3 August 2026

RECEIPT OF SUPERIOR PROPOSAL FROM AUSTRAL RESOURCES

Hammer Metals Limited (ASX: HMX) ("**Hammer**") advises that, following its announcement on 7 July 2026 regarding the receipt of an unsolicited, non-binding and indicative proposal from Austral Resources Australia Ltd (ASX: AR1) ("**Austral**"), it has now received a binding proposal from Austral ("**Austral Proposal**").

Austral is an ASX listed copper producer operating in Queensland, Australia. The Austral Proposal, in conjunction with other potential acquisitions which Austral may consider in the future, forms part of Austral's broader consolidation strategy across the Northwest Queensland region. The Austral Proposal is consistent with its stated M&A strategy to be a leader in the consolidation of that region and more specifically to support its existing key processing infrastructure being Rocklands and Mt Kelly.

The Austral Proposal is consistent with the terms previously announced, comprising the proposed acquisition of Hammer by Austral by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) ("**Austral Scheme**") and the proposed demerger of Hammer's Western Australian gold assets held in Carnegie Exploration Pty Limited ("**Carnegie**") via a capital reduction and in-specie distribution to Hammer shareholders ("**Austral Demerger**").

The consideration offered under the Austral Proposal values Hammer at $0.087 per Hammer share or approximately $80.7 million in aggregate[1], comprising:

- 1.2903 Austral shares for each Hammer share held, valued at $0.080 per Hammer share[2]; and
- $0.007 per Hammer share of implied value through shares in Carnegie Exploration Pty Limited or such other corporate entity incorporated by Hammer for the purposes of undertaking the Austral Demerger (**SpinCo**),

(together, the "**Total Consideration**").

Hammer shareholders are expected to have an aggregate ownership of approximately 31.1% of the enlarged Austral[3].

The Total Consideration represents a premium of:

- 50.8% to the implied offer price of $0.058 per Hammer share under the scheme with Larvotto Resources Limited (ASX: LRV) ("**Larvotto**")[4] (refer to the Company's ASX announcement titled "Larvotto Resources to Acquire Hammer Metals" dated 11 June 2026 for further information regarding the scheme with Larvotto ("**Larvotto Scheme**"));
- 31.6% to Hammer's closing share price on 31 July 2026 (being the last close prior to this announcement) of $0.066 per Hammer share;
- 93.1% to Hammer's closing share price on 3 June 2026 (being the last traded close prior to announcement of the Larvotto Scheme) of $0.045 per Hammer share; and

[1] Based on Hammer's fully diluted share capital of approximately 929.3 million, including expected treatment of outstanding options and performance rights under the Austral Proposal.
[2] Based on Austral's last closing price on 31 July 2026 of $0.062 per share.
[3] Post completion of Austral's termination of Anthill Project Agreement (see ASX AR1 announcement "Increased Copper Production on Termination of APA" dated 28 July 2026) and based on Hammer's fully-diluted share capital, including the expected treatment of outstanding options and performance rights. Final pro forma ownership at completion may vary.
[4] Based on Larvotto's closing share price on 31 July 2026 of $1.12 per share.

- 38.8% premium to Hammer's 30-day VWAP up to and including 31 July 2026 of $0.063 per Hammer share.

The Austral Proposal and the scheme implementation deed that would be entered into between Austral and Hammer to consummate the Austral Proposal is otherwise on substantially similar terms to the proposed transaction with Larvotto announced on 11 June 2026, including with respect to conditions precedent, exclusivity arrangements and break fees (including being subject to an independent expert concluding (and continuing to conclude) that the Austral Proposal is in the best interests of Hammer shareholders, the approval of Hammer shareholders and requisite Court approvals). The Austral Proposal is not subject to any financing or due diligence conditions.

Austral has increased the proposed unsecured working capital facility that would be made available to Hammer from $5.0 million to $6.0 million for the purposes of repaying the outstanding balance of the loan previously provided by Larvotto, for paying any break fee that becomes payable to Larvotto under the scheme implementation deed entered into between Larvotto and Hammer on 11 June 2026 (**"Larvotto SID"**) and for general working capital purposes. The facility will be provided on matching or more favourable terms than the $4.0 million working capital facility provided by Larvotto. Please refer to the Company's ASX announcement titled "Larvotto Resources to Acquire Hammer Metals" dated 11 June 2026 for further information regarding the working capital facility provided by Larvotto.

The Hammer Board has unanimously determined, acting in good faith in order to satisfy what the Hammer Directors consider to be their statutory and fiduciary duties and having received written advice from its legal and financial advisers, that the Austral Proposal constitutes a "Superior Proposal" for the purposes of the Larvotto SID.

LARVOTTO MATCHING RIGHT

In accordance with the Larvotto SID, Hammer has notified Larvotto that it considers the Austral Proposal to be a Superior Proposal for the purposes of the Larvotto SID and that the five business day matching period has commenced ("**Matching Period**"). During this Matching Period, Larvotto has the right (but not the obligation) to announce or formally provide to Hammer a matching, equivalent or superior proposal or other counter proposal to the terms of the Austral Proposal. The Matching Period will expire at 11:59pm (AWST) on Monday, 10 August 2026.

Whilst the Matching Period under the Larvotto SID is ongoing, Hammer is unable to enter into a definitive agreement that is binding on Hammer in relation to the Austral Proposal nor make any further comment or engage in any communications regarding the Austral Proposal.

At this time, there can be no assurance that the Austral Proposal will lead to termination of the Larvotto SID and the execution of a scheme implementation deed with Austral in respect of the Austral Proposal, or that a transaction contemplated by the Austral Proposal will be consummated.

Hammer shareholders do not need to take any action at this time.

ADVISERS

Hammer's financial adviser is Argonaut and its legal adviser is Thomsons.

Hammer will continue to keep shareholders informed of any further developments.

This announcement has been authorised for release to ASX by the Board of Hammer Metals Limited

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Forward Looking Information

This announcement may contain forward looking statements that are subject to risk factors associated with exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.