9 September 2026

WAIVERS OF LISTING RULES 6.23.3 AND 7.25 GRANTED

Hammer Metals Limited (ASX: HMX) ("**Hammer**") refers to its announcement on 11 August 2026 regarding the proposed scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) ("**Corporations Act**") pursuant to which Austral Resources Australia Ltd (ASX: AR1) ("**Austral**") will acquire all of the issued shares in Hammer ("**Scheme**"), and the proposed demerger of Hammer's Western Australian gold assets held in Carnegie Exploration Pty Ltd ("**Demerger**").

Refer to Hammer's ASX announcements on and after 11 August 2026 for further information regarding the Scheme and Demerger.

Hammer is pleased to announce that ASX has granted to Hammer a waiver of:

- Listing Rule 6.23.2 to permit, subject to the Scheme becoming effective, the Hammer Options and Management Performance Rights to be (to the extent they are not otherwise exercised or converted into Hammer shares) cancelled for consideration, without requiring shareholder approval; and
- Listing Rule 7.25 to the extent necessary to permit Hammer to undertake the capital reduction in connection with the Demerger (subject to receipt of shareholder approval), which may have the effect of reducing the trading price of Hammer shares below (or further below) 20 cents each.

Waiver of Listing Rule 6.23.2 – Cancellation of Hammer Options and Management Performance Rights

In connection with the Scheme it is proposed that, subject to the Scheme becoming effective under section 411(10) of the Corporations Act:

- all of the options in Hammer ("**Hammer Options**"), to the extent they are not otherwise exercised into Hammer shares prior to the record date for the Scheme ("**Record Date**"), will be cancelled in exchange for a cash amount per Hammer Option (calculated based on a Black-Scholes valuation) with such cancellation to take effect on the implementation date for the Scheme ("**Implementation Date**"); and
- 3 million performance rights in Hammer[1] ("**Management Performance Rights**"), to the extent they are not otherwise converted into Hammer shares prior to the Record Date, will be cancelled in exchange for such fractional number of Austral shares per Management Performance Right as would have been issued to the holder of the Management Performance Rights had they been converted into Hammer shares prior to the Record Date, with such cancellation to take effect on the Implementation Date.

Hammer and Austral must use reasonable endeavours to enter into a cancellation deed with each of the holders of the Hammer Options and Management Performance Rights to give effect to the above.

The effect of the Listing Rule 6.23.2 is to allow, subject to the Scheme becoming effective and with effect of the Implementation Date, the cancellation of the Hammer Options in consideration for a cash payment and the cancellation of Management Performance Rights in consideration for new shares in Austral, without requiring shareholder approval.

[1] The Management Performance Rights are held by Mr Daniel Thomas, Managing Director of Hammer. Please refer to the Notice of Annual General Meeting dated 14 October 2024 for further information regarding the terms and conditions of the Management Performance Rights.

As at the date of this announcement, Hammer has the following Hammer Options on issue and, assuming none of the Hammer Options are exercised prior to the Record Date, the relevant holder will be entitled to a cash payment based on the following:

Expiry date	Exercise price	No. of Hammer Options	Consideration per Hammer Option (A$)(1)
25 October 2028	A$0.06	7,000,000	0.055
2 December 2028	A$0.08	1,500,000	0.05
2 December 2028	A$0.07	2,000,000	0.052
30 November 2026	A$0.08	9,500,000	0.025
30 November 2026	A$0.07	4,500,000	0.03
30 November 2028	A$0.06	5,000,000	0.055
Total		**29,500,000**	**1,211,500.00**

Note:
(1) Valuation calculated using Black-Scholes valuation model.

As at the date of this announcement, Hammer has 3 million Management Performance Rights on issue which will entitle the holder to 3,870,900 new fully paid ordinary shares in Austral, assuming none of the Management Performance Rights lapse or are converted into Hammer shares prior to the Record Date.

A waiver of Listing Rule 6.23.2 is required fulfill certain provisions of the Scheme Implementation Deed between Hammer and Austral, including as part of a relevant Scheme condition and to manage the capital structure of Hammer as relevant to facilitating the progression of the Scheme by providing for the Hammer Options and Management Performance Rights to be cancelled as detailed above.

Based solely on the information provided, ASX has granted a waiver of Listing Rule 6.23.2 on the following conditions:

- the Company releases an announcement (being this announcement) to the market that provides:
    - the material terms of the waiver from Listing Rule 6.23.2; and
    - a description of the reasons why the waiver of Listing Rule 6.23.2 is required;
- full details of the cancellation and the consideration payable are set out to ASX's satisfaction in the Scheme Booklet to be lodged with the Australian Securities and Investment Commission in connection with the Scheme; and
- the Scheme becomes effective.

Waiver of Listing Rule 7.25 – Issues and Reorganisations Affecting Trading Prices

As announced on 11 August 2026, Hammer proposes to undertake a Demerger of its Western Australian gold assets currently held by Carnegie Exploration Pty Ltd. The Demerger will be implemented via a capital reduction and in-specie distribution of shares in Carnegie Exploration Pty Ltd, or such other corporate entity incorporated for the purposes of undertaking the Demerger, to eligible Hammer shareholders on a pro rata basis to their holdings in Hammer at the relevant record date for the Demerger. The capital reduction to affect the Demerger will be subject to Hammer shareholder approval.

Listing Rule 7.25 provides that an entity must not issue bonus securities or reorganise its capital (in the case of a trust, interests) if the effect of doing so would be to decrease the price at which its main class of securities would be likely to trade after the issue or reorganisation to an amount less than 20 cents (or further below 20 cents).

Based solely on the information provided by Hammer to ASX, ASX has granted a waiver from Listing Rule 7.25 to the extent necessary to permit the Company to undertake the capital reduction, pursuant to receipt of shareholder approval, which may have the effect of reducing the trading price of Hammer's shares below (or further below) 20 cents each.

Hammer applied for a waiver of Listing Rule 7.25 for the following reasons:

- Hammer's share price as at 8 September 2026 (being the last trading day prior to this announcement) was $0.089;
- Hammer's 52-week range for its share price is $0.022 to $0.091 per share; and
- if the capital reduction is implemented, Hammer's shares are expected to trade at a lower share price than its trading price immediately prior to the "ex return of capital" date for the in-specie distribution due to the return of capital to Hammer shareholders.

The effect of the Listing Rule 7.25 waiver is that Hammer will be permitted to undertake the capital reduction, subject to receipt of shareholder approval, which may have the effect of reducing the trading price of Hammer's shares below (or further below) 20 cents each.

ASX has considered Listing Rules 6.23.2 and 7.25 only and has not made any statement as to the Company's compliance with the other Listing Rules.

Hammer Board Recommendation

The Hammer Board unanimously recommends that Hammer shareholders vote in favour of the Scheme, in the absence of a Superior Proposal emerging and subject to the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Hammer shareholders.

Subject to those same qualifications, each Hammer director intends to vote all Hammer shares in which he has a relevant interest or which he controls in favour of the Scheme.

This announcement has been authorised for release to ASX by the Managing Director 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.