Competing Proposal Response

Hammer Metals Limited **ASX: HMX**. Austral Resources Limited **ASX: AR1**.

Larvotto Resources Limited ("**Larvotto**" or "**the Company**") notes the ASX release on 7 July from Hammer Metals Limited ("**Hammer**") regarding the receipt of a Non-Binding Indicative Offer ("**Austral NBIO**") from Austral Resources Limited ("**Austral**"). Larvotto has in place a Scheme Implementation Deed with Hammer executed on 11 June 2026 (the "**Larvotto SID**"), whereby Larvotto intends to acquire all of the shares of Hammer through a scrip-based combination of the two companies.

ASX release from Hammer Metals Limited

Hammer's ASX release indicates that while Hammer believes the Austral NBIO *could* become a Superior Proposal to the current offer from Larvotto, **the Austral NBIO is incomplete and conditional, is not an offer capable of acceptance and remains non-binding and indicative only**. The progression of any transaction between Hammer and Austral remains subject to conclusion of satisfactory mutual due diligence and negotiation of key transaction documents, and Larvotto not making use of its Matching Right.

Hammer's ASX release also notes that the Hammer Board remains committed to, and unanimously recommends, that Hammer shareholders vote in favour of the Larvotto offer, in the absence of a Superior Proposal (as defined in the Larvotto SID), and subject to the Independent Expert concluding, and continuing to conclude, that the Larvotto Scheme is in the best interests of Hammer shareholders.

Larvotto's Matching Right has not been triggered

Under the Larvotto SID, Larvotto has a Matching Right of 5 business days once notified by Hammer. Larvotto must be offered this right before Hammer can enter into a Scheme Implementation Deed with another party. The Board of Hammer has not triggered the Matching Right in favour of Larvotto because the Austral NBIO is incomplete and conditional, is not an offer capable of acceptance and remains non-binding and indicative only.

Undefined share exchange ratio in Austral NBIO

The share exchange ratio for the proposed Austral transaction with Hammer has not yet been determined and will depend upon the price of Austral shares at the time of Austral entering into a Scheme Implementation Deed with Hammer, if that occurs. Consequently, the future percentage ownership of Hammer shareholders in Austral is undetermined under the Austral NBIO. The lack of a fixed share exchange ratio is not mentioned in the ASX release made by Austral on 7 July.

Key benefits to Hammer shareholders of the Larvotto offer relative to the Austral NBIO

Exposure to near term precious and critical metals production

Larvotto expects to commission its Hillgrove high-grade gold and antimony project shortly. Hillgrove is an integrated project with quality processing infrastructure and a 100% owned high-grade gold and antimony resource as well as significant exploration upside.

Once in production, Larvotto will offer exposure to material levels of gold production and approximately 7% of the global supply of antimony, becoming the largest of only two material producers of Antimony in Australia. Antimony is acknowledged as a critically sought-after metal for western world economies, with the Australian Federal Government including antimony among only three commodities selected for the A$1.2bn Critical Minerals Strategic Reserve. The strategic significance of the Hillgrove project was highlighted by the receipt in October 2025 of an unsolicited non-binding indicative offer[1] from United States Antimony Corporation for 100% of the shares of Larvotto.

Financial strength

Larvotto is in a strong financial position with near-term cashflow anticipated following commencement of production from Hillgrove.

Larvotto has financed development of the Hillgrove project using an innovative Nordic Bond of approximately US$105 million and successful equity raisings conducted across 2024 and 2025. At 31 March 2026, Larvotto had cash at bank of approximately A$81.7 million[2] and undrawn funding available of A$52.2 million, which was subsequently received in June 2026.

As part of the Hammer transaction Larvotto announced that a major global commodities company committed to subscribe for A$15 million of shares in Larvotto (at $1.53 which represented **a 15% premium** to the price at announcement) upon the combination of Larvotto and Hammer becoming effective. This commitment of capital indicates strong support for Larvotto's ability to advance Hammer projects towards production.

Larvotto's strong balance sheet is expected to be enhanced by near-term free cash flow from the Hillgrove project, which is anticipated to provide particularly high internal rates of return, a strong life of mine EBITDA and a short pay-back period.

Greater market capitalisation

The market capitalisation of Larvotto (based on its closing price on 6 July of $1.275 per share) is $662[3] million, 3.8 x greater than the equivalent market capitalisation of Austral of $175[4] million (based on the closing price for Austral on 6 July of $0.07 per share).

Greater trading liquidity for Hammer shareholders in becoming part of Larvotto

Over the past 3 months, the average value of Larvotto shares traded on ASX has been $3.0[5] million per day. In contrast, the average value of Austral shares traded on ASX has been $0.9[6] million per day, or only 28% of the daily turnover in Larvotto.

Larvotto continues to believe that its offer for Hammer under the Larvotto SID remains a compelling proposition for shareholders of both Hammer and Larvotto. Larvotto will keep the market informed of material developments relating to the Larvotto SID, and notably if Hammer determines that the Matching Right in favour of Larvotto is triggered and notifies Larvotto accordingly.

This announcement has been authorised for release by the Board of Directors.

[1] Receipt of Non Binding Indicative Offer from United States Antimony Corporation announced on 20 October 2025
[2] As of 31-March-2026
[3] Based on Larvotto's non-fully diluted quoted shares on issue of 519,340,876
[4] Based on Austral's non-fully diluted quoted shares on issue of 2,495,026,076
[5] Average of daily value traded of Larvotto from the 3 months to 06-July-2026
[6] Average of daily value traded of Austral from the 3 months to 06-July-2026

For further information, please contact:

Ron Heeks
Managing Director
+61 (8) 6373 0112
info@larvottoresources.com

Ben Creagh
Media and investor enquiries
+61 (0) 417 464 233
benc@nwrcommunications.com.au

DIRECTORS

Mr Mark Tomlinson	**Mr Ron Heeks**	**Ms Rachelle Domansky**
Non-Executive Chair	*Managing Director*	*Non-Executive Director*

PROJECTS

Hillgrove Au, Sb	**Mt Isa Au, Cu, Co**	**Eyre Ni, Au, PGE, Li**
Hillgrove, NSW	*Mt Isa, QLD*	*Norseman, WA*