

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 MARCH 2022

MOUNT ISA COPPER-GOLD PROJECTS

Hammer's 100% Mount Isa Project Area

- **Significant copper-gold discovered at Ajax**, with exceptional shallow assays:
 - 11m at 5% Cu and 2.5g/t Au from 24m in HMLVRC014, within:
 - 16m at 3.5% Cu and 1.8g/t Au from 22m
- **3,065m of drilling completed in 14 holes (RC:3,834m; DD:382m). Assays pending for:**
 - Six holes (889m) at Ajax and nearby copper prospects Roslyn Pearl and Smoko Gossan testing for extensions of the high-grade copper intercept;
 - Two holes (869m) at Overlander South including testing a high-priority IP (Induced Polarisation) anomaly;
 - Three holes (760m) at Sirius, Morning Star and Lady Kate targets within the Neptune project area; and
 - Two holes (347m) at Orion near Lakeview.
- **High-priority EM conductor identified 350m east of Ajax. The modelled conductor has an interpreted strike length of 500m with a depth profile of 500m and a conductance of 3,000 Siemens.**
- The Ajax East conductor is interpreted to dip to the west and sits approximately 100m below a highly anomalous copper-gold soil response between the Smoko Gossan and Lakeside prospects.
- **Diamond drilling to test the Ajax East conductor commenced on 22 April 2022.**
- **Assays returned from Kalman drilling with new broad zones of shallow copper-gold-molybdenum-rhenium mineralisation, extending the deposit to the north of the existing JORC resource. Significant intercepts include:**
 - **50m¹ at 0.63% Cu and 0.49g/t Au, (0.79% CuEq²) from 20m in K-144;**
 - Including **16m at 1.38% Cu and 0.84g/t Au (1.59% CuEq²) from 43m**
 - **64m¹ at 0.23% Cu, 0.12% Mo, 0.10g/t Au, 2.97g/t Ag, and 2.64g/t Re (0.75% CuEq²) from 67m in K-143;**
 - Including **16m at 0.19% Cu, 0.34% Mo, 0.08g/t Au, 8.84g/t Ag, and 8.59g/t Re (1.71% CuEq²) from 114m**
- **Further work at Kalman is being commissioned to assess:**
 - Potential opportunities related to ore sorting and metallurgical recoveries; and
 - Potential mining scenarios using updated commodity prices and costs.

¹ True thicknesses are interpreted to be approximately 55-75% of the down-hole thicknesses.

² "Recovered Copper Equivalent" – includes metallurgical recovery factors for each metal. See Appendix A and ASX Announcement 15 February 2022

ASX RELEASE

27 April 2022

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 (26/04/2022)	\$0.09
Shares on Issue	815m
Market Cap	\$73m
Options Unlisted	27m
Performance Rights	8m

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

- **Broad zones of shallow copper-gold mineralisation intersected in all holes** drilled at the six targets along the 4.5km long Trafalgar trend.
- **1,151m of Reverse Circulation (RC) drilling completed with six targets tested.** Results include:
 - The Springs Extended – 18m at 0.73% Cu and 0.25g/t Au from 44m in HMTRRC0015 including 4m at 2.12% Cu and 0.64g/t Au from 55m and 45m at 0.33% Cu, 0.06g/t Au from 40m in HMTRRC0013; and
 - Victory – 40m at 0.34% Cu and 0.1g/t Au from 47m in HMTRRC0011 including 3m at 1.66% Cu and 0.5g/t Au from 55m
- The two holes drilled at the Springs Extended target are 300m apart and potentially represent a broad zone of significant copper-gold mineralisation. **Possible strike extensions to the north remain untested.**
- Exploration activities will continue to focus on the Trafalgar trend, in addition to the copper-gold targets previously identified at Shadow, Jimmy Creek, Pearl and Even Steven.
- Hammer awarded a Queensland Government Collaborative Exploration Initiative (CEI) grant to co-fund the drilling of an IOCG target beneath the Mount Philip haematite deposit.
- Several broad copper-gold target zones identified by geochemical soil surveys at Shadow North, Fountain Range and Dronfield.
- **New phase of diamond drilling has commenced with key targets to be tested including:**
 - **Mount Philip IOCG target** – located below the existing haematite JORC resource (partly funded by the Queensland Government Collaborative Exploration Initiative (CEI) grant); and
 - **Trafalgar Cu-Au system** – building the Company's understanding of the structure and controls of mineralisation.
- **Trial IP (Induced Polarisation) surveys completed at Trafalgar, successfully identifying zones of copper mineralisation.**

BRONZEWING SOUTH GOLD PROJECT

- Several detailed and reconnaissance geochemical soil surveys completed covering tenements in the northern portion of the Hammer's Yandal holdings. Assays awaited.
- Targets to be pursued include the drill-out of potential shallow oxide gold resources at Target 1, North Orelia and an air-core program covering soil anomalies at Harrier, Bower and Gummow.

CORPORATE

- **Cash balance at the end of March is \$6.4 million**, which includes \$0.22 million held on behalf of the Company's Joint Ventures.
- **Cash balance excludes Hammer's estimated R&D expenditure refund of \$645,000.** These funds are expected to be returned to Hammer during the second quarter.

MOUNT ISA COPPER-GOLD PROJECTS

Hammer Metals 100% Tenure

Ajax

The Ajax prospect is located approximately 1.2km south-east of Lakeview along the 12km Trafalgar-to-Jubilee mineralised trend. Reconnaissance Reverse Circulation (RC) drill-hole HMLVRC014, which was designed to test prospective surface geological features on the Lakeview trend (see Figure 1), intersected a significant zone of high-grade copper and gold mineralisation.

The mineralised interval is composed of a quartz ($\pm$ chalcopyrite) vein within a biotite schist host (refer: ASX announcement 14 February 2022 and 9 March 2022). **Significant intercepts include:**

- 16m at 3.5% Cu and 1.8g/t Au from 22m including
- 11m at 5% Cu and 2.5g/t Au from 24m

An individual maximum copper grade of 13.2% Cu, 3.2g/t Au and 0.12% Ni was encountered between 28-29m down-hole (Figure 1).



Figure 1. Sieve of sulphidic intervals 27-31m, averaging 6.02% Cu (by portable XRF) in HMLVRC014

A single follow-up hole from the initial drill pad was completed at Ajax, testing for a potential westerly-dipping extension of the mineralised horizon (HMLVRC015 to 124m). No significant mineralisation was observed with results from this hole still pending.

At the conclusion of Hammer's drilling program at Overlander, a series of drill holes (five RC holes for 765m) were completed near Ajax testing for potential extensions of the high-grade copper zone and any possible relationship to the identified EM conductor to the east. Assays are awaited.

Ajax DHEM and FLEM

A down-hole EM (DHEM) survey was completed on HMLVRC014 with the surrounding area also subjected to a limited fixed-loop EM (FLEM) survey. The DHEM response in the vicinity of HMLVRC014 was limited by a very strong response generated from the nearby conductive zone designated Ajax East, which overshadowed any conductive response from the DHEM.

Both EM surveys identified a large conductor to the east of Ajax beneath the Smoko Gossan and Lakeside prospects. Preliminary modelling of this conductor resolved a 500m-by-500m westerly-dipping plate with a conductance of around 3,000 Siemens (see Figure 2). Previous mapping did not identify conductive lithologies such as graphite schist which could have been the source of the EM anomaly. In light of this, Hammer's geological team is confident that this anomaly may represent prospective sulphidic zones at depth, geologically

associated with the Smoko Gossan – Lakeside Cu-Au geochemical anomaly. The EM survey was conducted by Australian Geophysical Surveys, with data processing completed by Newexco.

Diamond drilling of the Ajax East EM target commenced on 22 April 2022.

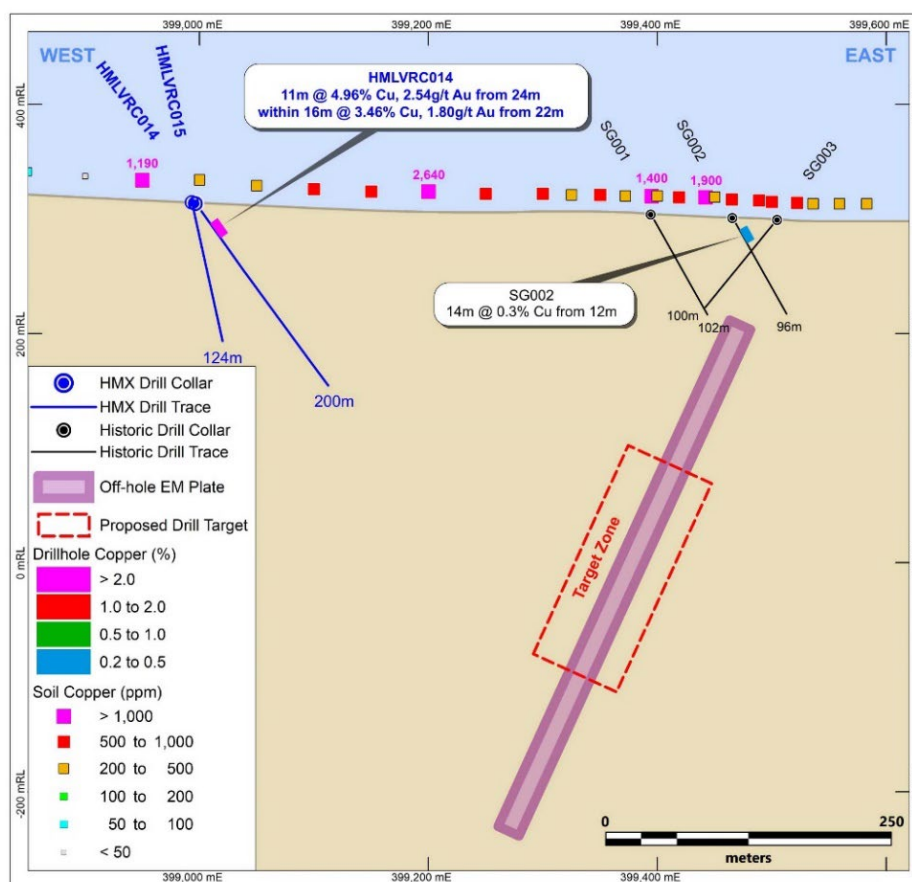


Figure 2. Cross-section Ajax and EM plate. Drilling by CRAE above the EM plate failed to test the EM anomaly.

Lakeview – Soil sampling

Prior to the drilling of the Ajax and Orion targets, Hammer conducted reconnaissance geological mapping and soil sampling (450 samples) over the Lakeview region, located within the 12km-long Trafalgar to Jubilee trend (refer ASX announcement 2 March 2022).

The survey was designed to delineate the next generation of grassroots targets in the area, as well as generating data for litho-chemical characterisation. Multiple targets, including Ajax, Orion and Lakeview, were defined.

In particular, the Ajax soil anomaly which extends over a strike length of 600m and a width of up to 200m, is considered to be particularly encouraging in light of the recent copper intersection. The targets will be reviewed on-ground with further work programs expected in the current field season (see Figure 3).

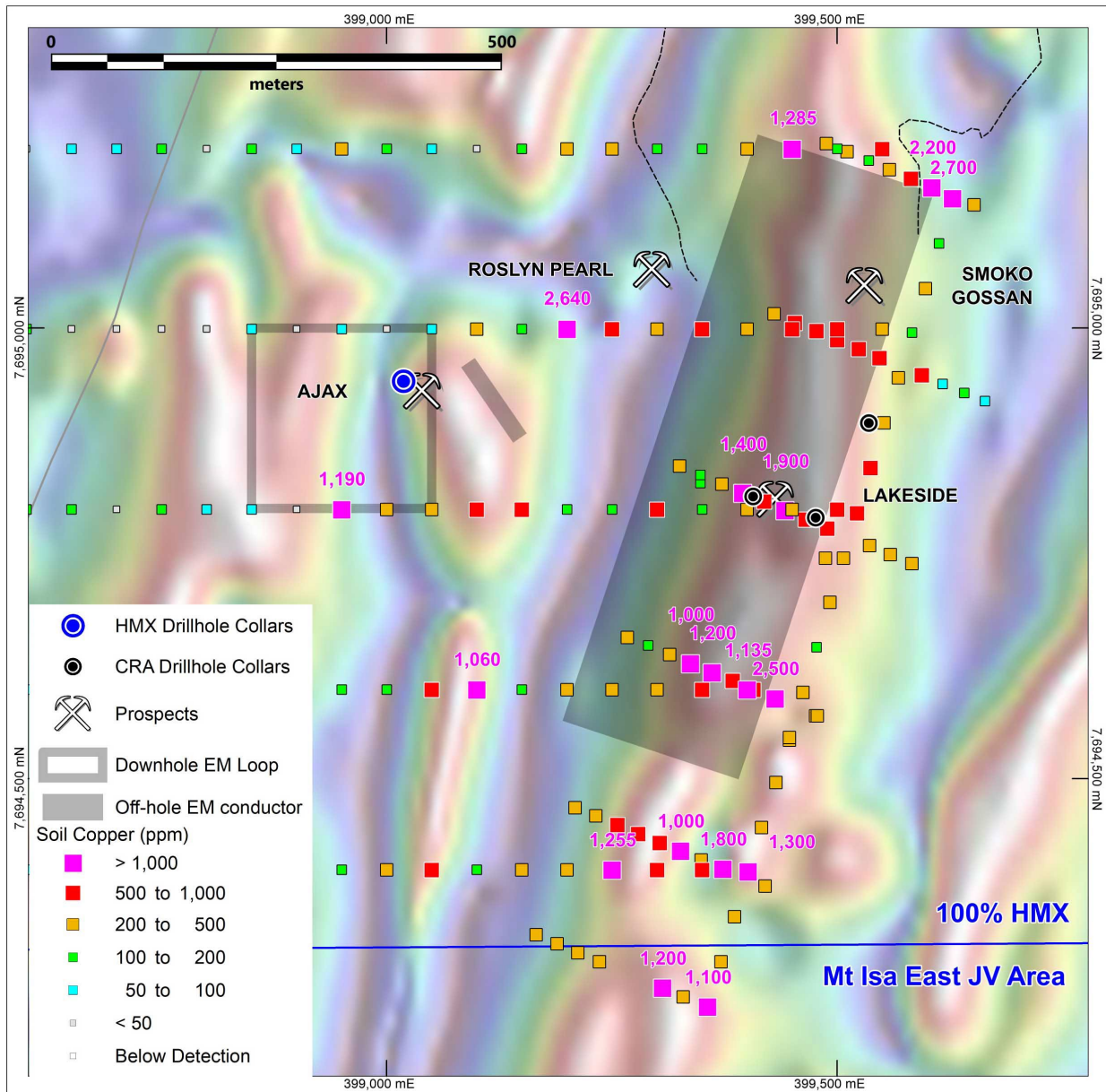


Figure 3. Plan view showing the location of the Ajax, Smoko Gossan and Lakeside Prospects with copper-in-soil response. The preliminary EM plates, location, EM loop and receiving stations are also shown. The base image is the magnetic first vertical derivative (RTP).

Overlander South

Following recent success by Carnaby Resources (ASX: CNB) in utilising Induced Polarisation (IP) surveys to define copper mineralisation at its nearby Nil Desperandum discovery, Hammer has reviewed historical IP survey data to assess potential drill targets within the Company's 2,600sqkm exploration portfolio (see Figure 4).

A review of a 2015 double-offset dipole-dipole IP survey at Overlander and Andy's Hill identified an untested target located 200m below the Overlander South copper-cobalt deposit. The anomaly is interpreted to be adjacent to a copper and cobalt-bearing rhyolitic crackle breccia. The core of the IP conductivity feature presents over a 500m strike extent (see Figures 4 and 5). For background details on the Induced Polarisation survey, refer to ASX announcements dated 18 March 2015, 5 June 2015 and 26 August 2015.

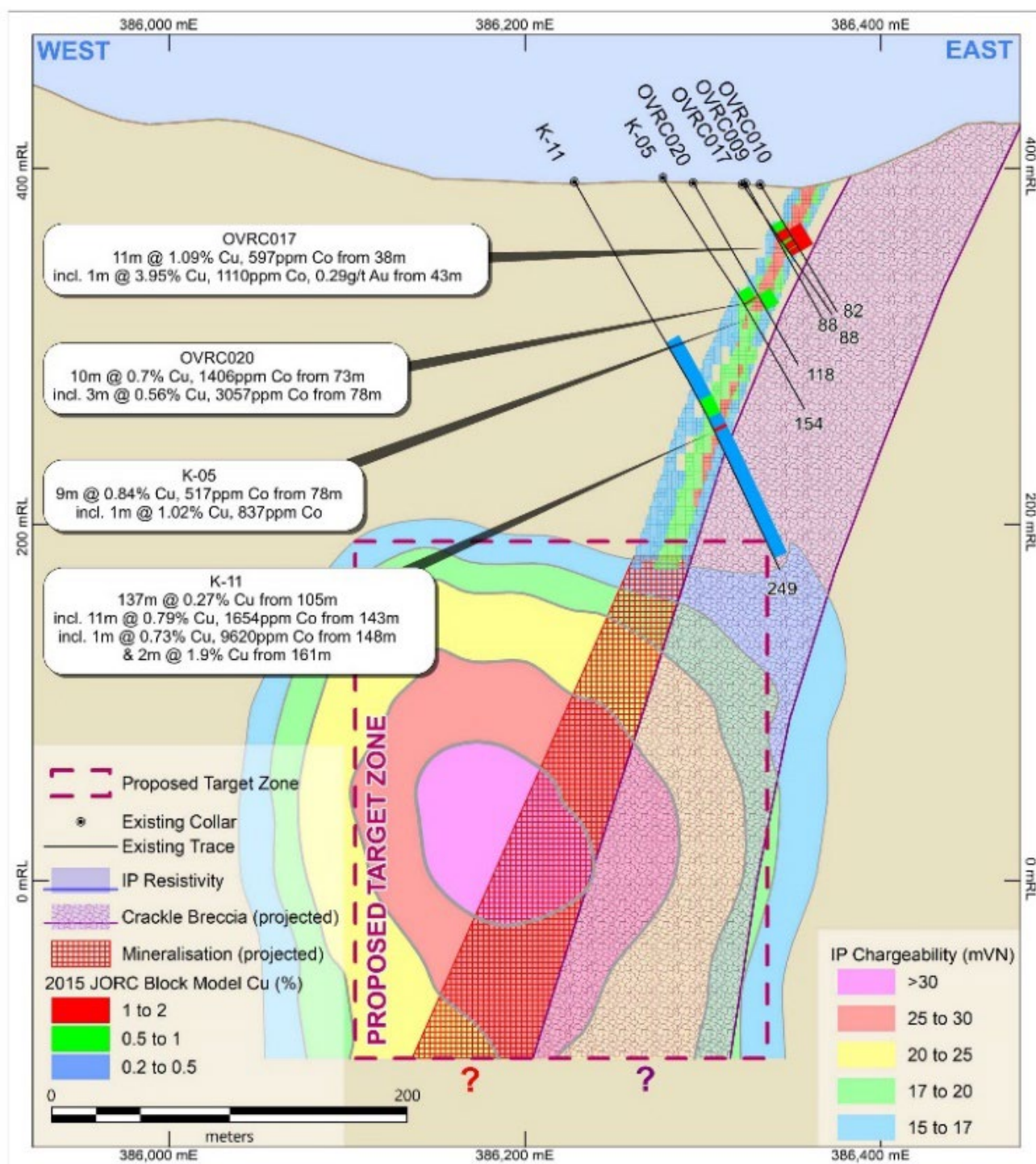


Figure 4. Induced Polarisation Anomaly at Overlander South. Refer: ASX announcement 18 March 2015.

Following the IP review, the Overlander South prospect was prioritised for immediate drill testing. Two sites were chosen with 869 metres of drilling completed. The drill hole testing the IP anomaly was drilled to a total depth of 589 metres including an RC pre-collar and diamond tail of 382m. Results are expected to be available in May.

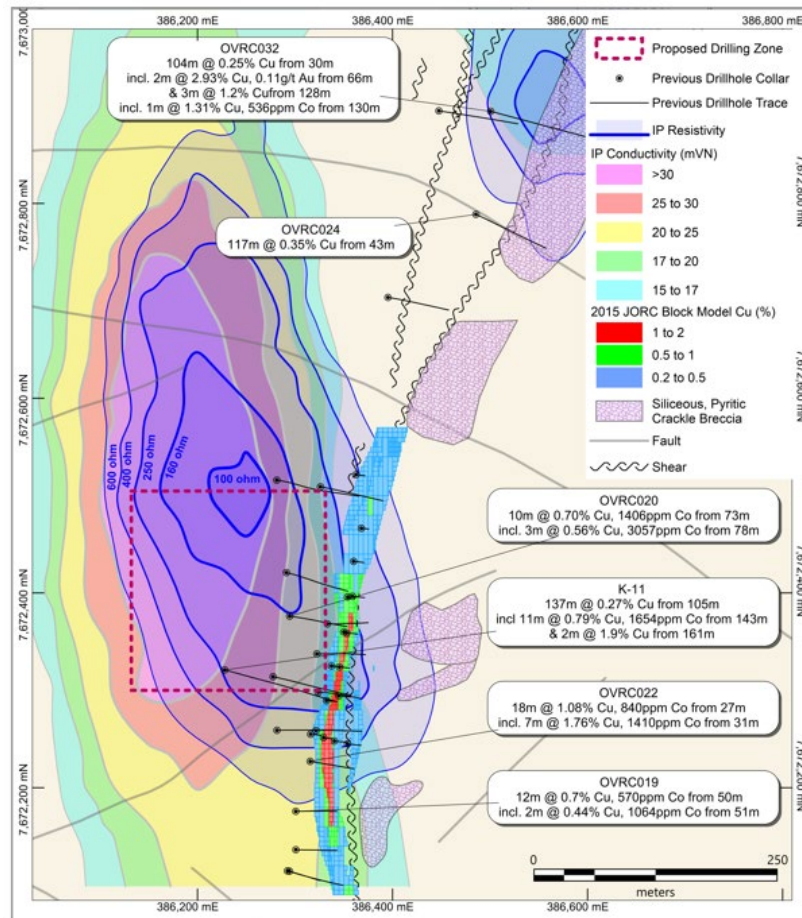


Figure 5. Plan view of the Overlander South JORC Resource and the accompanying IP conductivity anomaly.
See ASX announcements dated 5 June 2015 and 26 August 2015.

Kalman Cu-Au-Mo-Re Deposit

Four RC holes for a total of 776m were drilled in a poorly tested area at the northern end of the deposit. The successful delineation of near-surface mineralisation in this area has potential to materially upgrade the Kalman resource. Hammer has identified zones for further drilling, targeting this lode along strike and at depth (refer ASX announcement 15 February 2022).

Significant intercepts from the recent drilling include:

- 9m **Error! Bookmark not defined.** at 0.65% Cu, 0.23% Mo, 0.27g/t Au, 12.0g/t Ag, and 4.8g/t Re (1.74% CuEq²) from 41m in K-142;
- 64m¹ at 0.23% Cu, 0.12% Mo, 0.10g/t Au, 3.0g/t Ag, and 2.6g/t Re (0.75% CuEq²) from 67m in K-143;
 - Including 16m¹ at 0.19% Cu, 0.34% Mo, 0.08g/t Au, 8.84g/t Ag, and 8.59g/t Re (1.71% CuEq²) from 114m in including 4m* at 0.66% Mo and 20.78g/t Re from 125m.
- 50m¹ at 0.63% Cu, 0.01% Mo, 0.49g/t Au, 0.5g/t Ag, and 0.1g/t Re (0.79g/t CuEq²) from 20m in K-144;
 - including 16m¹ at 1.38% Cu, 0.01% Mo, 0.84g/t Au, 0.62g/t Ag, and 0.04g/t Re (1.59% CuEq²) from 43m and 1m at 7.3g/t Au from 47m;
- 22m¹ at 0.82% Cu, 0.03% Mo, 0.37g/t Au, 0.8g/t Ag, and 0.63%Re (1.0% CuEq²) from 99m in K-145;
 - Including 8m¹ at 1.41% Cu, 0.08% Mo, 0.75g/t Au, 1.5g/t Ag, and 1.7g/t Re (1.88% CuEq²) from 99m; and

- 6m¹ at 0.4g/t Au, 1.3g/t Ag, 1.13% Cu, 0.13% Mo and 2.71g/t Re (1.73% CuEq²) from 161m in K-145.

Mineralisation intercepted at 99m in hole K-145 represents an extension of a mineralised lode approximately 100m to the north of the existing JORC resource blocks. Future drilling will aim to extend this zone of mineralisation which remains open at depth and to the north (Figure 6).

Similarly, a broad zone of mineralisation intercepted in hole K-144 potentially indicates the amalgamation of two interpreted mineral lenses (Figure 6). The previous resource model also constrained the eastern zone of mineralisation at depth below hole K-144. This also represents a zone for further resource definition at a shallow depth which would be amenable to future open pit mining.

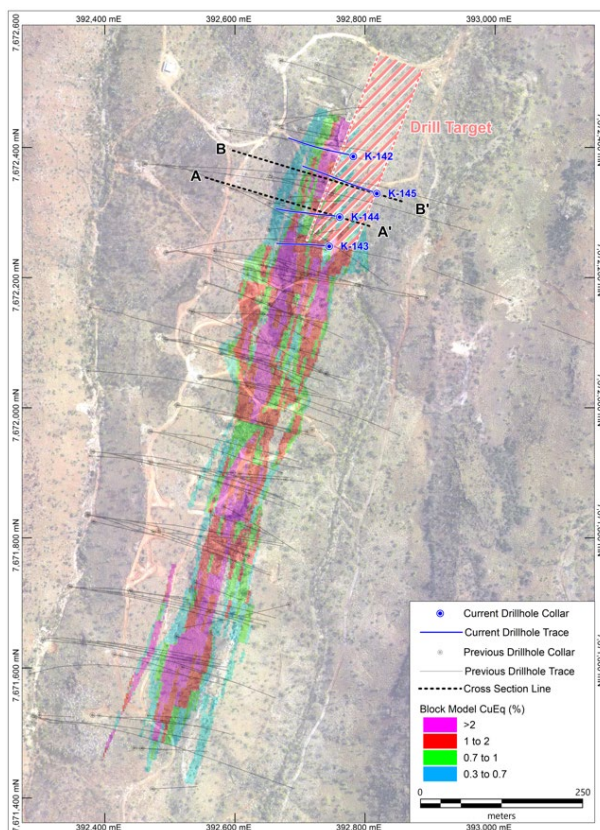


Figure 6. Plan view of the Kalman Deposit showing the current resource model, location of K-142 through K-145 and the eastern target zone.

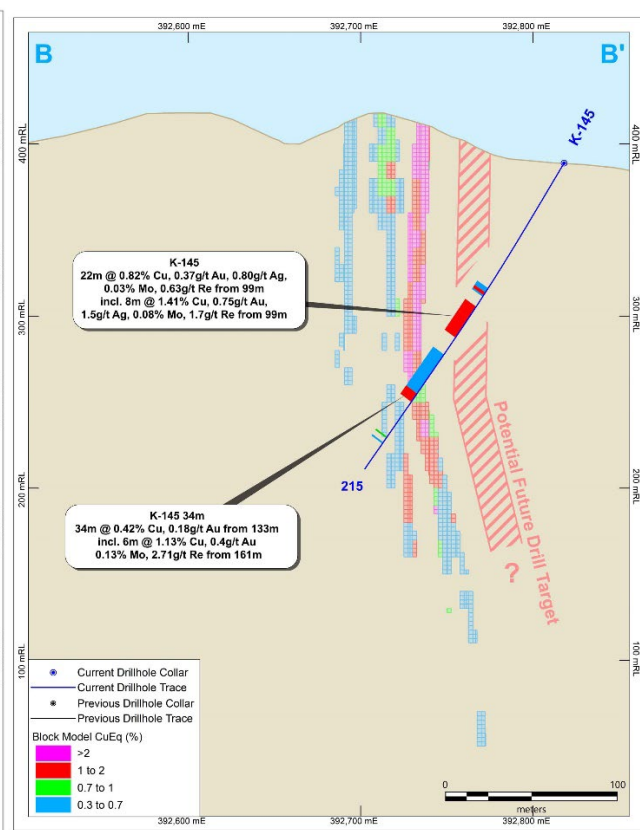


Figure 7. Section through K-145 with high grade intercept outside of the current JORC Resource Model.

Next Steps at Kalman

The Kalman polymetallic deposit is well-placed as a source of what are termed “New Economy Metals”. Apart from the increase in copper usage due to electrification, the potential adoption of new battery technologies utilising metals such as molybdenum is increasing the attractiveness of Kalman’s metal suite.

Furthermore, rhenium is emerging as a possible alternate to PGM’s given its superior electrochemical properties and lower costs.³

³ New technology advancements include studies to investigate the potential addition of molybdenum to boost lithium battery performance and the use of rhenium as a catalyst in the production of green hydrogen

Current copper (US\$10,220/t) and molybdenum (US\$44,750/t) price levels present an opportunity to further evaluate potential development options for Kalman and Hammer's other copper deposits at Overlander and Jubilee.

Further work is being commissioned to:

- Add additional JORC resources with extensional drilling;
- Understand the potential opportunities related to ore sorting and metallurgical recoveries; and
- Update previous mining scenarios to determine potential mining scenarios and associated cut-off grades.

Recent drilling highlights the potential to expand the Kalman resource near surface adding to the project's potential economic returns. A follow-up drilling program is being designed for the upcoming quarter.

Neptune and Orion

As part of the recent drilling program, three RC holes (760m) were completed at the Sirius, Morning Star and Lady Kate prospects within the Neptune project area. Unfortunately, heavy rain prevented Hammer from testing the Lady Amy target during this program.

Two targets at Orion were tested with 347m of RC drilling. Assays from both targets are expected to be available in early May.

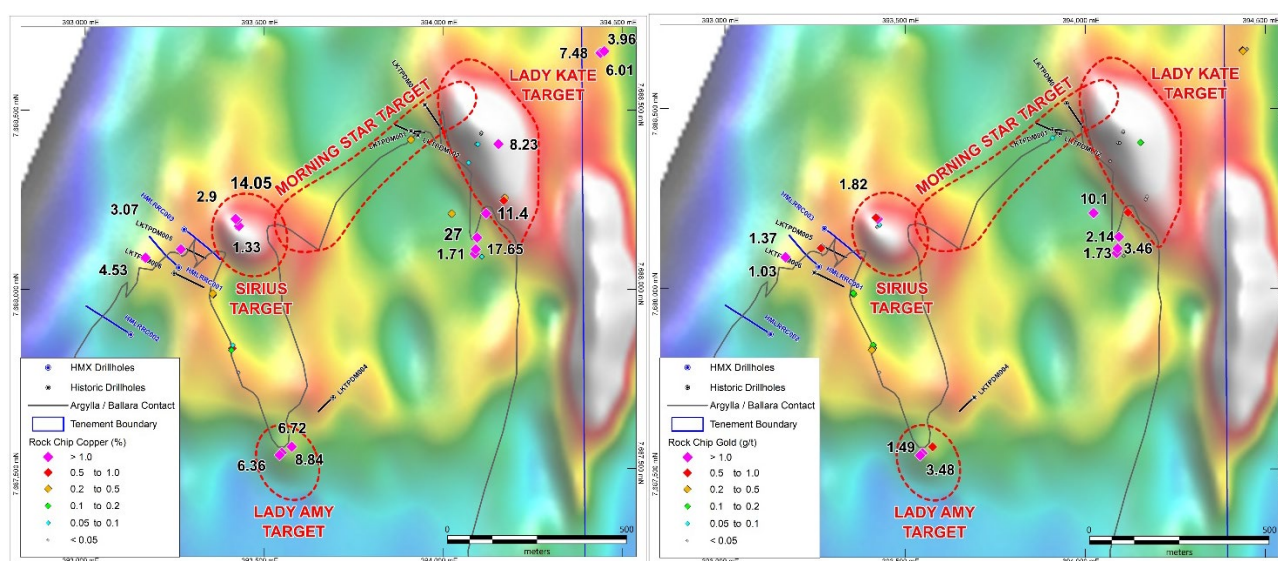


Figure 8. Plan view of the Neptune area with drill targets at Sirius, Morning Star, Lady Kate and Lady Amy

Upcoming Work Program

Hammer Metals has a busy field season planned, with drilling, geophysics and geochemical surveys designed to advance multiple targets across the Mount Isa project area.

An Induced Polarisation program will commence in May at targets including Hammertime, Saint Mungo, Revenue, Saint Andrews and Mount Mascotte.

Future drilling programs on Hammer's 100% owned prospects are being planned for the Kalman deposit, Lady Amy and the Ajax trend.

New targets are continuing to be progressively generated from the ongoing geochemical and geophysical surveys. Additionally, Hammer is reviewing the deep magnetic and gravity features below Cambrian Georgina Basin cover immediately to the north of the RTX's Devoncourt IOCG project.

Mount Isa East Joint Venture (Sumitomo Metal Mining Oceania earning 60%)

Mount Isa East Joint Venture

Trafalgar RC Drilling

Hammer completed a 7-hole 1,151m RC program, testing targets along the immediate Trafalgar trend along strike to the north and south from the historical mining area (see Figure 9).

Significant zones of copper and gold mineralisation were intersected in all holes in the program, highlighting the prospectivity of the Trafalgar trend. Shallow mineralised intercepts were recorded at many of the targets and, in some cases, with broad zones of mineralisation. A number of these targets have been identified for further follow-up with either down-hole EM surveys or additional drilling. Each of the targets is discussed in more detail below (refer to ASX Announcement 4 April 2022).

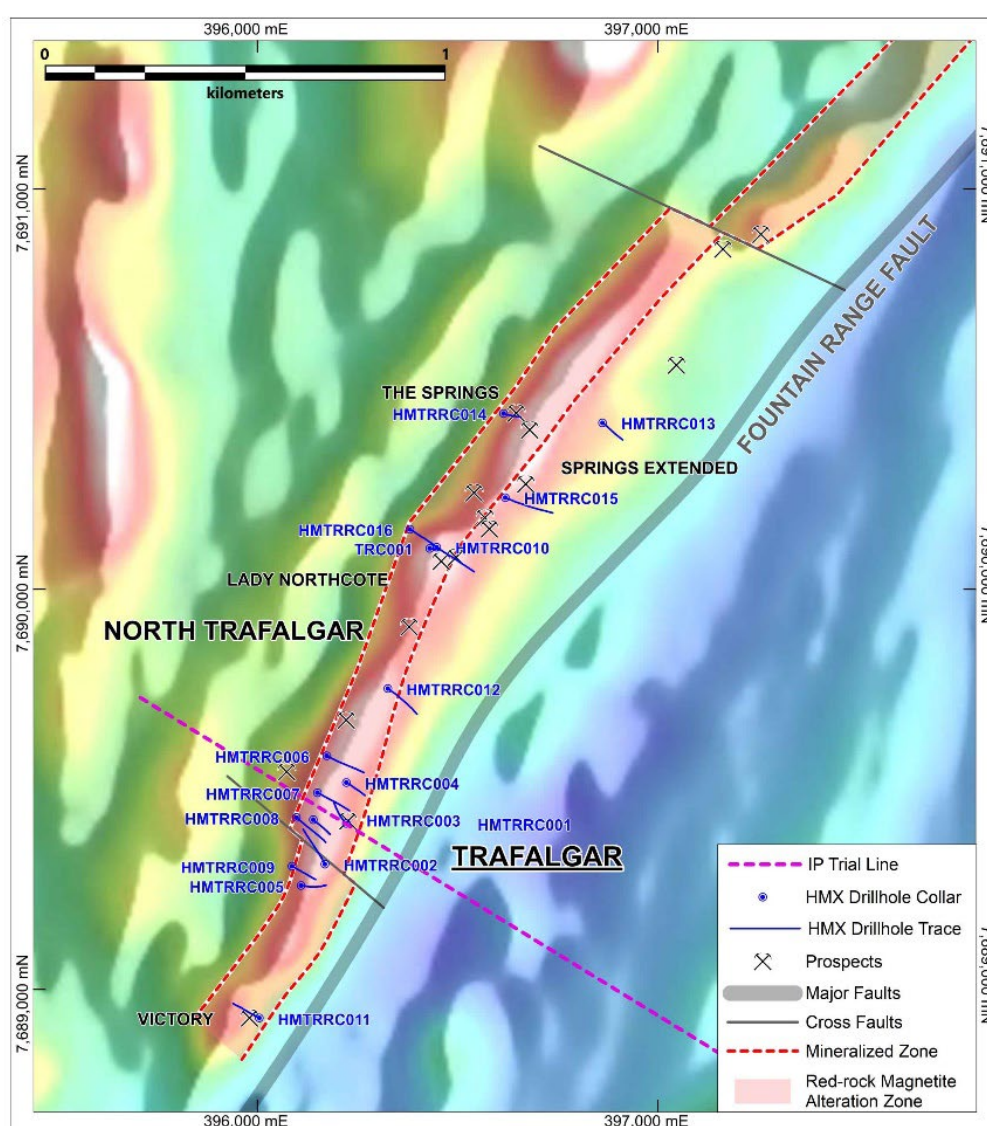


Figure 9. Trafalgar trend drilling and trial IP line location.

Victory

The Victory target, which is located at the southern end of the Trafalgar trend, encompasses a historical small-scale shaft and associated workings on surface. Drilling at this prospect encountered a broad low-grade intersection with two higher grade mineralised lenses with results including:

- **40m at 0.34% Cu and 0.1g/t Au from 47m in HMTRRC0011, including:**
 - **2m at 1.34% Cu and 0.45g/t Au from 47m; and**
 - **3m at 1.66% Cu and 0.5g/t Au from 55m.**

The drill-hole was cased with PVC pipe in preparation for a down-hole EM survey planned for the upcoming quarter.

Springs Extended

Two RC holes (HMTRRC0013 and HMTRRC0015) were drilled 300m apart at the Springs Extended target approximately 800m north of Trafalgar. The target zone, discovered by Hammer Metals, is characterised by the presence of multiple copper mineralised surfaces over a width of up to 70m and a strike length of over 300m, open to the north.

Significant results include:

- **18m at 0.73%Cu and 0.25g/t Au from 44m in HMTRRC0015, including:**
 - **4m at 2.12%Cu and 0.64g/t Au from 55m; and**
- **45m at 0.33% Cu, 0.06g/t Au from 40m in HMTRRC0013 including:**
 - **5m at 1.36% Cu and 0.17g/t Au from 78m.**

HMTRRC013 has been cased with PVC piping to enable a future down-hole EM survey to be completed. Further drilling is planned.

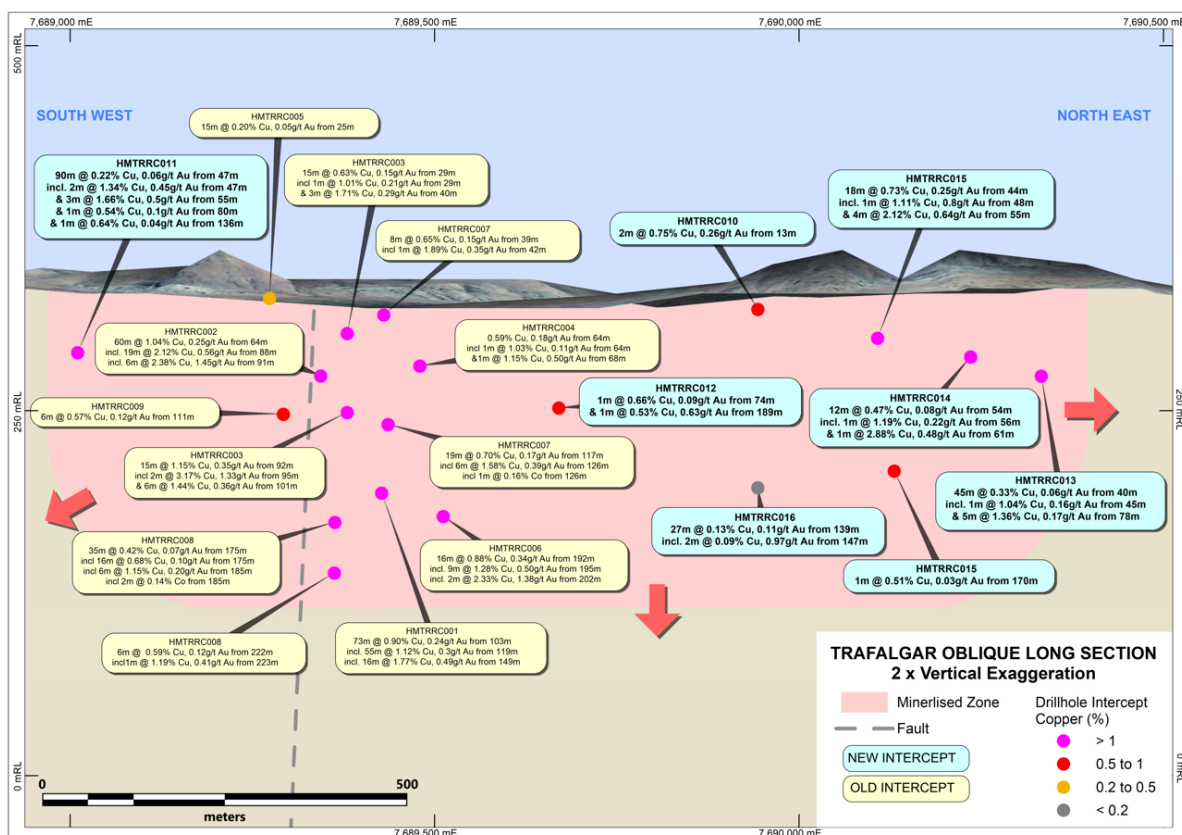


Figure 10. Trafalgar Long Section.

The Springs

One RC hole was drilled beneath one of the former shafts. The recorded mineralisation included:

- **12m at 0.47% Cu and 0.08g/t Au from 54 in HMTRRC0014, including:**
 - **1m at 2.88% Cu and 0.48g/t Au from 61m; and**
 - **1m at 1.19% Cu and 0.22g/t Au from 56m.**

A further test of the mineralised zone will be considered in future drilling programs.

Lady Northcote

The Lady Northcote prospect is the first group of significant workings located to the north-east of Trafalgar. It lies at the southern end of a series of copper prospects including Ivanhoe, The Springs, Springs Extended and several unnamed workings.

The two RC holes drilled at Lady Northcote returned intercepts including:

- **7m at 0.42% Cu and 0.13g/t from 11m; and**
- **4m at 0.49% Cu and 0.1g/t Au from 49m in HMTRRC0010;**
- **15m at 0.11% Cu and 0.02g/t Au from 57m; and**
- **2m at 0.97g/t Au from 147m in HMTRRC0016.**

Induced Polarisation Trial Lines

A trial two-dimensional IP survey was completed to examine the chargeable response of mineralisation at Trafalgar and the Shadow trend. A single line was conducted at Trafalgar across HMTRRC001 and a second line at Shadow across HMSHDD001. (see Figures 11 and 12).

The Trafalgar line clearly picked up a chargeable and conductive feature associated with mineralisation. The Shadow line response was more enigmatic with two deeper chargeable responses identified below the depth of the Joint Venture drilling. The first drill hole at shadow (HMSHDD001), which intercepted 83m @ 0.13% Cu from 81m (See ASX Announcement 7 September 2020), appears to be located on the edge of a zone of higher chargeability.

The Joint Venture is assessing these results with a view to possibly undertaking a more strike extensive survey at both areas during the current field season.

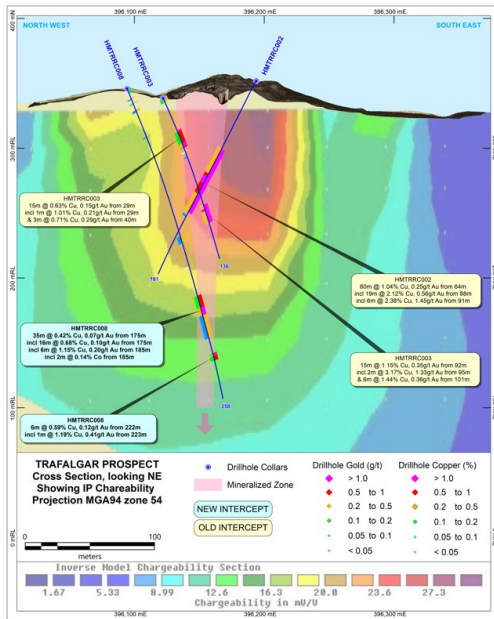


Figure 11. Induced Polarisation Survey - Chargeability response across Trafalgar deposit.

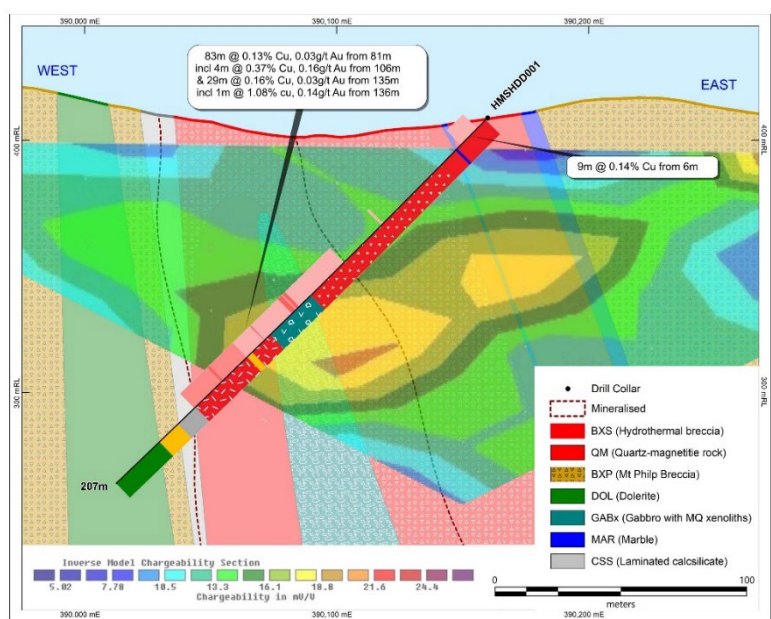


Figure 12. Induced Polarisation Survey – Chargeability response with interpreted geology at Shadow.

Shadow North Soil Survey

Shadow North is located approximately 2.5km north of Shadow. In-fill soil sampling was conducted to better define an elevated gold response on the eastern side of the Mt Philp Hematite Deposit (refer ASX announcement 2 March 2022). The peak individual gold response in the infill survey was 500ppb with multiple sites showing plus 50ppb gold responses. Multiple copper and gold anomalies have been defined by this survey and ground review will initially focus on Targets 5, 9 and 7. The Joint Venture is evaluating this target zone as a possible Tick Hill analogue (see Figure 13).

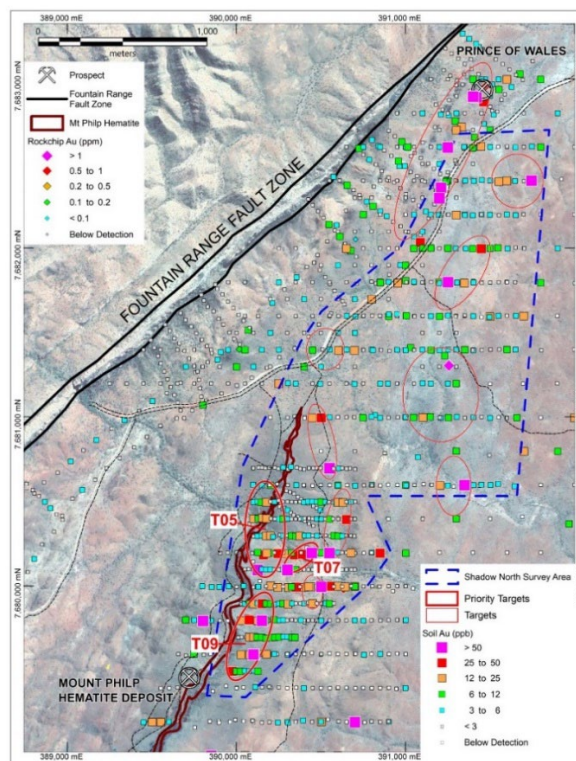


Figure 13 : Plan view showing the location of the Shadow North soil survey.

Fountain Range Soil Survey

The Fountain Range soil survey area is located on the eastern side of the large-scale Fountain Range Fault Zone. The fault zone is expressed as a steep siliceous ridge indicating that large volumes of hydrothermal fluid moved through the fault zone (refer ASX announcement 2 March 2022).

Initial slope-break partial leach sampling was conducted along the ridge in 2021, with follow-up spur soil sampling conducted in prospective areas in late 2021. The sampling defined several anomalous zones. In the short term work will focus on the Prince of Wales prospect and target T-01.

Target T-01 delivered the peak individual copper and gold responses for the survey, with grades of 130ppb Au and 0.43% Cu reported. Ground review will be undertaken in the coming weeks with a view to developing both the Prince of Wales Prospect and target T-01 into drill targets during the 2022 field season (see Figure 14).

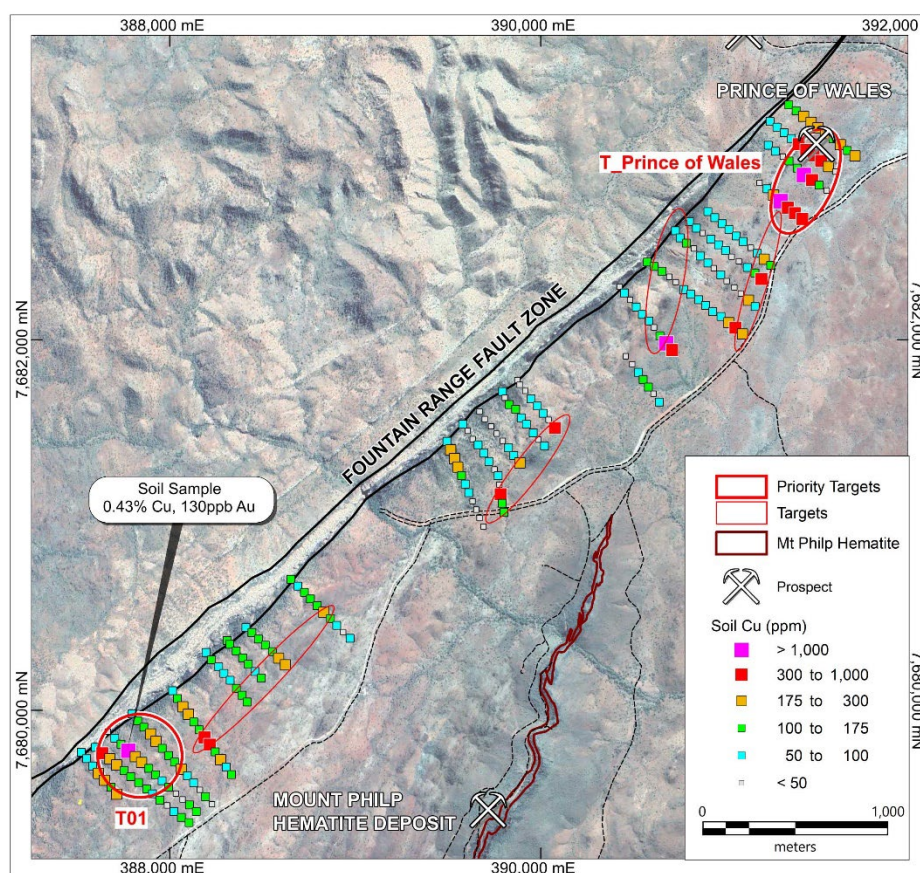


Figure 14. Plan view showing the location of the Fountain Range soil survey. T-01 Shadow North soil survey.

Dronfield Soil Survey

The Dronfield soil survey was conducted over an area located on the eastern side of the Pilgrim Fault Zone, 17km south of the Kalman Au-Cu-Mo-Re Deposit (refer ASX announcement 2 March 2022). The survey area is marginal to the Williams-aged Wimberu granite. Within the Isa block, granites of this age and chemistry have genetic links to IOCG deposits such as Ernest Henry. Multiple targets were defined from this survey, with Target 6 the highest priority. As with the Shadow North and Fountain Range anomalies, these areas are flagged for immediate follow-up.

Current and Upcoming Work Programs

A diamond drilling program is currently in progress at Trafalgar and Mount Philip. Other activities across the Joint Venture also continue with extensive soil surveys to be undertaken on the Trafalgar trend both the north and south of Trafalgar and at Dronfield and Malbon. Down-hole and fixed-loop EM programs are also underway with IP surveys expected to commence in May with multiple targets to be tested along the Trafalgar and Shadow trends.

Trafalgar Diamond Drilling

Diamond drilling at Trafalgar will gather more information by delineating structure and mineralisation relationships. This information will be factored into the design of the drill programs for a more extensive follow-up drilling program planned for later in the year.

Mount Philp IOCG Target – CEI Grant

The Mt Isa East Joint Venture was awarded a CEI grant from the Queensland government to conduct drilling of a 500m diamond drill hole beneath the Mt Philp Hematite Deposit. The grant will enable the Joint Venture to test the hypothesis that the Mt Philp Hematite Deposit is the exposed upper portion of a large-scale IOCG system. The drilling aims to intersect a transition zone between hematite and magnetite which would also be prospective for sulphide accumulation. It is envisaged that this work will be conducted in April-May (see Figure 15).

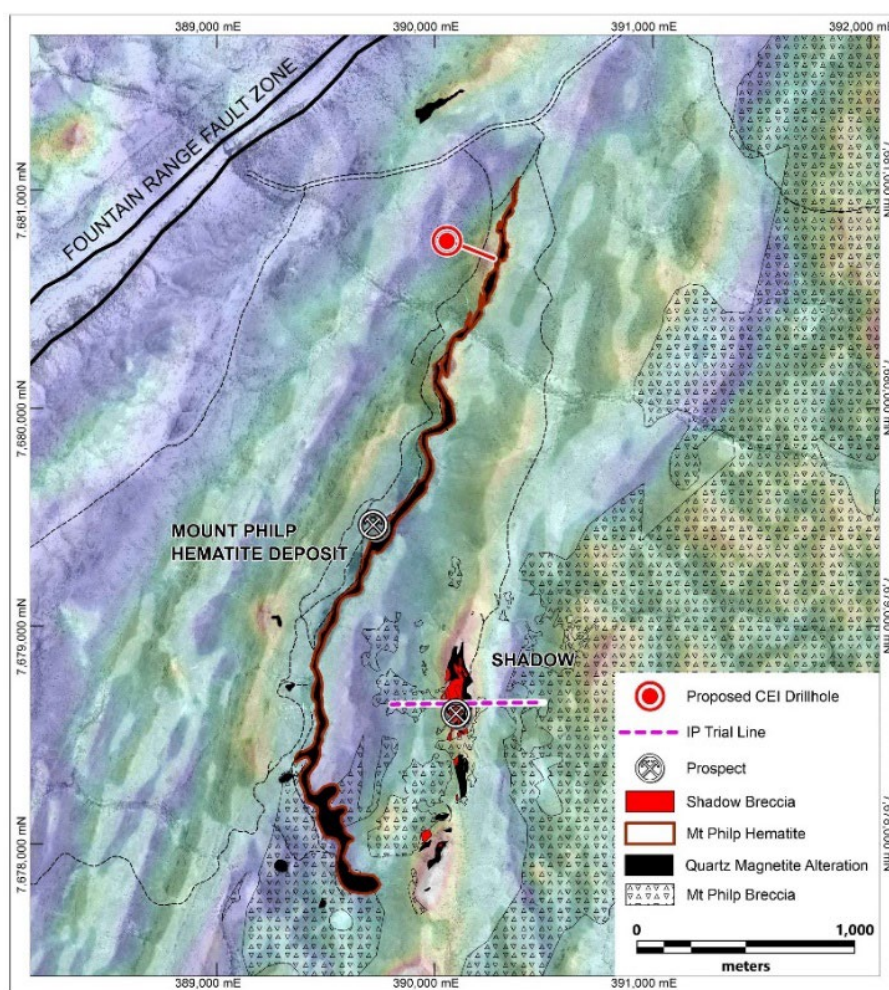


Figure 15. Mt Philp and Shadow region showing the location of the CEI hole and trial IP line

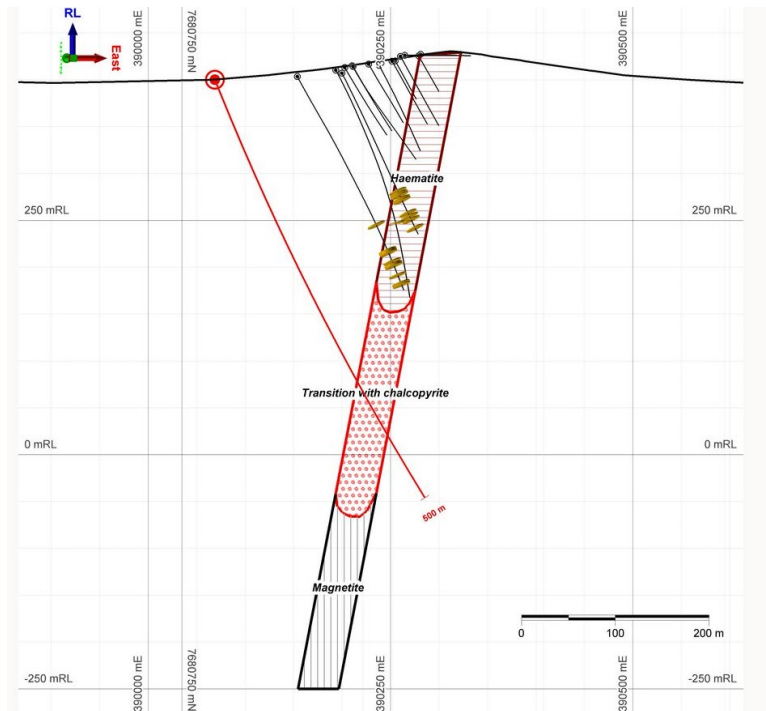


Figure 15. North facing cross section showing the mineralisation model for IOCG mineralisation beneath the Mt Philp Hematite Deposit.

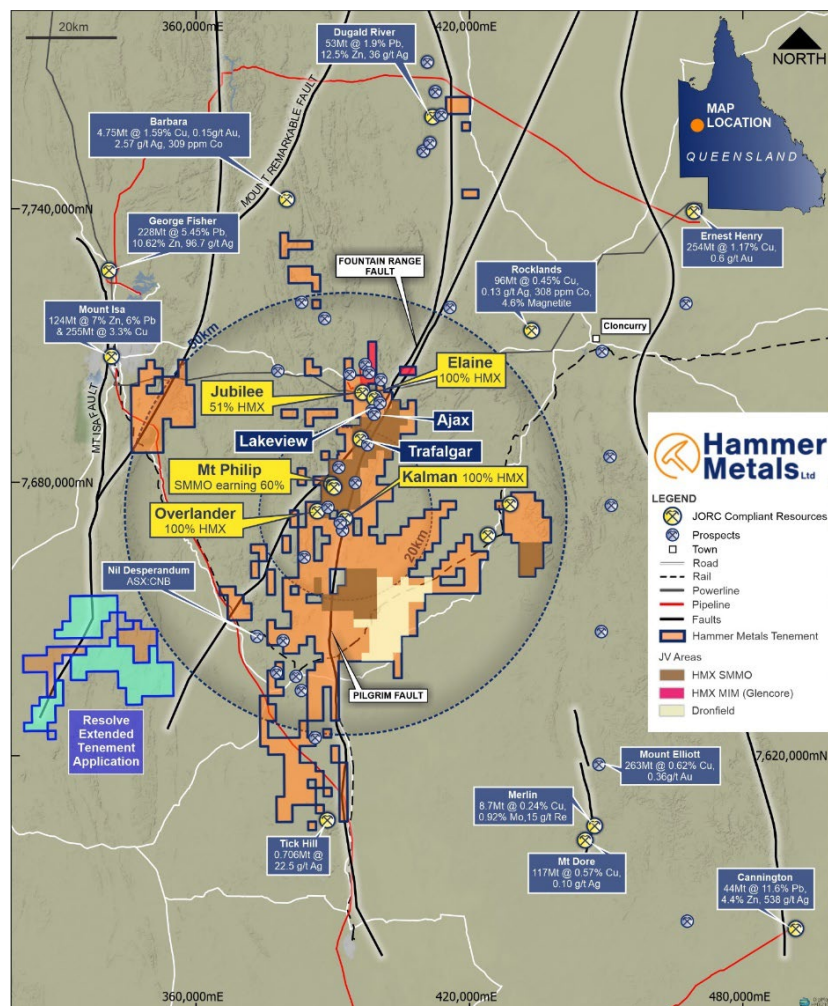


Figure 17: Mt Isa Project Area

YANDAL GOLD PROJECTS (100% Hammer)

North Yandal Soil Surveys

An extensive soil geochemical program has been completed on Hammer's tenements in the Bronzewing North and Ken's Bore project region. A total of 3,547 samples were taken with a mixture of -2mm soils and minus 80 mesh samples being submitted to the laboratory for a combination of total and partial leach geochemical analysis.

The Bronzewing North sampling (1917 samples) was conducted in the vicinity of Northern Star's Ramone, Gourdis and Julius Deposits in addition to testing prospective stratigraphy along strike from the Strickland Metals' Millrose deposit. (Figures 18). At Ken's Bore, 973 samples were taken across the prospective granite unit with a further 657 samples across prospective granite units to the north of the project area.

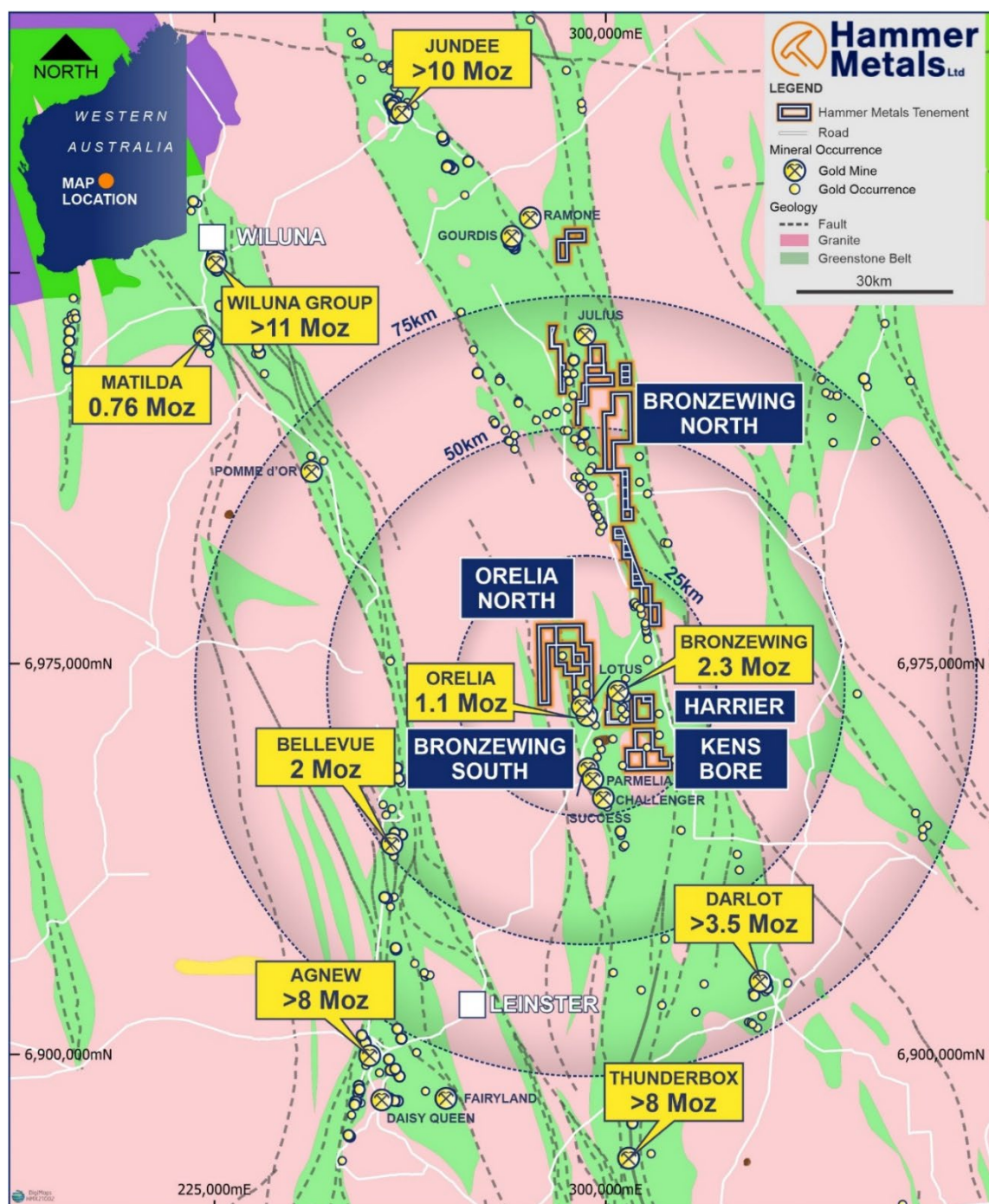


Figure 18. Hammer Metals Bronzewing South Project Area.

Upcoming Work

An air-core program is scheduled to commence in the second half of 2022 testing geochemical soil anomalies identified at Harrier, Bower and Gummow. Results from the North Yandal soil programs are also likely to generate several prospective targets which may be further evaluated within this air core program.

The Harrier and Bower project areas are located 1km to the east of Hammer's Bronzewing South tenement, and within 3km of the former Bronzewing Gold mine. Given the proximity of the tenements to the former mine, it remains lightly explored.

At Bower in the north, a 225ppb gold soil anomaly is present coincident with a reported eastern nugget patch over a 600m strike length. An anomalous zone with value up to 80ppb is present at the southern end of a western nugget patch (Figure 19). At Harrier to the south of the tenement, a coherent anomaly with a strike length of 1.3km and a width of 250m is evident with a maximum soil result of 41ppb Au. The anomaly correlates well with a reported gold nugget trend on the tenure and the anomaly remains open to the north and the south. Hammer anticipates testing these anomalies with an air-core program later this year (see ASX announcement 23 December 2021).

Hammer is also considering a future Reverse Circulation drilling program at North Orelia Target 1 with the aim of following up the gold intercept in hole BWSRC028 of **4m at 6.3g/t Au from 77m** (See ASX Announcement 9 November 2020). While several other intercepts were recorded in air-core and drilling within the weathered regolith, this intercept represents the most significant result in fresh rock. This intercept has not been tested to the north and remains open at depth.

Intercepts in the central zone at Target 1 and in the weathered regolith provide an opportunity for the definition of a shallow oxide gold resource (see Figure 20).

Historical intercepts in this zone include:

- **8m at 4.2g/t Au from 20m** in BWSRC0025 including **1m at 27.1g/t** from 26m;
- **5m at 3.5g/t Au from 25m** in BWSRC0026 including: **1m at 16.6g/t** from 25m;
- **4m at 5.8g/t from 40m** in BWSAC0434; and
- **10m at 1.82g/at from 9m** in BWSAC0121 including **3m at 5.8g/t from 12m**

(See ASX announcement 9 November 2020)

A drilling program is currently being designed with a view to commencing in the third quarter of 2022.

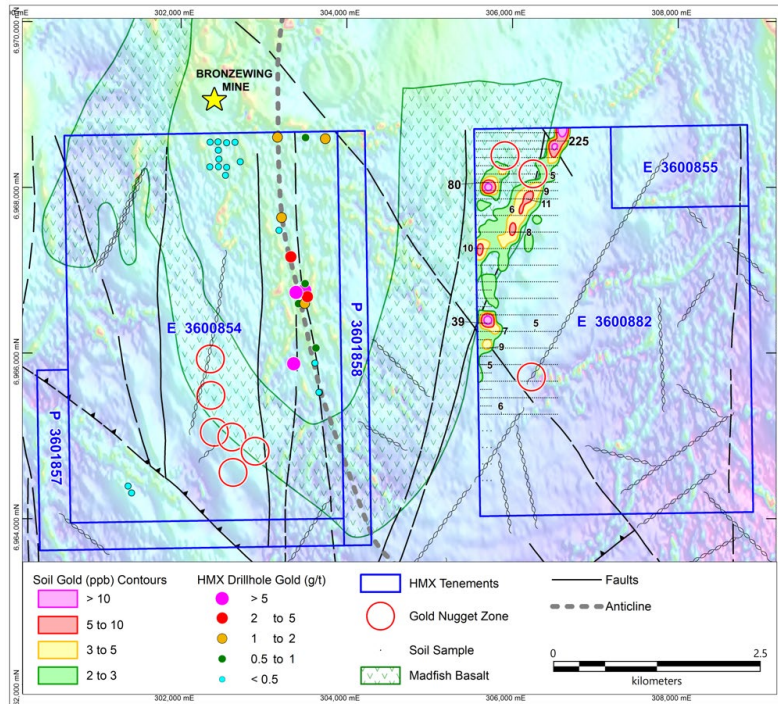


Figure 19. Harrier and Bower soil survey results.

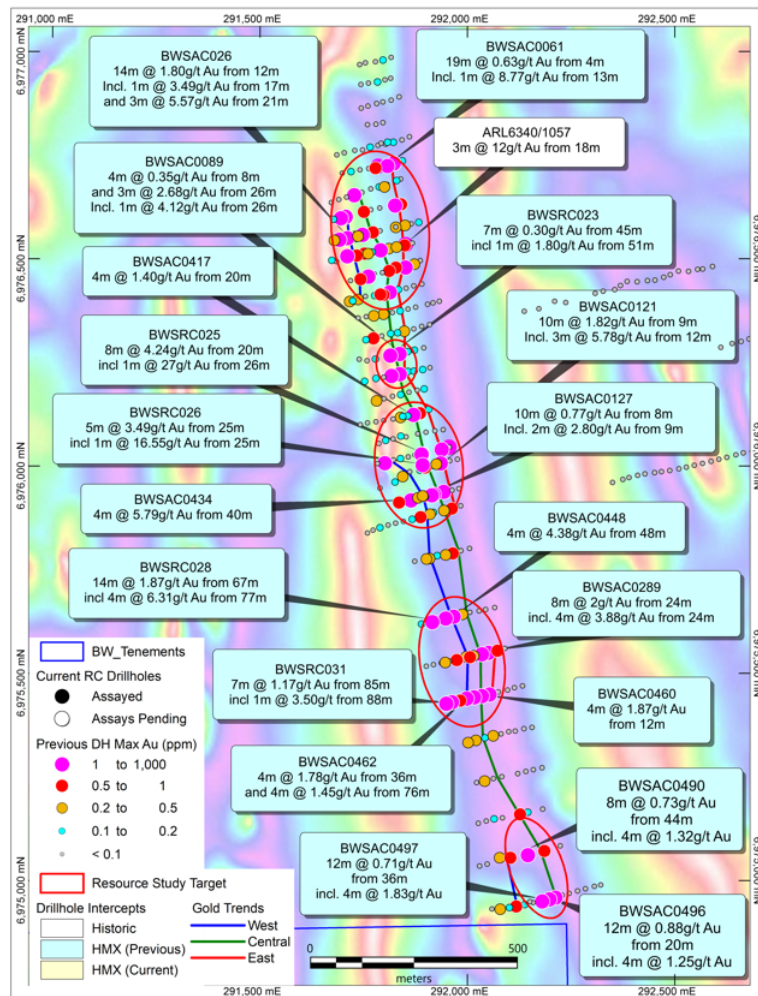


Figure 20. Orelia Target 1 South – Resource Study Targets (refer ASX announcement 9 November 2020).

CORPORATE

Hammer's cash balance at 31 March 2022 was \$6.4 million including \$0.22 million held in Joint Venture expenditure accounts.

In accordance with the reporting requirements of ASX Listing Rule 5.3, the Company incurred \$1,753,000 (comprised of \$1,377,000 costs attributable directly to the Company and \$376,000 of costs incurred on behalf of JV partners) on exploration and evaluation activities during the quarter. There was no mining development or production activities conducted during the quarter.

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;
- Geochemical surveys at the Yandal gold project;
- Technical consulting services; and
- General fieldwork including rehabilitation work.

Hammer has completed and submitted a claim for a refund relating to the Research and Development activities completed by the company during the previous financial year.

Hammer estimates that it will receive an R&D expenditure refund of \$645,000. These funds are expected to be returned to Hammer during the second quarter.

In addition, during the quarter, related party payments totalling \$73,000 were paid to the Directors of the company, representing Directors' salary and fees for the period.

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 2100km² 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.

Appendix A. Notes on Recovered Copper Equivalent Calculation

Copper equivalent (CuEq) grades were calculated from downhole assays for Cu, Au, Ag, Mo and Re. The CuEq calculation is based on commodity process and metallurgical recovery assumptions as detailed in this release. Prices agreed to by Hammer reflected the market as of early February 2022 and forward-looking forecasts provided by consensus analysis, these prices have not varied significantly. Metal prices provided are:

CuEq Price Assumptions are: Cu: US\$9,578/t; Au: US\$1800/oz; Ag: US\$22.88/oz; Mo: US\$20.30/lb; and Re: US\$1,600/kg

The recovered CuEq equation is: $CuEq = (Cu \times 0.86) + (0.6042118 \times Au \times 0.74) + (0.0076808 \times Ag \times 0.74) + (4.671895 \times Mo \times 0.86) + (0.01670 \times Re \times 0.77)$

Assumed Metallurgical Recoveries

Based on the testing completed and the current understanding of the material characteristics it has been assumed that the Kalman material can be processed using a “typical” concentrator process flowsheet. The mass balance and stage metallurgical recovery of the four major elements were based on the metallurgical test results from the molybdenum zone sample and benchmarks. The final overall recovery (table below) was established from the mass balance and benchmarked against other operations and projects.

It is the company’s opinion that the metals used in the metal equivalent equation have reasonable potential for recovery and sale based on based on metallurgical recoveries in floatation test work undertaken to date. There are a number of well-established processing routes for copper-molybdenum deposits and the sale of the resulting copper and molybdenum concentrates.

Molybdenum concentrates with rhenium require roasting to capture the rhenium from the process off-gas. There are several offshore facilities that process molybdenum concentrates.

Because of the relatively small market for Re there is limited public information available for the payments of credits for rhenium. Enquiries by the company provides the company with sufficient confidence to believe that a credit for the rhenium content of the molybdenum concentrate can be obtained.

Table 3: Assumed Metallurgical Recoveries

Process Stage	Molybdenum Recovery (%)	Rhenium Recovery (%)	Copper Recovery (%)	Gold Recovery (%)	Silver Recovery (%) *
Bulk Rougher	95	86	95	82	82
Overall	86	77	86	74	74
* - No Data available for Silver recoveries so they have been assumed similar to Gold recoveries					

Appendix B. Tenement Interests at the end of March 2022 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	Application	100%	Yes	
	EPM 28285	Application	100%	Yes	Application made during quarter

PROJECT	TENEMENT	STATUS	INTEREST %	ACQUIRED DURING QUARTER	COMMENT
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	Granted during Quarter
	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 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(45)	(138)
	(e) administration and corporate costs	(114)	(486)
1.3	Dividends received (see note 3)		
1.4	Interest received		
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	(159)	(624)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	(5)
	(d) exploration & evaluation	(1,377)	(3,204)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements	-	325
	(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)		
	- Miscellaneous	1	4
	- Reimbursement of exploration costs by JV partners	4	30
	- Cash calls received from JV partners	250	625
	- Exploration expenditure on behalf of JV partners	(376)	(965)
2.6	Net cash from / (used in) investing activities	(1,498)	(3,190)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	150
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	(9)	(27)
	- Share capital oversubscriptions refunded	-	(14)
3.10	Net cash from / (used in) financing activities	(9)	109

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	8,030	10,069
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(159)	(624)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,498)	(3,190)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	109
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,364	6,364

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	6,123	7,879
5.2	Call deposits	22	22
5.3	Bank overdrafts	-	-
5.4	Other – Balance of JV bank accounts	219	129
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,364	8,030

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	39
6.2	Aggregate amount of payments to related parties and their associates included in item 2	34

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.

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)	(159)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,377)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,536)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,364
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,364
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.14
<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:26 April 2022.....

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.