

31 DECEMBER 2025 HALF-YEAR FINANCIAL REPORT

Hammer Metals Limited (ASX:HMX) (“Hammer” or the “Company”) attaches the Half-Year Financial Report for the period ended 31 December 2025.

This announcement has been authorised for issue Mark Pitts, Company Secretary, Hammer Metals Limited in accordance with ASX Listing Rule 15.5.

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ASX RELEASE

16 March 2026

DIRECTORS / MANAGEMENT

Russell Davis
Chairman

Daniel Thomas
Managing Director

David Church
Non-Executive Director

James Croser
Non-Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Chief Operating Officer

Greg Amalric
Manager Exploration & Discovery

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (13/03/2026)	\$0.044
Shares on Issue	893m
Market Cap	\$39m
Options Unlisted	29.5m
Performance Rights	8.5m
Cash (31/12/2025)	\$3.4m



and its Controlled Entities
ABN 87 095 092 158

INTERIM FINANCIAL REPORT

6 MONTHS ENDED

31 DECEMBER 2025

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BOARD OF DIRECTORS

Russell Davis (Non-executive Chairman)
Daniel Thomas (Managing Director)
David Church (Non-executive Director)
James Croser (Non-executive Director)

COMPANY SECRETARY

Mark Pitts

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Automic Registry Services
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SECURITIES EXCHANGE

Australian Securities Exchange Limited
Company code: HMX

DIRECTORS' REPORT

The directors present their report together with the condensed consolidated financial report for the period ended 31 December 2025 and the review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the half year are:

Mr Russell Davis
Non-Executive Chairman

Mr Daniel Thomas
Managing Director

Mr David Church
Non-Executive Director

Mr James Croser
Non-Executive Director

REVIEW OF OPERATIONS

The Group incurred an after-tax loss for the half year ended 31 December 2025 of \$1,120,167 (31 December 2024: \$1,977,885). This amount included a decrease in the fair value of financial assets (investments in listed-company shares) of \$602,922 (31 December 2024: \$1,349,533).

The Group operated during the period as a mineral explorer in Australia.

Exploration Activities

Mount Isa Project (Queensland)

- A comprehensive geochemical and structural review was completed over the entire project area, with multiple targets identified.
- Ongoing soil and rock chips collected over prospective target areas.
- New gold targets generated on key structural corridors along the Pilgrim Fault which hosts the Tick Hill gold deposit.

Yandal Gold Project (Western Australia)

- Bronzewing South: Drilling of new targets at Bronzewing South was completed during the period, with encouraging gold mineralisation intersected in the initial drill testing of new gold targets. Further targets were tested in December, with assays pending.
- Orelia North: Extensional drilling below the existing Orelia North resource was completed during the December 2025 quarter.

Joint Ventures

- Mount Isa East Joint Venture (JV): Key targets at Trafalgar, Pearl, Even Steven and Jimmy Creek are to return to 100% ownership by the Company.
- Bullrush Joint Venture: A follow up drilling program continued to progress IOCG targets with assays pending at this time.
- Isa Valley Joint Venture: The Isa Valley JV conducted initial drill testing of three holes, targeting gravity highs, with 1,350m ~completed with assays pending at this time.
- Mount Hope Sub Block JV: A maiden resources was released for Hope South by the Company's JV partner, Carnaby Resources.

EVENTS AFTER BALANCE DATE

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set on page 4 and forms part of the directors' report for the half year ended 31 December 2025.

Signed in accordance with a resolution of the directors:



R Davis
Non-Executive Chairman
Perth
Dated 16th March 2026

COMPETENT PERSON STATEMENT

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.



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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF HAMMER METALS LIMITED

In relation to our review of the financial report of Hammer Metals Limited for the half-year ended 31 December 2025, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'PKF Perth'.

PKF PERTH

A handwritten signature in black ink that reads 'Alexandra Sofia Baldeira Pereira Carvalho'.

ALEXANDRA SOFIA
BALDEIRA PEREIRA CARVALHO
PARTNER

16 March 2026
PERTH,
WESTERN AUSTRALIA

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	31 December 2025 \$	30 June 2025 \$
Current assets			
Cash and cash equivalents		3,357,668	2,559,394
Trade and other receivables	8	135,625	145,815
Total current assets		<u>3,493,293</u>	<u>2,705,209</u>
Non-current assets			
Other financial assets	12	146,122	3,633,385
Plant & Equipment		4,646	5,136
Right-of-use assets		100,407	141,368
Exploration and evaluation expenditure	9	29,718,467	27,901,337
Total non-current assets		<u>29,969,642</u>	<u>31,681,226</u>
Total Assets		<u>33,462,935</u>	<u>34,386,435</u>
Current liabilities			
Trade and other payables		867,006	740,140
Employee leave liabilities		134,661	135,358
Lease liability		47,569	89,155
Total current liabilities		<u>1,049,236</u>	<u>964,653</u>
Non-current liabilities			
Lease liability		46,027	52,134
Total non-current liabilities		<u>46,027</u>	<u>52,134</u>
Total Liabilities		<u>1,095,263</u>	<u>1,016,787</u>
Net Assets		<u>32,367,672</u>	<u>33,369,648</u>
Equity			
Share capital	10	67,117,154	66,859,386
Reserves	10	609,171	748,748
Accumulated losses		(35,358,653)	(34,238,486)
Total Equity		<u>32,367,672</u>	<u>33,369,648</u>

This condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

	31 December 2025	31 December 2024
	\$	\$
Other income	107,617	70,514
Marketing expenses	(57,079)	(92,823)
Administrative expenses	(298,881)	(239,910)
Employee benefits expenses	(113,485)	(126,431)
Share based payments	13 (120,423)	(262,381)
Occupancy expenses	(28,611)	(10,933)
Depreciation	(41,451)	(51,814)
Fair value movement on financial assets	(602,922)	(1,349,533)
Results from operating activities	(1,155,235)	(2,063,311)
Financial income	37,776	89,221
Financial expenses	(2,708)	(3,795)
Net financing income	35,068	85,426
(Loss) before tax	(1,120,167)	(1,977,885)
Income tax benefit	-	-
(Loss) for the period	(1,120,167)	(1,977,885)
Other comprehensive income	-	-
Total comprehensive (loss) for the period	(1,120,167)	(1,977,885)
Basic and diluted gain/(loss) per share	(0.13) cents	(0.22) cents

This condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

	Share capital	Share based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2024	66,810,197	787,618	(31,698,520)	35,899,295
Profit/(Loss) for period	-	-	(1,977,885)	(1,977,885)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	-	-	(1,977,885)	(1,977,885)
Shares issued for the purchase of option over tenements	50,000	-	-	50,000
Lapse of options	-	(173,350)	173,350	-
Lapse of performance rights	-	(132,000)	132,000	-
Share based payments	-	262,381	-	262,381
Costs of equity issues	(811)	-	-	(811)
Balance at 31 December 2024	66,859,386	744,649	(33,371,055)	34,232,980
Balance at 1 July 2025	66,859,386	748,748	(34,238,486)	33,369,648
Profit/(Loss) for period	-	-	(1,120,167)	(1,120,167)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	-	-	(1,120,167)	(1,120,167)
Conversion of performance rights	260,000	(260,000)	-	-
Issue of options	-	39,500	-	39,500
Share based payments	-	80,923	-	80,923
Costs of equity issues	(2,232)	-	-	(2,232)
Balance at 31 December 2025	67,117,154	609,171	(35,358,653)	32,367,672

This condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

	31 December 2025 \$	31 December 2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	37,206	89,221
Fuel rebate received	-	6,843
Management fees from farm-in and joint venture partners	122,899	55,223
Payments to suppliers and employees	(774,711)	(697,796)
Net cash used in operating activities	<u>(614,606)</u>	<u>(546,509)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(1,433,836)	(1,903,536)
Payments for the purchase of option over tenements	-	(100,000)
Exploration incurred on behalf of JV partners	(904,961)	(407,596)
Reimbursement of exploration costs incurred on behalf of JV partners	908,210	425,296
Proceeds on sale of investments	2,884,341	4,391
Farm-in fees received	-	100,000
Bonds paid	-	(11,842)
Bonds refunded	18,142	-
Net cash provided by/(used in) investing activities	<u>1,471,896</u>	<u>(1,893,287)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments made	(56,784)	(62,068)
Transaction costs from issue of shares	(2,232)	(811)
Net cash used in financing activities	<u>(59,016)</u>	<u>(62,879)</u>
Net increase/(decrease) in cash and cash equivalents	798,274	(2,502,675)
Cash at the beginning of the financial period	<u>2,559,394</u>	<u>5,228,612</u>
Cash at the end of the financial period	<u><u>3,357,668</u></u>	<u><u>2,725,937</u></u>

This condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

1. Reporting entity

Hammer Metals Limited (the "Company") is a company domiciled in Australia. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in mineral exploration in Western Australia and Queensland.

2. Statement of compliance

The interim financial statements are general purpose financial statements prepared in accordance with AASB 134: *Interim Financial Reporting* and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2025. This report does not include all of the information required for full annual financial report and should be read in conjunction with the consolidated financial report of the Group as at and for the year ended 30 June 2025.

This consolidated interim financial report was approved by the Board of Directors on 16 March 2026.

3. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2025.

Adoption of new and revised standards

New Standards and Interpretations applicable for the half year ended 31 December 2025

In the period ended 31 December 2025, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2025. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

4. Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. During the half-year ended 31 December 2025, the Group incurred a loss before tax of \$1,120,167, which included a significant decrease in the value of listed investments of \$602,922, while net cash inflows from operating and investing activities were \$857,290. As at 31 December 2025, the Group had \$3,357,668 in cash and cash equivalents and net current assets of \$2,444,057.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

4. Going Concern (continued)

Whilst not immediately required, the Group may need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads. The Group's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions.

Additional sources of funding available to the Group include a capital raising via preferential issues to existing shareholders or placements to new and existing investors. If necessary, the Group can delay exploration expenditure and the directors can also institute cost saving measures to further reduce corporate and administrative costs.

5. Use of judgements and estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2025.

6. Financial risk management

During the half-year ended 31 December 2025, the Group's financial risk management objectives and policies were consistent with that disclosed in the consolidated financial report for the year ended 30 June 2025.

7. Operating Segments

The Group has three reportable segments, being mineral exploration in Queensland and Western Australia, and corporate activities. The Group's operating segments have been determined with reference to the monthly management accounts, program budgets and cash flow forecasts used by the chief operating decision maker to make decisions regarding the Group's operations and allocation of working capital.

Segment information

The following tables represent revenue and profit information and certain asset and liability information regarding geographical segments:

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

7. Operating segments (continued)

	QLD Exploration \$	WA Exploration \$	Corporate \$	Total \$
<i>31 December 2025</i>				
Segment income	-	-	107,617	107,617
Segment loss before income tax expense	(945,683)	(6)	(174,478)	(1,120,167)
<i>31 December 2024</i>				
Segment income	-	-	70,514	70,514
Segment loss before income tax expense	(766,607)	-	(1,211,278)	(1,977,885)
<i>31 December 2025</i>				
Segment assets	20,515,921	9,202,546	3,744,468	33,462,935
Segment liabilities	(2,549)	(131,476)	(961,238)	(1,095,263)
<i>30 June 2025</i>				
Segment assets	20,022,661	7,878,676	6,485,098	34,386,435
Segment liabilities	(33,770)	(36,565)	(946,452)	(1,016,787)

8. Trade and other receivables

	31 December 2025 \$	30 June 2025 \$
<i>Current</i>		
Net GST receivable	-	5,594
Security deposit	47,929	23,956
Other receivables – including amounts due from JV partner for reimbursement of exploration expenditure, administration and other recharges	87,696	116,264
	<u>135,625</u>	<u>145,815</u>

Trade and other receivables are non-interest bearing.

9. Exploration and evaluation expenditure

	31 December 2025 \$	30 June 2025 \$
Balance at the beginning of the period	27,901,337	26,540,119
Exploration and evaluation expenditure incurred	1,817,130	3,452,163
Tenements acquired	-	150,000
Government grants	-	(300,000)
Farm-in fee received	-	(100,000)
Exploration written-off	-	(907,190)
Research and Development incentive credit	-	(933,755)
Balance at the end of the period	<u>29,718,467</u>	<u>27,901,337</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest at an amount greater or equal to the carrying value.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

10. Capital and reserves

The following table summarises the shares issued during the six months ended 31 December 2024.

	31 December 2025	30 June 2025
	\$	\$
Issued capital		
892,758,700 (30 June 2025: 887,758,700) ordinary fully paid shares	<u>67,117,154</u>	<u>66,859,386</u>
	Number of shares	\$
Movements for Ordinary shares:		
Balance at 30 June 2025	887,758,700	66,859,386
Conversion of performance rights	5,000,000	260,000
Cost of shares issued	-	(2,232)
Balance at 31 December 2025	<u>892,758,700</u>	<u>67,117,154</u>
	Number of options	\$
Unlisted options (Share based payment reserve)		
Unlisted options on issue	<u>29,500,000</u>	<u>538,401</u>

No options lapsed or expired during the period, and no options were converted.

A total of 5,000,000 unlisted options were granted during the period. The details are as follows (refer Note 13 for details of the related share-based payments):

	Number of options	Exercise Price	Expiry Date	Vesting Date
Director Options – FY26	5,000,000	\$0.06	30/11/28	Immediate

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

10. Capital and reserves (continued)

Performance rights (Share based payment reserve)	Number of rights	\$
Performance rights on issue	8,500,000	70,771

No performance rights were granted or lapsed during the period.

A total of 5,000,000 performance rights vested and were converted on 17 September 2025. The total value of these rights of \$260,000 was transferred to issued capital to recognise the value of the shares issued upon conversion.

Reserves	31 December 2025 \$	30 June 2025 \$
Share based payment reserve ⁽¹⁾		
Balance at beginning of period	748,748	787,618
Options issued to Employees, Directors or executives	39,500	159,000
Performance rights issued to Employees	-	14,430
Performance rights issued to Managing Director	-	26,178
Expiry of options	-	(251,350)
Lapse of performance rights	-	(132,000)
Conversion of performance rights	(260,000)	-
Further vesting expense of options and rights issued in previous periods	80,923	144,872
	609,171	748,748

⁽¹⁾ The share-based payment reserve is used to record the fair value of options and rights issued to Directors, employees and consultants under various share-based payment schemes and options issued for the acquisition of assets. Amounts relating to options expired during the prior period have been recycled from the reserves to accumulated losses in that period.

Dividends

No dividends were declared or paid during the six months ended 31 December 2025 (31 December 2024: NIL).

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

11. Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements the Group is required to perform exploration work to meet the minimum expenditure requirements specified by various State Governments within Australia. These obligations may be reset when application for a mining lease is made and at other times. The Group has a minimum expenditure commitment on tenure under its control.

The Group can apply for exemption from compliance with the minimum exploration expenditure requirements. Due to the nature and scale of the Group's exploration activities the Group is unable to estimate its likely tenement holdings and therefore minimum expenditure requirements more than 1 year ahead. The commitment for minimum exploration expenditure payable as at 31 December 2025, payable within one year, is \$4,243,056 (30 June 2025: \$4,208,207). These obligations are not provided for in the financial report.

12. Financial instruments

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their fair value hierarchy for financial instruments at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	31 December 2025	30 June 2025
	\$	\$
Financial assets carried at fair value through profit or loss		
Equity securities – listed on ASX and TSXV at quoted prices (level 1 fair value hierarchy)	146,122	3,633,385
Financial assets carried at amortised cost		
Cash and cash equivalents	3,357,668	2,559,394
Trade and other receivables	135,625	145,815
Financial liabilities carried at amortised cost		
Trade and other payables	(1,001,667)	(740,140)
Lease liabilities	(93,596)	(141,289)

13. Share based payments

The following options were granted during the period:

	Number of options granted	Date issued	% Vested	% Forfeited / Lapsed	Date which grant vested / will vest
Director Options – FY26	5,000,000	3/12/25	100%	-	N/A

The fair value of the options issued during the period to Key Management Personnel was determined by reference to the Black-Scholes option pricing model. The key inputs and valuations are summarised as follows:

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

13. Share based payments (continued)

	Director Options – FY26
Underlying security spot price on grant date	\$0.024
Exercise price	\$0.06
Grant date	12 November 2025
Expiration date	30 November 2028
Vesting date	Immediate
Life (years)	3.0
Volatility	81%
Risk free rate	3.694%
Dividend Yield	-
Number of options	5,000,000
Valuation per option	\$0.0079
Remaining life (years)	2.9

During prior financial years the Group issued a number of equity instruments which were classified as share-based payments that have continued to be recognised in the loss for the period over their vesting period. An expense of \$80,923 has been recognised during the period with respect to these share-based payments.

The total amount expended in the statement of profit and loss and other comprehensive income for the period was \$120,423 (31 December 2024: \$262,381).

Incentive Option Plan

The Hammer Metals Incentive Option Plan was approved by shareholders on 17 November 2023. The key features of this plan are:

- a) The plan will be available to directors, employees and other permitted persons of the Company and its subsidiaries.
- b) Options are granted for no consideration.
- c) The options are issued at an exercise price as determined by the Board from time to time.
- d) The number of shares the subject of options issued under this plan and other similar plans will not exceed 5% of the Company's issued capital from time to time.
- e) If a holder ceases to be an eligible participant of the plan during the exercise period of a vested option, the holder may exercise the options within 30 days of ceasing to be an eligible participant and thereafter the options will lapse.
- f) The options issued under this plan shall not be quoted on ASX.
- g) The options' terms are at the discretion of the Directors.

14. Subsequent events

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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DIRECTORS' DECLARATION

In the opinion of the directors of Hammer Metals Limited ("the Company"):

- a) the condensed consolidated financial statements and notes set out on pages 5 to 15, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the six-month period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

A handwritten signature in blue ink, appearing to read "R Davis".

R Davis
Non-executive Chairman

Perth

Dated 16th March 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF HAMMER METALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Hammer Metals Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material accounting policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2025, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Hammer Metals Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 4 in the half-year financial report in which indicates that the consolidated entity incurred a net loss of \$1,120,167 during the half year ended 31 December 2025, had negative operating cashflow of \$614,606 and had a closing cash balance of \$3,357,668. These conditions, along with other matters as set forth in Note 4, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the half-year financial report.

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Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads "PKF Perth".

PKF PERTH

A handwritten signature in black ink that reads "Alexandra Sofia Baldeira Pereira Carvalho".

ALEXANDRA SOFIA
BALDEIRA PEREIRA CARVALHO
PARTNER

16 MARCH 2026
PERTH,
WESTERN AUSTRALIA

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