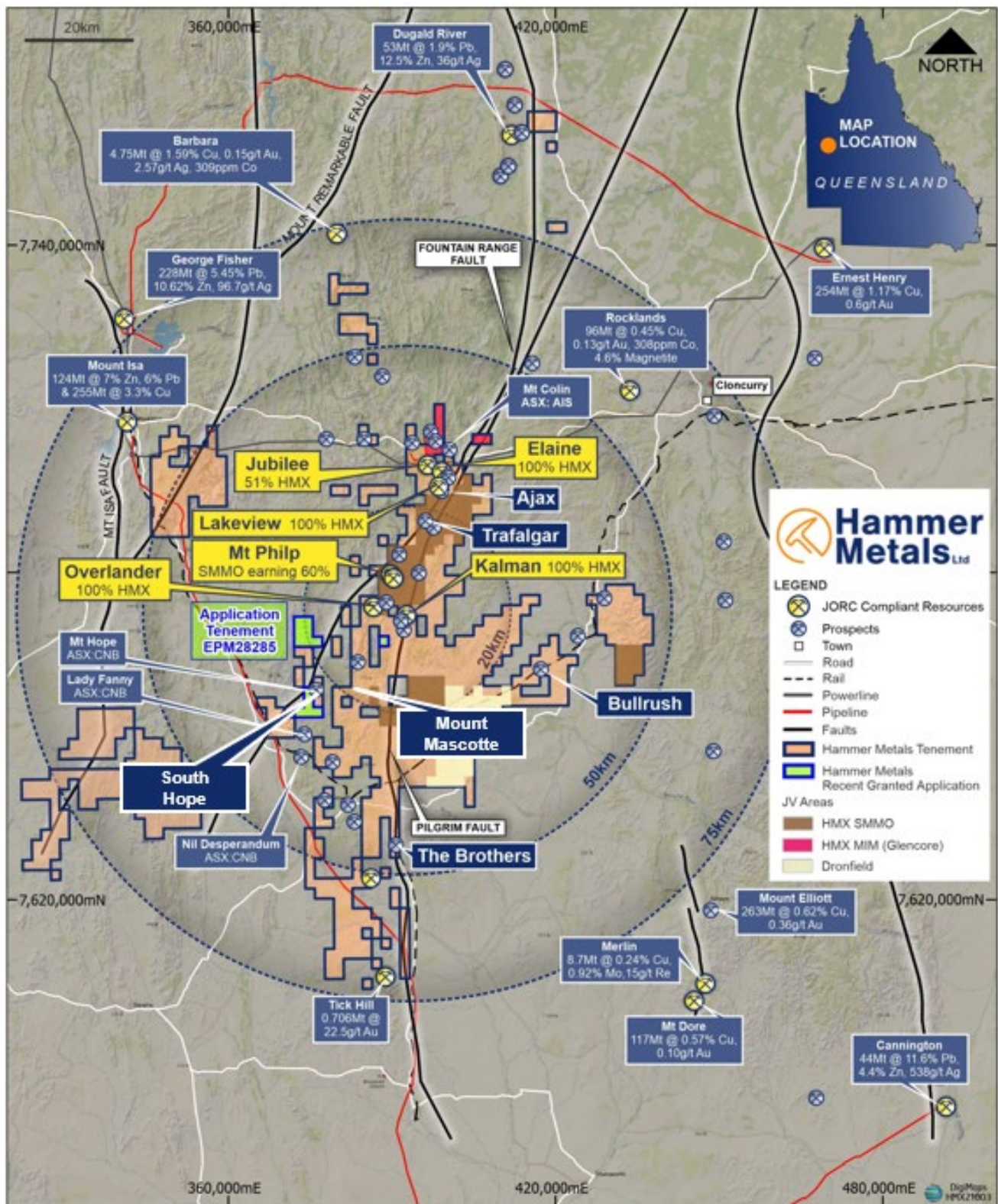


Figure 17. Mt Isa Project Area

YANDAL GOLD PROJECTS (100% Hammer)

Following an extensive soil geochemical program during 2022, Hammer completed a follow-up field program reviewing the various geochemical anomalies. This work identified several lithium and gold targets that will be subject to a future air-core drilling program.

The Company has recently submitted bottom-of-hole geochemical samples from Target 1 at North Orelia which have assayed in excess of 200ppm lithium. These samples have been submitted for petrological analysis to aid in the identification of the lithium dominant mineral species.

A drone magnetic survey is expected to be completed during August with a view to further defining potential pegmatite units situated under cover. This program will aid in designing the upcoming air core drilling program. The Company continues to work through understanding the new Aboriginal Cultural Heritage Act, which was introduced by the WA State Government on 1 July 2023. The Company is ensuring that it has all requisite approvals in place to enable the commencement of the air core drilling program. An update on the timeline of this work program will be provided by the Company when it has been established.

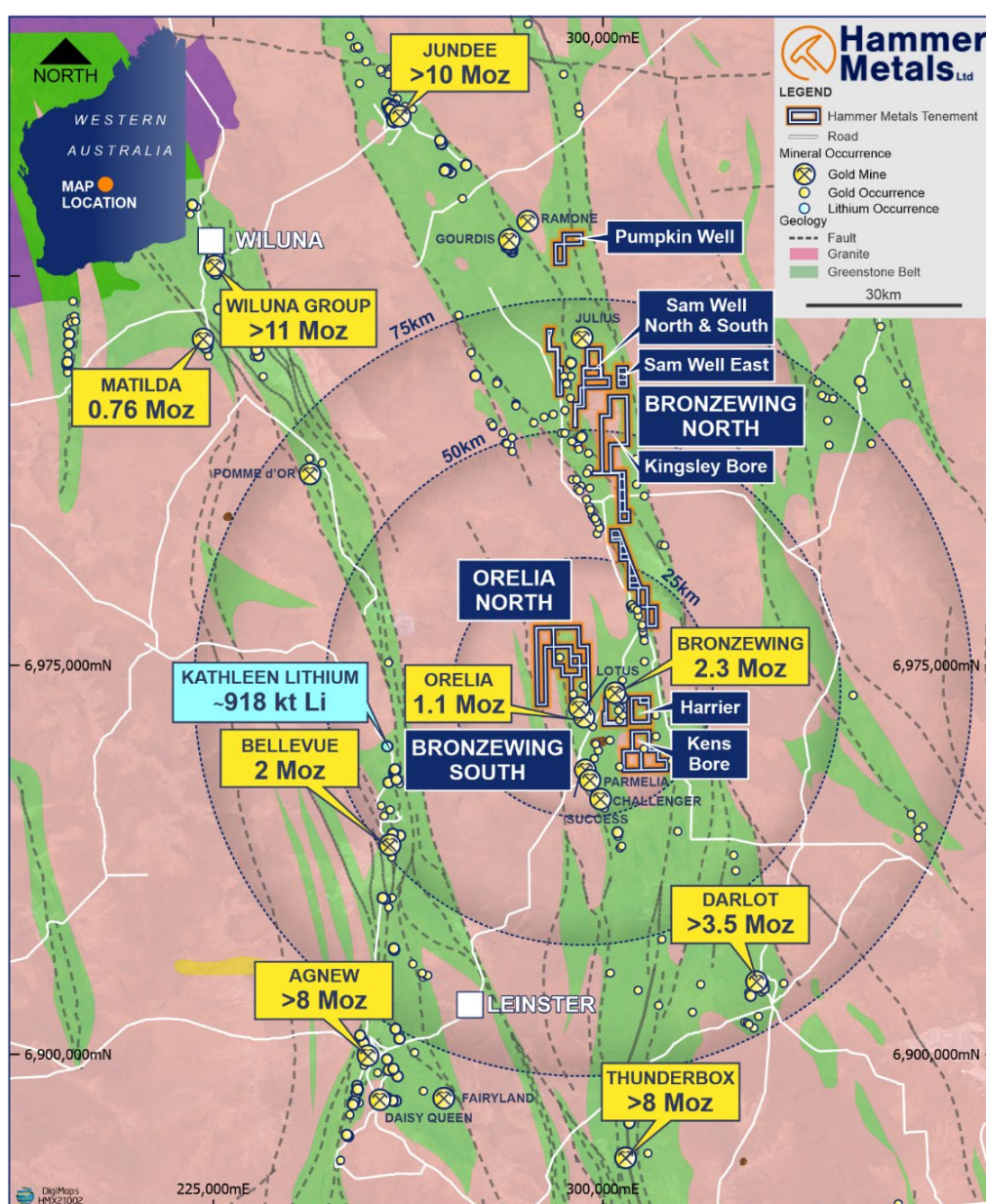


Figure 18. Overview of the greater Bronzewing Project.

CORPORATE

Hammer's cash balance as at 30 June 2023 was \$4.4 million including \$0.04 million held in Joint Venture expenditure accounts. Subsequent to Quarter-end, the Company received an additional \$220,000 from placement shares issued to the directors.

In accordance with the reporting requirements of ASX Listing Rule 5.3, the Company incurred \$1,067,000 on exploration and evaluation activities during the Quarter. There was no mining development or production activities conducted during the Quarter.

During the Quarter, the Company raised \$3.5 million through a share placement ("**Placement**") at \$0.060 per new share.

The Placement was well supported by existing shareholders and several new high-quality institutional and sophisticated investors, representing a strong endorsement of Hammer's upcoming planned exploration programs in the Mount Isa region of North Queensland.

Expenditure was on activities as described in this report and predominantly related to:

- Exploration drilling within the Mt Isa project area;
- Geophysical and geochemical surveys within the Mt Isa project area;
- Technical consulting services; and
- General fieldwork including rehabilitation work.

In addition, during the Quarter, related party payments totalling \$158,000 were paid to the Directors of the Company, representing Directors' salary and fees for the period.

Mount Dorothy and Cobalt Ridge

During the Quarter, Hammer agreed to acquire 80% of the exploration tenure holding the Mount Dorothy and Cobalt Ridge prospects from Element Minerals Australia in exchange for a 1% Net Smelter Royalty (NSR) on each of the Mount Dorothy and Cobalt Ridge properties. Hammer will be responsible for all exploration and holding costs for the projects until the completion of a Pre-Feasibility Study. After the completion of a Pre-Feasibility Study, Element will have the option to fund its pro-rata annual spend or be diluted based upon a standard JV dilution formula.

These prospects were initially sold by Hammer to Global Energy Metals Corporation (GEMC) in 2019 as part of Hammer's divestment of the Millenium Cobalt Project. In light of Hammer's recent exploration success in making a significant copper-rare earth discovery at the nearby Hardway prospect, and the exploration results from Mount Dorothy by China Yunnan Copper Australia Ltd in 2011 that suggest similarities in the mineralogy of the Hardway and Mount Dorothy mineral systems⁶, the Company is pleased to have re-acquired the prospects.

With the renewed focus on critical minerals in Queensland, Hammer continues to build its geological knowledge of the rare earth systems in the region, in particular the unique nature of the dominant heavy rare earth minerals contained in both the Hardway and Mount Dorothy systems. Historical drilling at the Mount Dorothy prospect returned the following intersections (See ASX Announcement 14 July 2023):

- 36m at 1.54% Cu from 50m in MDD006 including:
 - 9m at 5.48% Cu from 55m.
- 35m at 1.52% Cu from 17m in MDR002; including:
 - 15m at 2.81% Cu and 744ppm Co from 19m.
- 16m at 1,864ppm total TREYO from 71m in MDD005

The rare earth intercepts at Mount Dorothy showed a high proportion (~75%) of Heavy Rare Earth Yttrium (HREEY) expressed as a percentage of Total Rare Earth Yttrium elements.

Upcoming Events and Newsflow:

- **July/August** – Exploration Update:
 - EM results and interpretation.
 - Tourist Zone, Overlander, Pommern, Bulonga and others; and
 - Easy Life soil sampling program results.
- **July/August** – Drilling Program: Hardway, South Hope, Pommern, Bulonga, Tourist Zone, Overlander Central and Kalman North.
- **August** – Mt Isa East JV Update.
- **August** – Drone Magnetic Survey – Yandal Lithium Prospects
- **TBD** - Assess new Western Australian Aboriginal Cultural Heritage legislation requirements to determine timeframe for commencement of Yandal lithium-nickel-gold air-core drilling program.

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

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- END -

About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,600km² 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 was 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 June 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	25% of tenement area held in trust to Global Energy Metals Corporation
	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	6.2% of tenement area held in trust to Global Energy Metals Corporation
	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	
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")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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		(129)	(392)
(e) administration and corporate costs		(391)	(1,006)
1.3 Dividends received (see note 3)			
1.4 Interest received		9	24
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)			
1.9 Net cash from / (used in) operating activities		(511)	(1,374)

2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities			
(b) tenements			
(c) property, plant and equipment		-	(18)
(d) exploration & evaluation		(1,067)	(3,863)
(e) investments			
(f) other non-current assets			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)		
	- R&D grant received	-	1,081
	- Recovery of exploration and administration costs from JV partners	7	57
	- Exploration expenditure on behalf of JV partners	(2)	(13)
2.6	Net cash from / (used in) investing activities	(1,062)	(2,756)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,500	3,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	105	140
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(201)	(201)
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	(42)	(146)
3.10	Net cash from / (used in) financing activities	(3,362)	(3,293)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,558	5,194
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(511)	(1,374)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,062)	(2,756)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,362	3,293
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,357	4,357

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	4,297	2,505
5.2	Call deposits	22	22
5.3	Bank overdrafts	-	-
5.4	Other – Balance of JV bank accounts	38	41
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,357	2,568

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	120
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)	(511)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,067)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,578)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,357
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,357
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.76
<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?	
Answer: Not applicable		
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: Not applicable		

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

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: Not applicable

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 July 2023.....

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.