

NOTICE OF GENERAL MEETING

ASX RELEASE

8 June 2021

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 (8/06/2021)	\$0.11
Shares on Issue	807m
Market Cap	\$88m
Options Unlisted	27m
Performance Rights	6.5m

Hammer Metals Ltd (ASX:HMX) ("**Hammer**" or the "**Company**") advises that it has called a General Meeting of Shareholders for 8 July 2021 at 10am.

A Notice of General Meeting together with a Letter, advising further details in respect of the meeting and access to meeting documents, has been sent to shareholders and is attached for immediate release.

This announcement has been authorised for issue by Daniel Thomas Managing Director of Hammer Metals Limited in accordance with ASX Listing Rule 15.5.

For further information please contact:

Daniel Thomas
Managing Director

T +61 8 6369 1195
E info@hammermetals.com.au

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About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,200km² 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 also has 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.

2 June 2021

Dear Shareholder

Hammer Metals Limited (**Hammer** or the **Company**) is convening a General Meeting (**Meeting**) to be held at Unit 1, 28-30 Mayfair Street, West Perth Western Australia on Thursday, 8 July 2021 at 10.00am (AWST).

The Company and the Board are very aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. Accordingly, the Board has made the decision that it will hold a physical Meeting with any appropriate social gathering and physical distancing measures in place to comply with the State and Federal Government's current restrictions for physical gatherings.

In addition and in accordance with the ASIC 'No-Action Position' letter, the Company will not be dispatching physical copies of the Notice of General Meeting (**Notice**). Instead, a copy of the Notice will be available under the "ASX announcements" section of Hammer's website at <https://www.hammermetals.com.au/investors/asx-announcements/>.

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. **Shareholders are encouraged to complete and lodge their proxies online or otherwise in accordance with the instructions set out in the proxy form and the Notice.**

Your proxy voting instruction must be received by 10.00am (AWST) on Tuesday, 6 July 2021, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Meeting please contact the Company's share registry, Advanced Share Registry, on +61 8 9389 8033.

Circumstances relating to COVID-19 are changing rapidly. The Company will update shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at <https://www.hammermetals.com.au/investors/asx-announcements/>

The Company appreciates the understanding of shareholders during this time.



Mark Pitts
Company Secretary
Hammer Metals Limited



Hammer Metals Limited
ACN 095 092 158

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at Unit 1, 28-30 Mayfair Street, West Perth Western Australia on Thursday, 8 July 2021 commencing at 10 am (WST).

This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 6316 9100.

Shareholders are urged to vote by lodging the Proxy Form attached to the Notice.

HAMMER METALS LIMITED

ACN 095 092 158

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Hammer Metals Limited (**Company**) will be held at Unit 1, 28-30 Mayfair Street, West Perth Western Australia on Thursday, 8 July 2021 commencing at 10 am (WST) (**Meeting**).

The Company advises that a poll will be conducted for each of the Resolutions.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 6 July 2021 at 5:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Ratify issue of Tranche 1 Placement Shares Issued Pursuant to Listing Rule 7.1

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 45,789,473 Shares issued under Listing Rule 7.1 at an issue price of A\$0.095 each, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the Placement or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Authorise Issue of Tranche 2 Placement Shares to Mr David Church

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 1,052,631 Shares to Mr David Church and/or his nominee(s) at an issue price of A\$0.095 each, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr David Church and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. Resolution 3 – Authorise Issue of Tranche 2 Placement Shares to Mr Russell Davis

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 526,316 Shares to Mr Russell Davis and/or his nominee(s) at an issue price of A\$0.095 each, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Russell Davis and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. Resolution 4 – Authorise Issue of Tranche 2 Placement Shares to Mr Zbigniew Lubieniecki

To consider and, if thought fit, to pass with or without amendment the following Resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve the issue of up to 5,263,157 Shares to Mr Zbigniew Lubieniecki and/or his nominee(s) at an issue price of A\$0.095 each, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Zbigniew Lubieniecki and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD



Mark Pitts
Company Secretary

Dated: 2 June 2021

**Important information about the holding of the General Meeting to address
COVID -19 virus health and safety requirements**

The Board of Directors have elected to hold a physical meeting and have undertaken to implement certain protocols and practices to ensure the safe conduct of the General Meeting in line with general health advisory recommendation.

Please note the following:

- **Shareholders are encouraged to vote by proxy.**
- No refreshments will be served at the Meeting.
- Voting on all Resolutions will be conducted by poll and not by show of hands.
- The minimum number of Directors and the Secretary will attend the Meeting in person (taking into account social distancing practices).
- Questions for the Board of Directors can be emailed to markp@endeavourcorp.com.au and must be received no later than 5pm (WST) on Thursday, 1 July 2021.

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit 1, 28-30 Mayfair Street, West Perth Western Australia on Thursday, 8 July 2021 commencing at 10 am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Background
Section 4:	Resolution 1 – Ratify Issue of Tranche 1 Placement Shares Issued Pursuant to Listing Rule 7.1
Section 5:	Resolutions 2, 3 & 4 – Authorise Issue of Tranche 2 Placement Shares to Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki
Schedule 1:	Definitions

A Proxy Form accompanies this Notice.

2. Action to be taken by Shareholders

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10am (WST) on Tuesday, 6 July 2021, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Background

On 23 April 2021, the Company announced that it had successfully received binding commitments for a placement to raise \$5 million (before costs) at \$0.095 per new share (**Placement**). Tranche 1 of the Placement was completed on 30 April 2021, following the issue of 45,789,473 Shares pursuant to the Company's existing placement capacity under Listing Rule 7.1 (**Tranche 1 Placement Shares**). Resolution 1 seeks Shareholder approval to ratify the issue of the Tranche 1 Placement Shares.

Subject to Shareholder approval, a further 6,842,104 Shares will be issued under Tranche 2 of the Placement to certain Directors of the Company, being Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki (**Tranche 2 Placement Shares**). Resolutions 2 to 4 (inclusive) seek Shareholder approval for these related parties to participate in Tranche 2 of the Placement.

The Company also announced an offer to existing shareholders under a share purchase plan (**SPP**) to raise up to an additional \$1 million (before costs) by the issue of up to approximately 10,526,316 Shares at \$0.095 each (**SPP Shares**).

Proceeds from the Placement together with the SPP will raise up to \$6 million to be used for:

- (a) an aggressive exploration program in Mount Isa, including RC and diamond drill testing of high priority 'Trafalgar look alike' targets at Hammer's 100% owned copper-gold targets, including but not limited to Lakeview, Neptune, Serendipity, Kings, Alice and Charlotte;
- (b) potential extension and infill drilling at Sunset, Black Rock and Overlander to either define or extend JORC compliant resources;
- (c) near field exploration at Kalman including potential extensions to the existing JORC resources;
- (d) target generation and drilling at the Bronzewing South and North Orelia projects at the Company's 100% owned Yandal Gold Project in Western Australia; and
- (e) general working capital purposes.

Refer to the Company's announcement of 23 April 2021 for further details of the Placement and SPP.

4. Resolution 1 – Ratify Issue of Tranche 1 Placement Shares Issued Pursuant to Listing Rule 7.1

4.1 General

Resolution 1 seeks ratification pursuant to Listing Rule 7.4 of the issue of 45,789,473 Shares, at an issue price of A\$0.095 per Share (pursuant to the Company's capacity under Listing Rule 7.1), to sophisticated investors who are not related parties or associates of related parties of the Company.

The Placement was announced on 23 April 2021. Further details of the issue of the Tranche 1 Placement Shares is outlined above in Section 3.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

4.2 ASX Listing Rules

Listing Rule 7.1 provides that the Company is entitled to issue or agree to issue Equity Securities up to 15% of its issued share capital through placements during any 12-month period, subject to specific restrictions, without needing prior shareholder approval (**15% Placement Capacity**).

Listing Rule 7.4 provides that if the Company in general meeting ratifies the previous issue of Equity Securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those Equity Securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of passing Resolution 1 will allow the Company to retain the flexibility to issue equity securities in the future up to the 15% Placement Capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

If Resolution 1 is not passed, the Tranche 1 Placement Shares will be included in the Company's 15% Placement Capacity set out in Listing Rule 7.1 for the 12 month period following the issue of the Placement Shares.

4.3 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, the following information is provided:

- (a) the Company issued the Tranche 1 Placement Shares to sophisticated investors identified by the Company in consultation with the lead manager to the Placement, Discovery Capital Partners, who are not related parties or associates of related parties of the Company;
- (b) 45,789,473 Shares were issued pursuant to Listing Rule 7.1;
- (c) the Tranche 1 Placement Shares issued were all fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 1 Placement Shares were issued on 30 April 2021;
- (e) the Tranche 1 Placement Shares were issued at A\$0.095 each;
- (f) the purpose of Tranche 1 of the Placement was to raise funds for:
 - (i) an aggressive exploration program in Mount Isa, including RC and diamond drill testing of high priority 'Trafalgar look alike' targets at Hammer's 100% owned copper-gold targets, including but not limited to Lakeview, Neptune, Serendipity, Kings, Alice and Charlotte;
 - (ii) potential extension and infill drilling at Sunset, Black Rock and Overlander to either define or extend JORC compliant resources;
 - (iii) near field exploration at Kalman including potential extensions to the existing JORC resources;

- (iv) target generation and drilling at the Bronzewing South and North Orelia projects at the Company's 100% owned Yandal Gold Project in Western Australia; and
- (v) general working capital purposes; and
- (g) a voting exclusion statement is included in the Notice for Resolution 1.

4.4 Directors recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

5. Resolutions 2, 3 & 4 – Authorise Issue of Tranche 2 Placement Shares to Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki

5.1 General

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 1,052,631 Tranche 2 Placement Shares at an issue price of A\$0.095 each to Mr David Church, Non-Executive Director of the Company, and/or his nominee(s) to raise gross proceeds of A\$100,000.

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 526,316 Tranche 2 Placement Shares at an issue price of A\$0.095 each to Mr Russell Davis Non-Executive Chairman of the Company, and/or his nominee(s) to raise gross proceeds of A\$50,000.

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of 5,263,157 Tranche 2 Placement Shares at an issue price of A\$0.095 each to Mr Zbigniew Lubieniecki, Non-Executive Director of the Company, and/or his nominee(s) to raise gross proceeds of A\$500,000.

The Placement was announced on 23 April 2021. The terms and conditions upon which the above related parties will subscribe for Tranche 2 Placement Shares will be on the same terms as other investors in the Placement.

Further details of the issue of Tranche 2 Placement Shares is outlined above in Section 3.

Resolutions 2, 3 and 4 are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 2, 3, and 4.

5.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Placement Shares will be issued to Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki on the same terms as non-related party participants in the Placement and as such the giving of the financial benefit to Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki will be on arm's length terms.

5.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki are related parties of the Company as they are Directors.

If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 2, 3, and 4 will allow the Company to issue up to of 1,052,631 Tranche 2 Placement Shares to Mr David Church (and/or his nominee(s)), 526,316 Tranche 2 Placement Shares to Mr Russell Davis (and/or his nominee(s)) and 5,263,157 Tranche 2 Placement Shares to Mr Zbigniew Lubieniecki (and/or his nominee(s)) respectively, without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolution 2, the Company will not issue Tranche 2 Placement Shares to Mr David Church (and/or his nominee(s)).

If Shareholders do not approve Resolution 3, the Company will not issue Tranche 2 Placement Shares to Mr Russell Davis (and/or his nominee(s)).

If Shareholders do not approve Resolution 4, the Company will not issue Tranche 2 Placement Shares to Mr Zbigniew Lubieniecki (and/or his nominee(s)).

5.4 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders:

- (a) up to the following Tranche 2 Placement Shares will be issued to each related party and/or their respective nominee(s):

Director/related party	No. of Shares
David Church	1,052,631
Russell Davis	526,316
Zbigniew Lubieniecki	5,263,157

(b) Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki are Directors and therefore are related parties of the Company under Listing Rule 10.11.1;

(c) the maximum number of securities the Company will issue is:

Director/related party	No. of Shares
David Church	1,052,631
Russell Davis	526,316
Zbigniew Lubieniecki	5,263,157
Total	6,842,103

(d) the Tranche 2 Placement Shares to be issued to Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki, and/or their respective nominee(s), are fully paid ordinary shares and rank equally in all respects with the Company's existing Shares on issue;

(e) the Company will issue the Tranche 2 Placement Shares to Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki, and/or their respective nominee(s), no later than one month after the date of the Meeting;

(f) the Tranche 2 Placement Shares to be issued to Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki, and/or their respective nominee(s), will each be allotted at an issue price of A\$0.095 per Share;

(g) the purpose of Tranche 2 of the Placement is to raise funds to be used for:

- (i) an aggressive exploration program in Mount Isa, including RC and diamond drill testing of high priority 'Trafalgar look alike' targets at Hammer's 100% owned copper-gold targets, including but not limited to Lakeview, Neptune, Serendipity, Kings, Alice and Charlotte;
- (ii) potential extension and infill drilling at Sunset, Black Rock and Overlander to either define or extend JORC compliant resources;
- (iii) near field exploration at Kalman including potential extensions to the existing JORC resources;
- (iv) target generation and drilling at the Bronzewing South and North Orelia projects at the Company's 100% owned Yandal Gold Project in Western Australia; and
- (v) general working capital purposes;

(h) the issue of the Tranche 2 Placement Shares Mr David Church, Mr Russell Davis and Mr Zbigniew Lubieniecki and/or their respective nominee(s) is not intended to remunerate or incentivise those parties; and

(i) voting exclusion statements are included in the Notice for Resolutions 2, 3, and 4.

5.5 Directors recommendation

The Directors (other than Mr David Church) recommend that Shareholders vote in favour of Resolution 2.

The Directors (other than Mr Russell Davis) recommend that Shareholders vote in favour of Resolution 3.

The Directors (other than Mr Zbigniew Lubieniecki) recommend that Shareholders vote in favour of Resolution 4.

Schedule 1 - Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

15% Placement Capacity has the meaning given to that term in Section 4.

\$ or A\$ means Australian Dollars.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Company means Hammer Metals Limited ACN 095 092 158.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given to that term in the introductory paragraph of the Notice.

Notice means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Participation has the meaning given to that term in section 7.1

Placement has the meaning given to that term in Section 3.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution proposed pursuant to the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

SPP has the meaning given to that term in Section 3.

SPP Shares has the meaning given to that term in Section 3.

Tranche 1 Placement Shares has the meaning given to that term in Section 3.

Tranche 2 Placement Shares has the meaning given to that term in Section 3.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.