

## YANDAL GOLD DRILLING PROGRAM UPDATE

### HIGHLIGHTS

- **North Orelia Target 1 RC drilling has been completed for 2,111m and 20 holes.** Samples are currently awaiting analysis
- **Program expanded to include an initial RC drill test at Target 4** on the North Orelia trend. An additional two holes have been added to the program to test previous air core anomalies in the newly defined prospective corridor (see ASX Announcement dated 4 August 2020)
- RC rig to complete pre-collars of Bronzewing South gravity targets before drilling **two holes at Ken's Bore target**
- **Diamond drilling of two 600m holes to test gravity low targets at Bronzewing South is expected to commence in the last week of October**

**Hammer Metals Ltd (ASX:HMX)** ("Hammer" or the "Company") is pleased to announce an update to its drilling program at its Yandal properties. The Reverse Circulation ("RC") program commenced at the start of the month and has since completed drilling of the highest priority sites at Target 1 at North Orelia. Samples have been submitted to the laboratory for analysis. The completion of drilling at the highest-ranking sites at Target 1 at the start of the program may enable Hammer to follow up on the best results prior to the completion of the RC program.

Following the completion of a detailed review of aircore drill results from Target 4, the company has decided to add two holes to the current RC drilling program. These holes have been designed to test gold anomalies observed in depleted regolith whilst also gathering further geological information on the prospective geological trend extending North from the Orelia mine sequence. These holes will target previously identified zone of gold anomalism (see ASX Announcement 4 August 2020). The holes will be drilled along the recently identified trends that extend from the Cockburn and Lotus gold deposits at the Orelia gold project.

The company has also continued to advance its preparations for the upcoming Diamond Drilling (DD) program at Bronzewing South. We now anticipate this program commencing immediately following the conclusion of the RC program.

### Hammer's Managing Director, Daniel Thomas said:

*"The team have diligently planned a high-quality program to test three high quality targets over the coming six weeks. An additional target added to the program will test the prospective stratigraphy that Hammer has identified extending from the Orelia gold deposits. To date, drilling has progressed to plan, and we wait with anticipation of the assay results from Target 1 RC drilling."*

*"Since the last reported cash balance, the company has raised A\$4.9m through the conversion of the HMXOD options. The recent exercise and expiry of the HMXOD options provides the company with a solid financial basis to pursue its planned exploration programs for the remainder of this year and next."*

### ASX RELEASE

13 October 2020

### DIRECTORS MANAGEMENT

**Russell Davis**  
Chairman

**Daniel Thomas**  
Managing Director

**Ziggy Lubieniecki**  
Non-Executive Director

**David Church**  
Non-Executive Director

**Mark Pitts**  
Company Secretary

**Mark Whittle**  
Chief Operating Officer

### CAPITAL STRUCTURE

#### ASX Code: HMX

Share Price (12/10/2020)	\$0.04
Shares on Issue	744m
Market Cap	\$29.8m
Options Listed	6m*
Options Unlisted	24m
Performance Rights	8m

\*The Company is currently reconciling additional funds and exercise notices received prior to expiry.

### **Target 1**

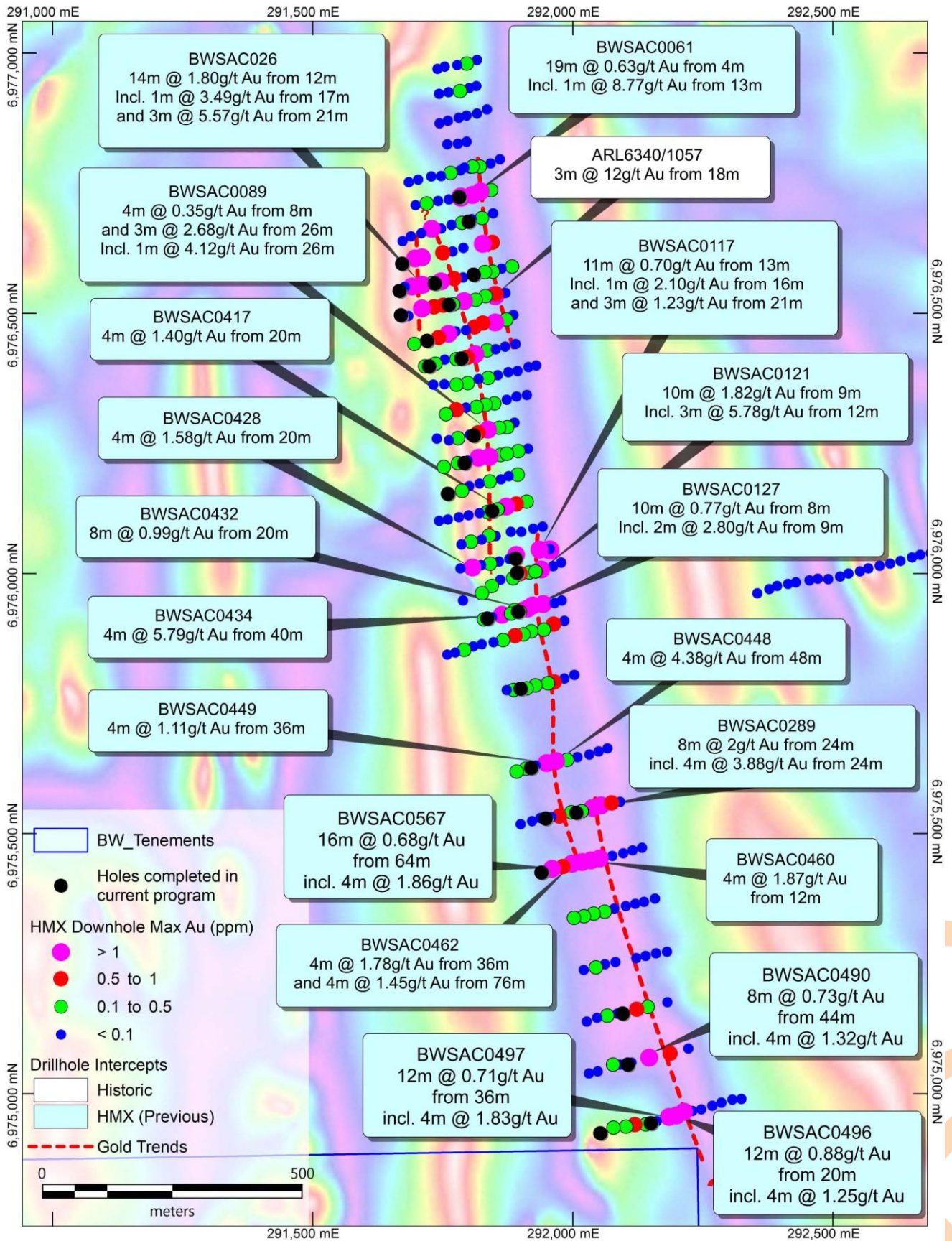
Hammer has previously completed three aircore drilling programs at North Orelia Target 1 successfully defining a 2km trend of gold mineralisation. Each of the programs completed at this target area have extended known mineralisation and provide multiple compelling RC drilling targets (See Figure 2).

The current RC drilling program aims to explore the system and test the fresh rock for gold mineralisation at various points along the 2km mineralisation trend. The company has recently submitted samples for analysis following the drilling of 2,111m in 20 holes at the prospect.



**Figure 1.** Reverse Circulation Drilling underway at Target 1





**Figure 2. Reverse Circulation drillhole positions (refer ASX announcement 4 August 2020)**



#### **Target 4**

Target 4 is located immediately to the north of Northern Star's (ASX:NST) 1Moz Orelia Resource. Orelia and the former Lotus and Cockburn deposits are located within a fault bounded corridor and associated with regional structures such as the Lotus Fault. Hammer Metals has been progressively testing this corridor to identify specific stratigraphic units and discern major fault zones.

Previous drilling encountered low level anomalism (refer to ASX announcement dated 22 April 2020) with intercepts of:

- 12m at 0.16g/t Au from 24m including 4m at 0.36g/t Au from 24m in BWSAC0375; and
- 32m at 0.15g/t Au from 32m including 4m at 0.88g/t Au from 32m in BWSAC0388.

The most recent AC drilling program further tested this corridor with significant anomalism encountered:

- 24m @ 0.12g/t Au from 28m in BWSAC0533; on the western edge of the Lotus Dolerite;
- 8m @ 0.36g/t Au from 28m in BWSAC0540 on the eastern edge of the Lotus Dolerite; and
- 4m @ 0.16g/t Au from 40m in BWSAC0542, also on the eastern edge of the Lotus dolerite

This level of gold anomalism in an area of depleted regolith is considered significant. Intercepts in BWSAC0540 and BWSAC0542 are located in a zone of deeper weathering and there is evidence of strong silicification and hydrothermally produced ironstone. It is interpreted that this zone not only is located on the eastern side of the Orelia corridor, but it also marks the Lotus Fault.

An initial RC drilling plan anticipates drilling two holes at these zones of gold anomalism. Hammer has not tested this prospective stratigraphy to the south of the planned RC holes and given the limited effectiveness of historical drilling, further air core drilling of this corridor may be considered in the future.



**Figure 3.** Target 4 – Orelia North looking South toward the Lotus Pit

### **Ken's Bore**

The upcoming RC program provides Hammer with an opportunity to drill test beneath the zone of high-grade rock chips which is adjacent to an untested ground EM anomaly recently remodelled by Hammer.<sup>1</sup> (Figures 5 and 6). The upcoming RC drilling will drill two holes for approximately 500m in drilling to test both the EM plate and the high-grade rock chip samples recorded at this prospect.

The Ken's Bore RC drilling was originally planned to be the first target tested in the current program. To aid in operational efficiencies, this target will now be the last RC target tested in the program.

Ken's Bore is located 12km to the south of Bronzewing. Significant gold values in rock chips of 22.2g/t, 12.9g/t, 6.1g/t and 7.7g/t have been returned from this area (Refer to ASX announcement dated 2 October 2019). A review of open file reports of work conducted by Audax Resources Ltd noted that rock chip sampling in the same area reported grades of up to 497g/t - see to ASX release dated 2 October 2019.<sup>2</sup>

### **Bronzewing South**

The Bronzewing South target area for the upcoming drilling program is a zone of low gravity response between the Bapinmarra Dolerite (to the west) and the Discovery Granodiorite (to the east) - an analogous position to the Bronzewing Gold mine (Figures 4, 5 and 6).

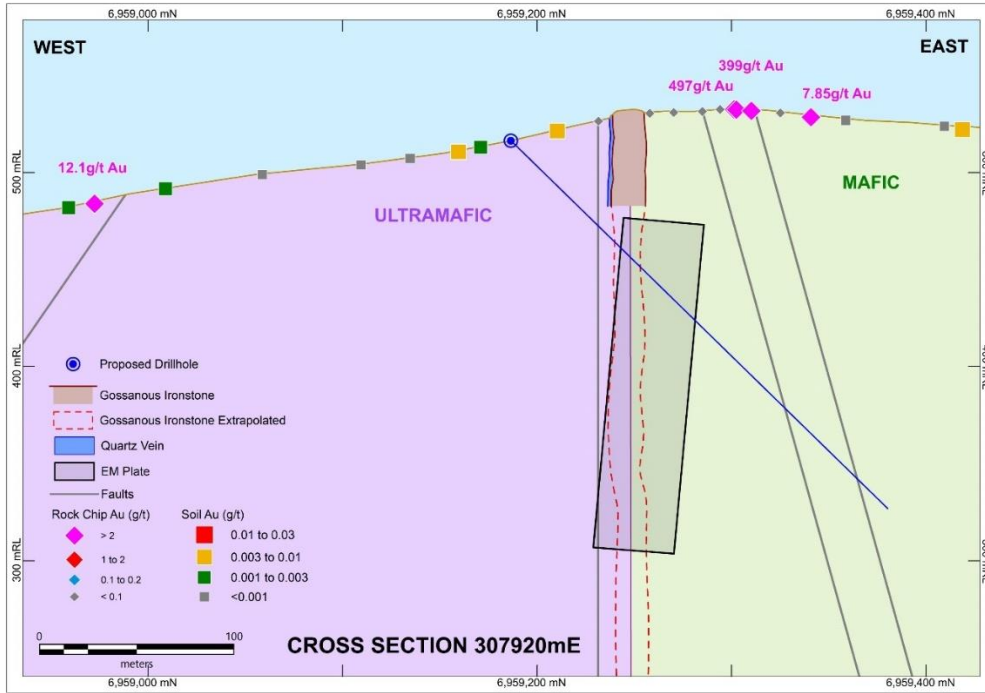
Hammer Metals applied for and was awarded a \$150,000 Western Australia Exploration Incentive Grant to partly fund diamond drill testing of the gravity low mineralisation model. Two 600m deep holes will target the heart of these newly identified gravity lows with the holes having an RC pre-collar drilled before completing the holes with a DD rig. Drilling at this target area is expected to commence at the end of October.

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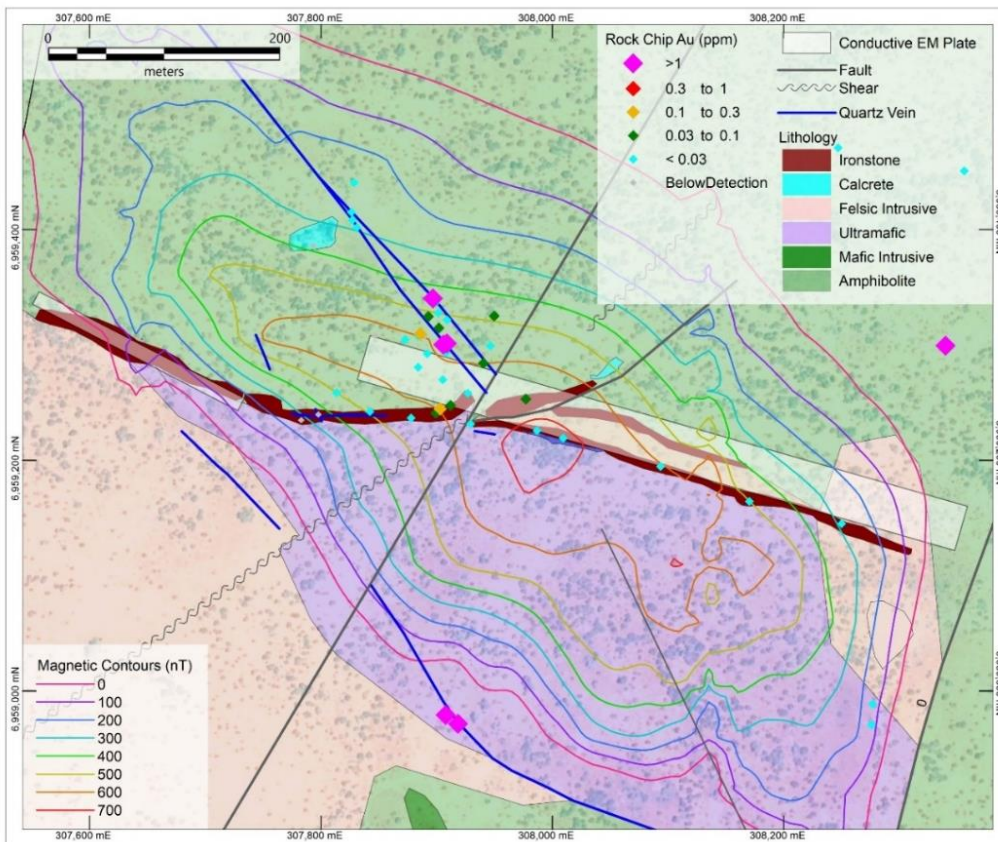
<sup>1</sup> Sourced from open file Mines Department reports by Audax Resources Ltd. This work was conducted in 2006-2007 on E36/215 (A074761). Full data was supplied with this report and submitted to the Western Australian Mines Department. Southern Geoscience consultants undertook the modelling of this data on behalf of Hammer. It is the opinion that the geophysical data is good quality, and it is the opinion of both Hammer Metals Limited and their consultants that the exploration data are reliable.

<sup>2</sup> Sourced from open file Mines Department reports by Audax Resources Ltd. This work was conducted in 2006-2007 on E36/215 (A074761). The data underlying these rock chips has been validated by Hammer Metals Ltd personnel and it is the opinion of Hammer Metals that the historic exploration data are reliable.

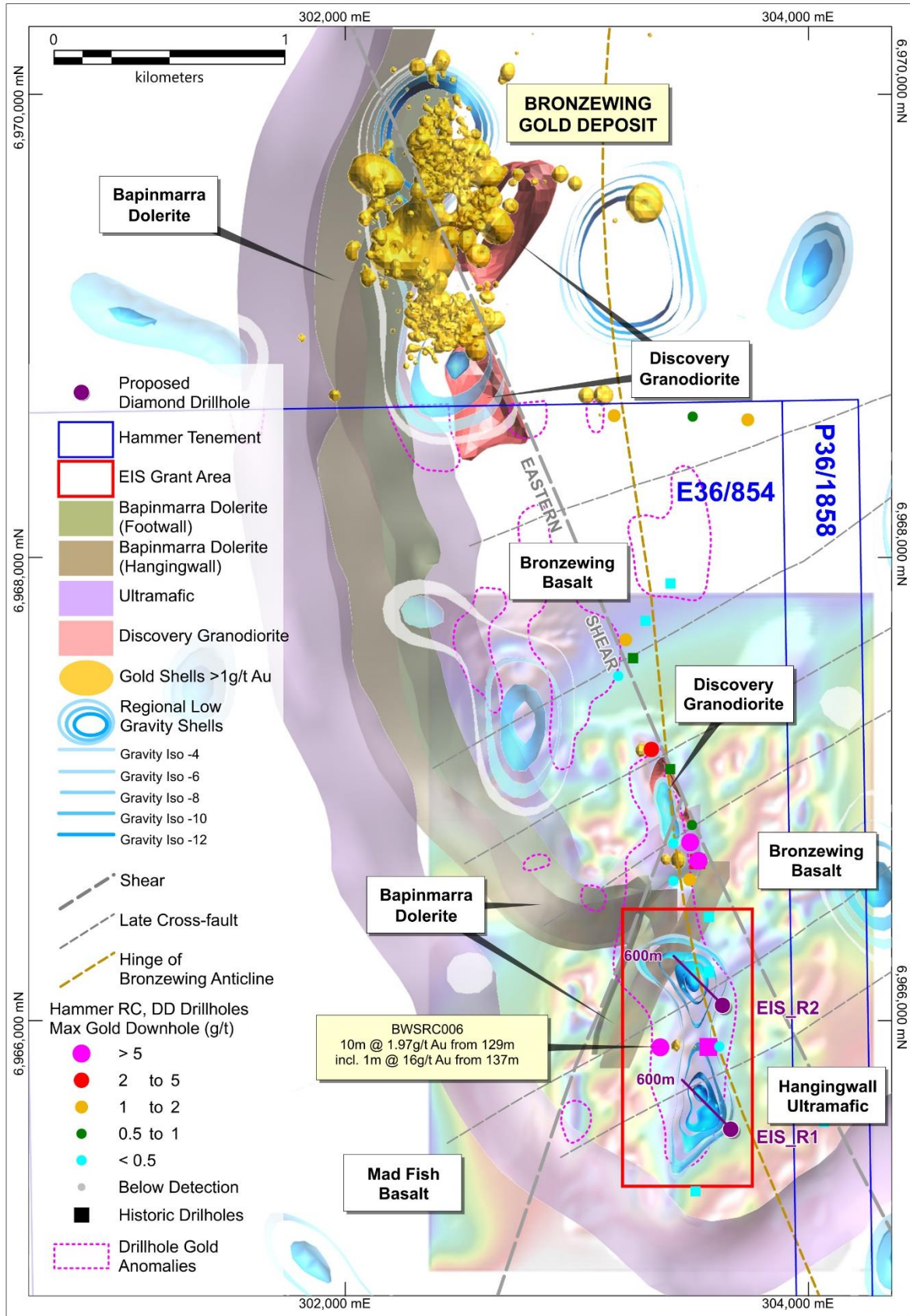




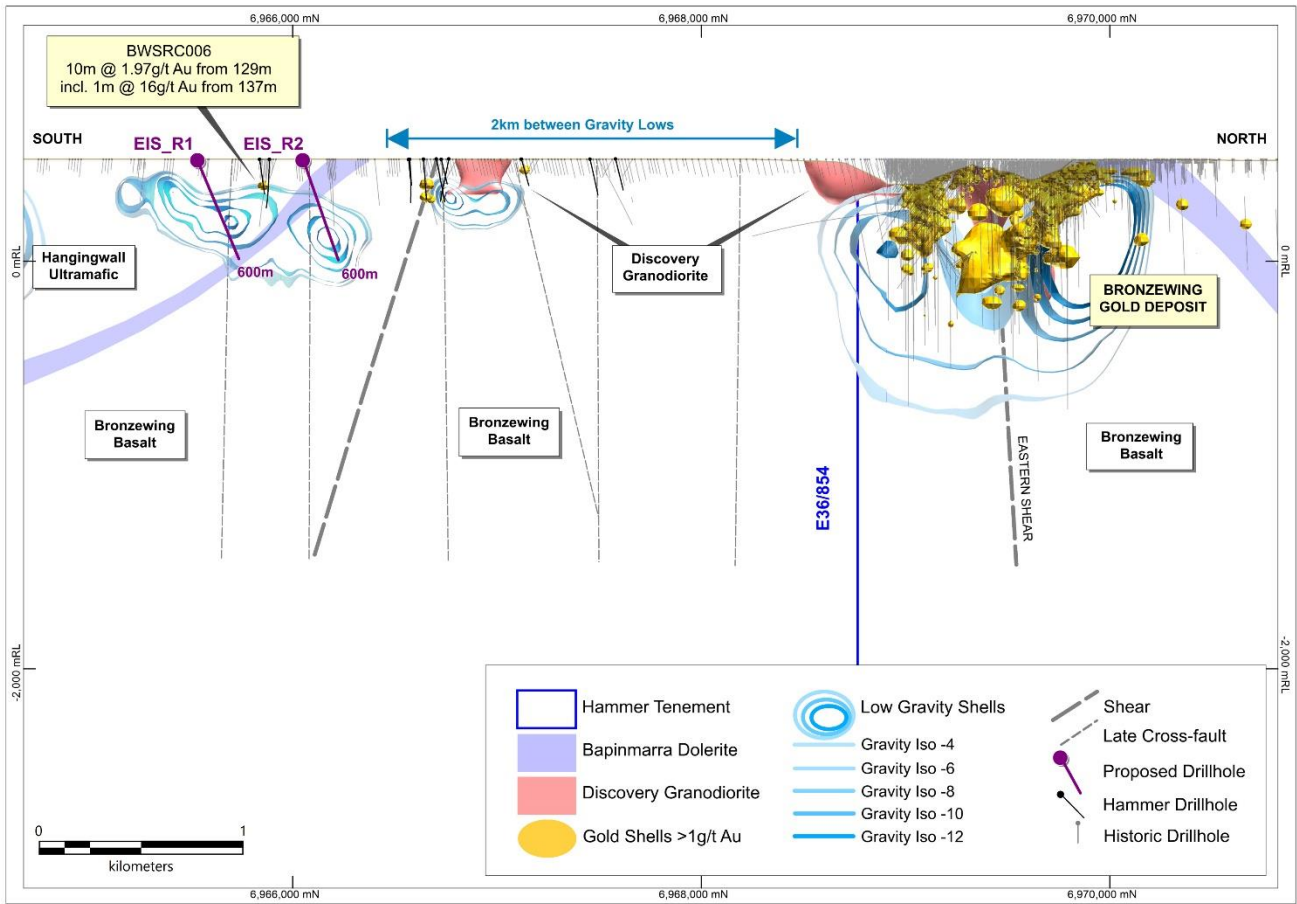
**Figure 4.** Section through the Kens Bore Target showing modelled geophysical plate, rock chip locations and one of the proposed RC holes.



**Figure 5.** Kens Bore Target showing modelled geophysical plate, rock chip locations, major structures and select magnetic contours



**Figure 6.** Location of the Gravity Survey within E36/854 and P36/1858 showing the location of the EIS grant area.



**Figure 7.** Long section looking west showing modelled gravity shells. The gravity low at Bronzewing South shows many similarities to the gravity response at the Bronzewing Gold Deposit.



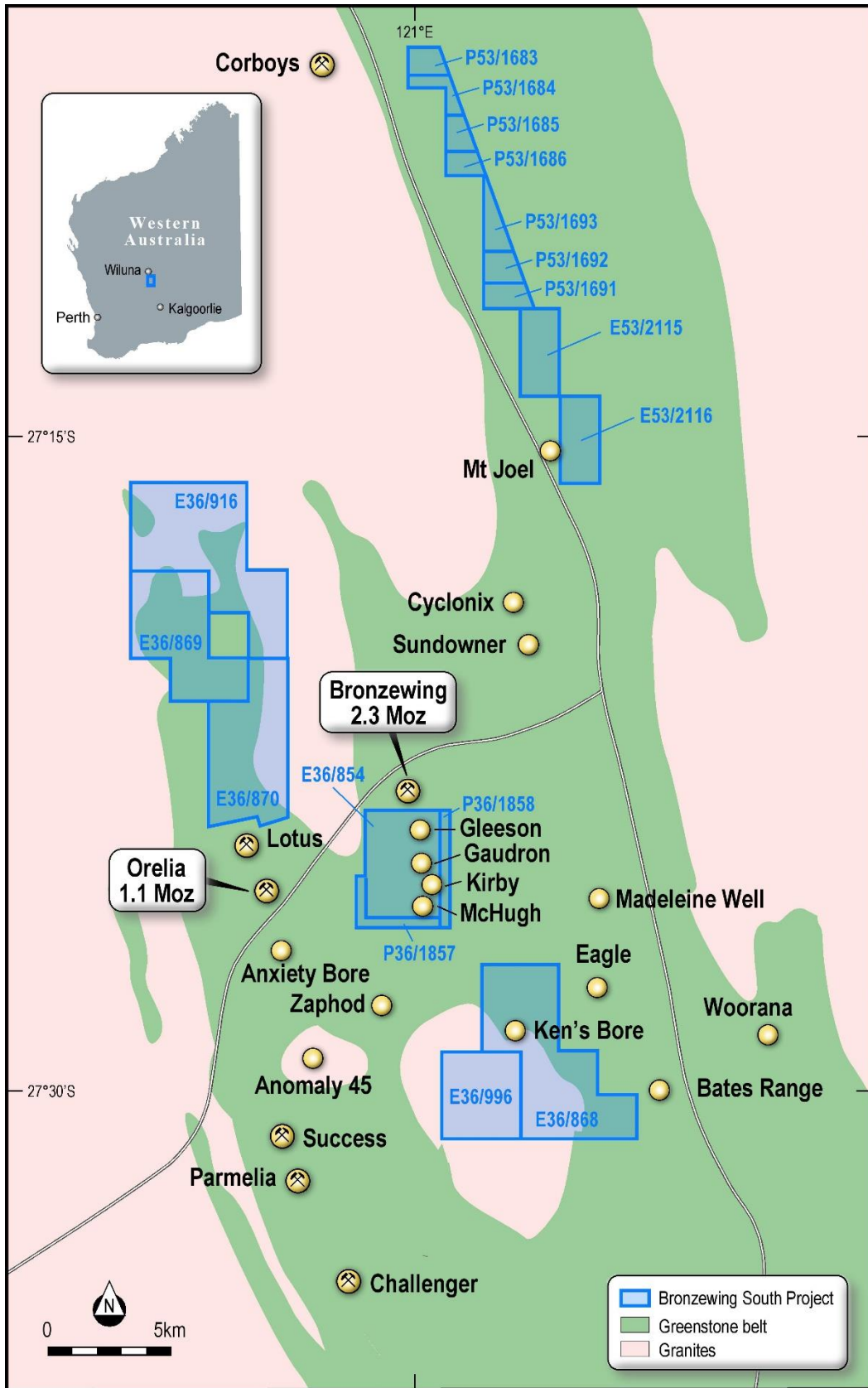


Figure 8. Hammer Metals Bronzewing South Project Area

*This announcement has been authorised for issue by Mr Daniel Thomas, Managing Director, Hammer Metals Limited.*

For further information please contact:

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Managing Director

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### **About Hammer Metals**

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,200km<sup>2</sup> 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 and the Elaine (Cu-Au) deposit. Hammer also has a 51% interest in the emerging 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 has recently acquired 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.

### **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 style of mineralisation and type of deposit under consideration and to the activity 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.