

ASX RELEASE

27 June 2024

DIRECTORS / MANAGEMENT

Russell Davis

Chairman

Daniel Thomas

Managing Director

James Croser

Non-Executive Director

David Church

Non-Executive Director

Mark Pitts

Company Secretary

Mark Whittle

Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (26/06/2024)	\$0.034
Shares on Issue	886m
Market Cap	\$30m
Options Unlisted	23.1m
Performance Rights	12m
Cash (31/3/2024)*	\$1.5m

*Does not include \$5.3million in funds received subsequent to the last quarter (See ASX Announcement 21 May 2024)

HAMMER EXECUTES JOINT EXPLORATION AGREEMENT WITH SUMITOMO METAL MINING OCEANIA TO TARGET IOCG DISCOVERIES

Sumitomo Metal Mining to earn-into the Bullrush Project in NW Queensland, with a focus on targeting large-scale iron oxide copper-gold (IOCG) deposits

- Joint Exploration Agreement executed with Sumitomo Metal Mining Oceania Pty Ltd (SMMO), a wholly-owned subsidiary of Sumitomo Metal Mining Co. Ltd (SMM), **providing SMMO with the opportunity to earn up to an 80% interest in Hammer Metals' Bullrush Project in North-West Queensland (Project).**
- The Bullrush Project covers sections of the Williams-aged Wimberu Granite, comprising ~87km² of Hammer's broader 2,800km² Mount Isa Project.
- The Bullrush Project **has geophysical signatures that are suggestive of IOCG mineralisation** beneath cover varying between 80m to 250m in thickness.
- **SMMO has made an initial minimum commitment to complete a 2,000m drilling program within 12 months**, followed by subsequent investment decisions by SMMO which may include:
 - The commitment to \$4.5 million of exploration expenditure within four years to earn a 51% interest in the Project; and
 - An additional \$2 million in a further 12-month period to increase SMMO's interest in the Project to 60%.
- Subsequent to this investment, **Hammer can elect to maintain a 40% interest in the project by contributing its pro-rata share of exploration expenditure.**
- **Should Hammer elect not to contribute to its share in expenditure, SMMO has the right to increase its interest in the Project from 60% to 80% by electing to free-carry Hammer to the completion of a Pre-Feasibility Study.**
- Hammer will manage and operate the Joint Exploration Program until the completion of the First-Earn-in Period.

Hammer's Managing Director, Daniel Thomas said:

"We're excited to broaden our relationship with Sumitomo Metal Mining Oceania through a new Joint Exploration Agreement covering the highly prospective Bullrush Iron-Oxide-Copper-Gold Project. We look forward to further strengthening our relationship in the quest for the development of a large-scale copper and gold mine in the Mount Isa district."

"Bullrush features a large coincident gravity and magnetic anomaly under moderate cover with no previous drilling. The nearby Devoncourt Project (<10km) demonstrates that the large Williams age granite intrusion is a fertile host for copper and gold mineralisation of IOCG style. With a commitment to drill this compelling target in the coming year, Hammer and its shareholders have another exciting opportunity to make a breakthrough copper discovery in this world-class metal province."

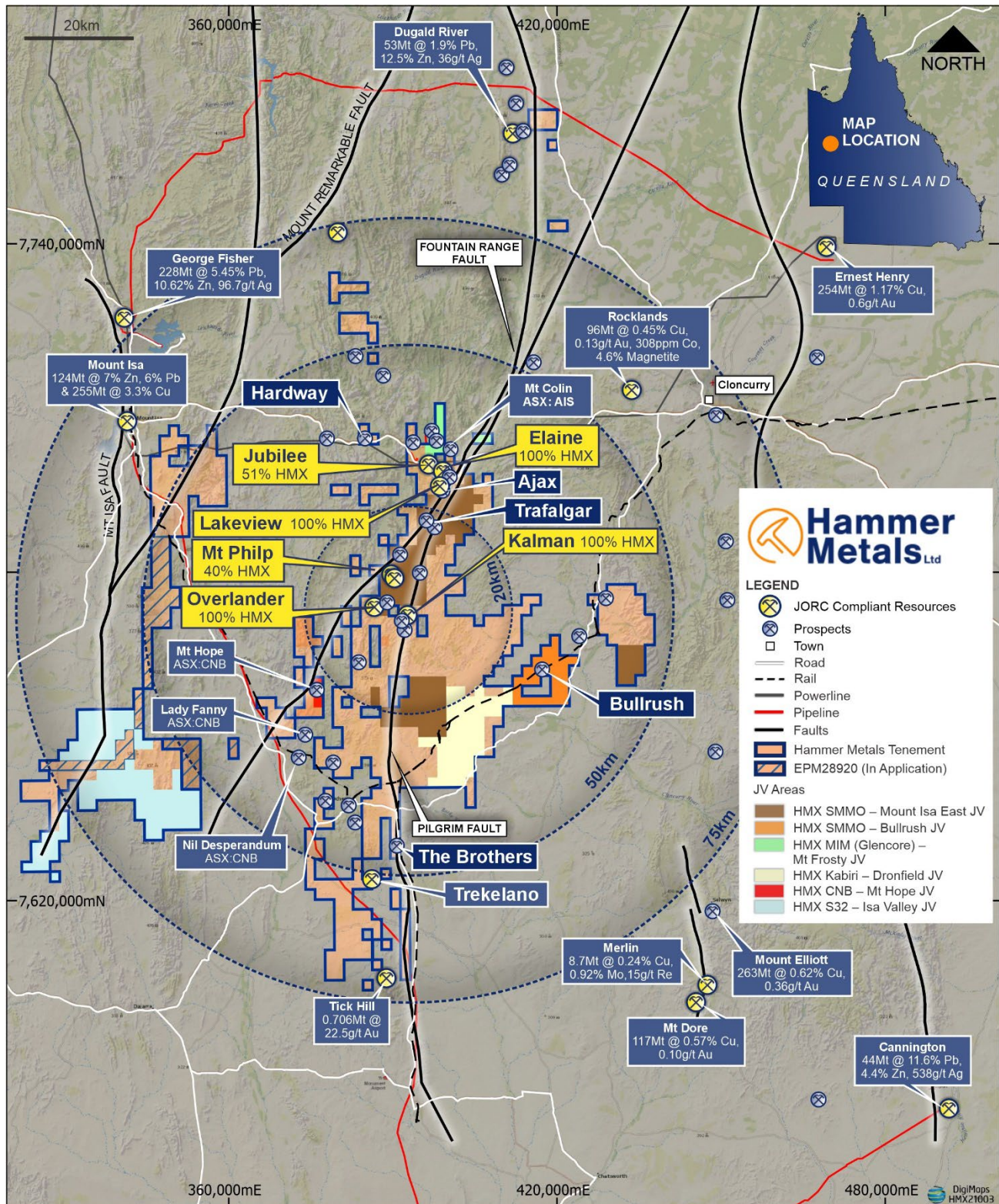


Figure 1: Hammer's Mt Isa Tenements with the Bullrush JV area (shaded orange).

Material Details of the Agreement

- The Joint Exploration Agreement covers 27 sub-blocks within EPM25866, located 90km south-east of Mount Isa and comprising 87km² of Hammer's ~2,800km² Mount Isa Project.
- During the earn-in period, SMMO can achieve up to an 80% interest in the Project Area by free-carrying Hammer to the completion of a Pre-Feasibility Study. The earn-in period is staged as follows, noting that SMMO earns its interest after the completion of the first farm-in period:
 - **Farm-in Fee:** SMMO will pay Hammer \$100,000 within 10 days of entering this agreement, representing a proportion of historical expenditure on this project.
 - **Minimum Commitment:** SMMO must fund an initial 2,000m drilling program, within 12 months.
 - **First Farm-in Period:** At SMMO's election, it can earn a 51% interest by expending \$4.5 million (inclusive of the Minimum Commitment) within a 4-year period.
 - **Second Farm-in Period:** At SMMO's election, SMMO may fund a further \$2,000,000 of exploration expenditure over a one-year period to increase its ownership in the Project to 60%.
 - **Third Farm-in Period:** Upon completion of the Second Farm-in period, Hammer may elect to contribute its pro-rata share of exploration expenditure to maintain a 40% interest in the project. Should Hammer elect to not contribute, SMMO may earn an additional 20% interest in the Joint Venture by sole funding a Pre-Feasibility Study (as defined in the JORC Code 2012 Edition), which considers the feasibility of a Life-of-Mine production scenario of at least 100,000 tonnes of copper equivalent metal. Upon earning such further interest, SMMO shall hold a Joint Venture interest of 80% and Hammer shall hold a Joint Venture interest of 20%.
- Upon completion of the earn-in, each party can elect to contribute to exploration expenditure on a pro-rata basis in accordance with its interest.
- Any party that elects to not contribute to the Joint Venture will be diluted via a standard dilution mechanism with any party diluting to less than a 10% interest, having their ongoing interest in the project convert to a 1.5% Net Smelter Return royalty.
- Hammer has maintained a 100% interest in the 14 northern sub-blocks of EPM25866.

The Bullrush Project

Hammer established tenure over covered portions of the Wimberu Granite to test the magnetically active margins of the multi-phase "Williams-age" intrusive complex. The Company's original exploration activities in this region delivered early promise, with mineralisation identified at Dronfield and Perentie in addition to the prospective alteration zones within the Mount Isa East Joint Venture at Malbon.

Due to the lack of detailed public domain geophysical data available in the Bullrush region, Hammer completed airborne magnetics and ground-based gravity surveys to better delineate blind IOCG targets beneath the Cambrian Georgina Basin cover.

Recent work by Rio Tinto Exploration over the multi-phase Wimberu Granite met with success at the Devoncourt Project, where drilling has demonstrated the presence of a blind IOCG system hosted by a late-stage intrusive breccia body within the Wimberu Intrusive complex.

IOCG deposits all have a genetic and spatial association with intrusive events. Magnetic imaging and drilling by Hammer at Dronfield indicate that the Wimberu Granite is a multi-phase intrusive complex. Late-stage hydrothermal events related to these intrusive phases, given the right conditions, have the potential to form an IOCG deposit (for example such as Olympic Dam). Other companies such as GBM Resources Limited also

intersected copper mineralisation within the Wimberu Complex beneath the Cambrian Georgina Basin. The GBM drilling was conducted 3.5km east of The Brothers prospect. 1

To improve the quality of basic geological information, Hammer undertook 200m line-spaced aeromagnetic and 200m station spaced gravity surveys in the region. Final magnetic and gravity data have been modelled by Southern Geoscience Consultants with the results utilised to estimate depth-to-target modelling. A series of prospective targets have been generated which will now be assessed by the JV parties with a view to drilling in the coming year.

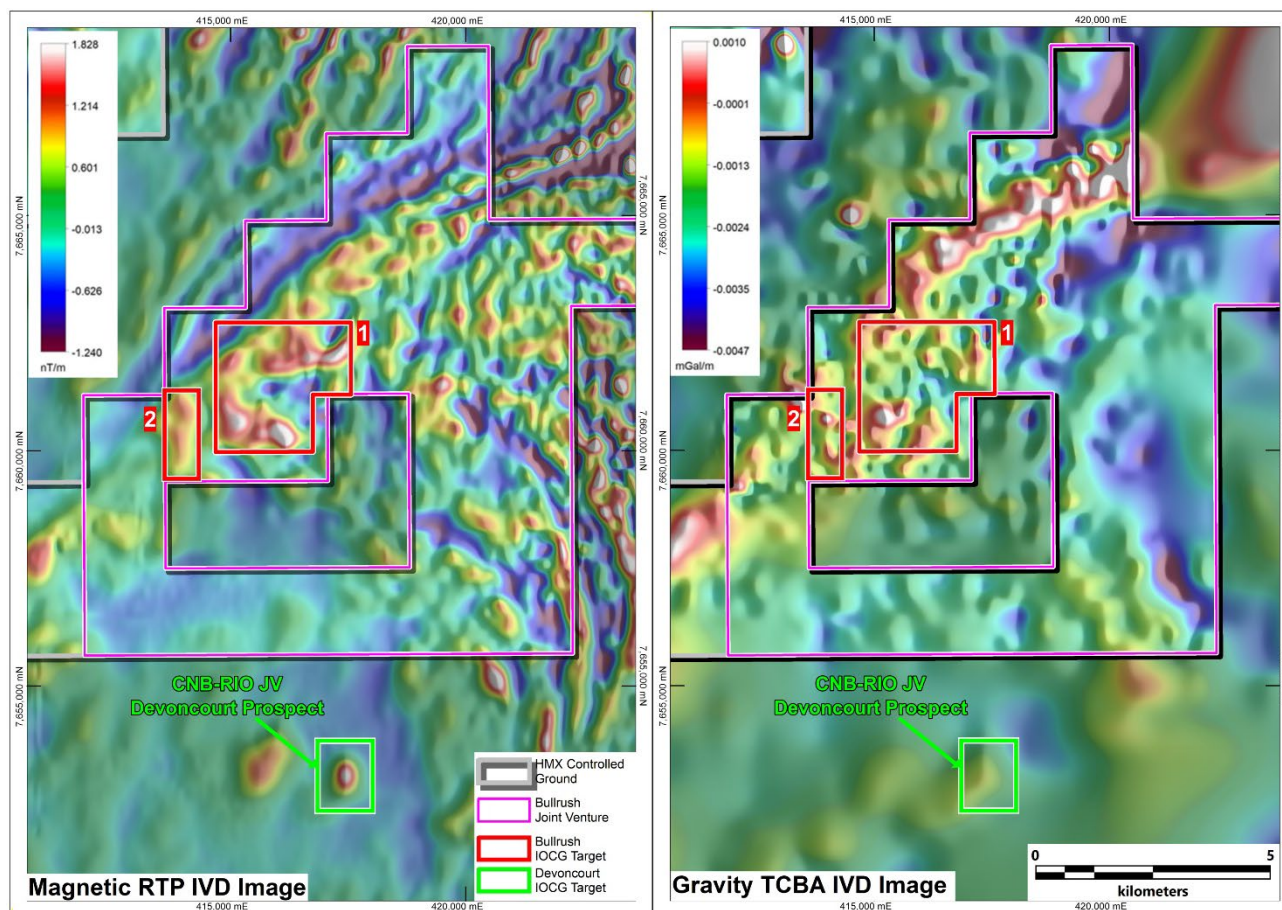


Figure 2. Bullrush Joint Venture area showing the initial target areas
(See ASX Announcement 19 September 2022)

Hammer Metals' Joint Ventures

This earn-in agreement with Sumitomo Metal Mining Oceania represents Hammer's sixth partnership in the region, with an existing joint venture already in place with Sumitomo Metal Mining Oceania (SMMO) and other partnerships with South 32, Mount Isa Mines (Glencore), Carnaby Resources (CNB) and Kabiri Metals Pty Ltd.

Hammer has joint venture interests covering 937km² out of its ~2,800km² position in the Mount Isa region. Hammer has retained a 100% interest in close to 1,900 km² of tenure and a 100% interest in its JORC compliant Mineral Resources at Kalman, Overlander, Elaine and Lakeview.

¹ Information pertaining to the work conducted by GBM Resources Limited can be sourced from Open File report EPM18207, CR92185.

Table 1: Summary of Hammer Joint Ventures within the Mount Isa Project

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

Expected Newsflow

- **June/July** – Hardway diamond drilling program and results
- **June/July** – Yandal air-core drilling program – Sword and Harrier
- **June-August** – Soil sampling programs continue – Kalman South, Tourist Zone, Cambrian Pb/Zn
- **July** – Ionic leach soil sampling program within the Isa Valley Joint Venture
- **July** – Overlander granite soil survey
- **July** – Target 1 North Orelia Gold JORC Resource
- **July** – Hammer Metals Quarterly Report
- **August** – 2024 Diggers and Dealers Conference
- **August/September** – RC Drilling Program Mount Isa

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

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About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,800km² within the Mount Isa mining district, with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits, the Lakeview (Cu-Au) deposit and the Elaine (Cu-Au) deposit. Hammer also has a 51% interest in the Jubilee (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of Ernest Henry style and has a range of prospective targets at various stages of testing. Hammer also holds a 100% interest in the Bronzewing South Gold Project located adjacent to the 2.3 million-ounce Bronzewing gold deposit in the highly endowed Yandal Belt of Western Australia.

About Sumitomo Metal Mining Co. Ltd

Sumitomo Metal Mining Co. Ltd. has over 300 years of mine development and operation. Sumitomo Metal Mining runs the Hishikari Mine (the large gold mine in Japan to continue operating on a commercial scale) while also participating in the development and operation of mines in various locations around the world including: Northparkes (NSW), Sierra Gorda (Chile), Candelaria (Chile), Ojos del Salado (Chile), Quabradra Blanca (Chile), Morenci (USA), and Cerro Verde (Peru).

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 types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Whittle consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.