

ASX RELEASE

14 February 2022

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 (11/02/2022)	\$0.07
Shares on Issue	815m
Market Cap	\$57m
Options Unlisted	27m
Performance Rights	8m

HIGH GRADE COPPER INTERCEPTED AT AJAX

- Drilling at the Ajax prospect (100% HMX) has intercepted shallow Copper bearing sulphides. An initial analysis by portable XRF has been completed on-site prior to the samples being submitted to the laboratory for definitive analysis.*
- Significant portable XRF intercepts include:
 - **10m[†] at 3.5% Cu from 25m in HMLVRC014[†]; with a maximum individual 1m PXRF analysis of 8.9% Cu**
- **Drilling for this hole was completed yesterday, 13 February, to a depth of 200m.** Samples are being submitted to the laboratory for confirmatory analysis.
- The hole will be cased with PVC to enable the **completion of a Downhole EM survey**
- **Follow up drilling at Ajax has been prioritised** with results from a recent soil geochemical survey covering this prospect expected soon
- **Ajax is located on the Trafalgar to Jubilee trend** approximately 1.2km south-east from Hammer's Lakeview prospect
- **Results from extensional drilling at Kalman due imminently**



Figure 1. Sieve of sulphidic interval, 28-29m in HMLVRC014 which analysed 8.98% Cu by portable XRF

Hammer's Managing Director, Daniel Thomas said:

"This is a great result, intersecting mineralisation at a greenfield prospect such as Ajax. This interim result from our first drillhole into this prospect illustrates the potential of the Trafalgar to Jubilee trend (~12km long) to host multiple Cu-Au deposits. Follow up drilling to determine the extent of mineralisation at Ajax has been prioritised and will be incorporated into our current drill program. This intercept is a testament to the team's hard work over the past 12 months and it's exciting as we look to drill several similar targets along this highly prospective trend."

* These portable XRF results should be considered preliminary, and they will be subject to confirmation by subsequent laboratory analyses. The lab analyses may vary from those obtained by portable XRF. See Appendix 1 for a full tabulated list of PXRF analyses for the interval quoted in the intersection.

[†] True thicknesses cannot be ascertained as this is the first drillhole into the Ajax Prospect

Hammer Metals Ltd (ASX:HMX) (“**Hammer**” or the “**Company**”) is excited to release interim portable XRF results from reconnaissance reverse circulation hole HMLVRC014 at the Ajax prospect located ~1.2km south-east of Lakeview along the 12km Trafalgar to Jubilee mineralised trend..

Drilling of hole HMLVRC014 commenced on 12 February with samples to be submitted today for priority laboratory analysis. During routine drill logging all drilled intervals are subject to portable XRF analysis to aid in grade determination and lithochemical analysis. The portable XRF results reported herein should be considered preliminary, and they will be subject to confirmation by subsequent lab analysis using fire assay for gold and ICP-MS/ICP-OES for multiple elements.

HMLVRC014 will be subject to DH EM in the near future to aid in follow-up drilling.

The mineralised interval is composed of a quartz (\pm chalcopyrite) vein within a biotite schist host. The mineralisation is located in a local demagnetised zone and this observation will aid future drill targeting.



Figure 2. Sieve of sulphidic intervals 27-31m, averaging 6.02% Cu (by portable XRF) in HMLVRC01

Hole	E_GDA94^	N_GDA94^	RL^	Dip	Az_GDA	TD		From	To	Interval	PXRF Cu %	Comment
HMLVRC014	399,020	7,694,943	313	-55	90.5	200		22	38	16	2.28	
							incl.	25	35	10	3.45	
							incl.	27	31	4	6.02	28-29m 8.98% Cu
							&	33	34	1	4.62	
Note												
^ Coordinates relative to GDA94 Zone54												

Table 1: Ajax Prospect – Portable XRF intercepts utilising a 0.1% Cu cut-off (See Appendix 1 for results of individual metre copper analyses)

Next Steps

Drilling of the current hole was completed on 13 February with several nearby drill targets (Orion, Neptune, Sunset) still to be tested. The existing hole will be cased with PVC to enable the completion of a Downhole EM survey. The nature and tenor of mineralisation are likely to be conducive to this type of geophysical survey.

Follow up drilling at Ajax has been prioritised with the Company’s current plan to test below the current intercept. Localised wet weather events present challenging ground conditions which the team continue to monitor and consider before preparing any new drill sites. Dry conditions are expected to return towards the end of the month.

The Lakeview region has been previously mapped and subject to a multielement soil geochemical survey. Results from the soil survey are expected to be reported in the near future.

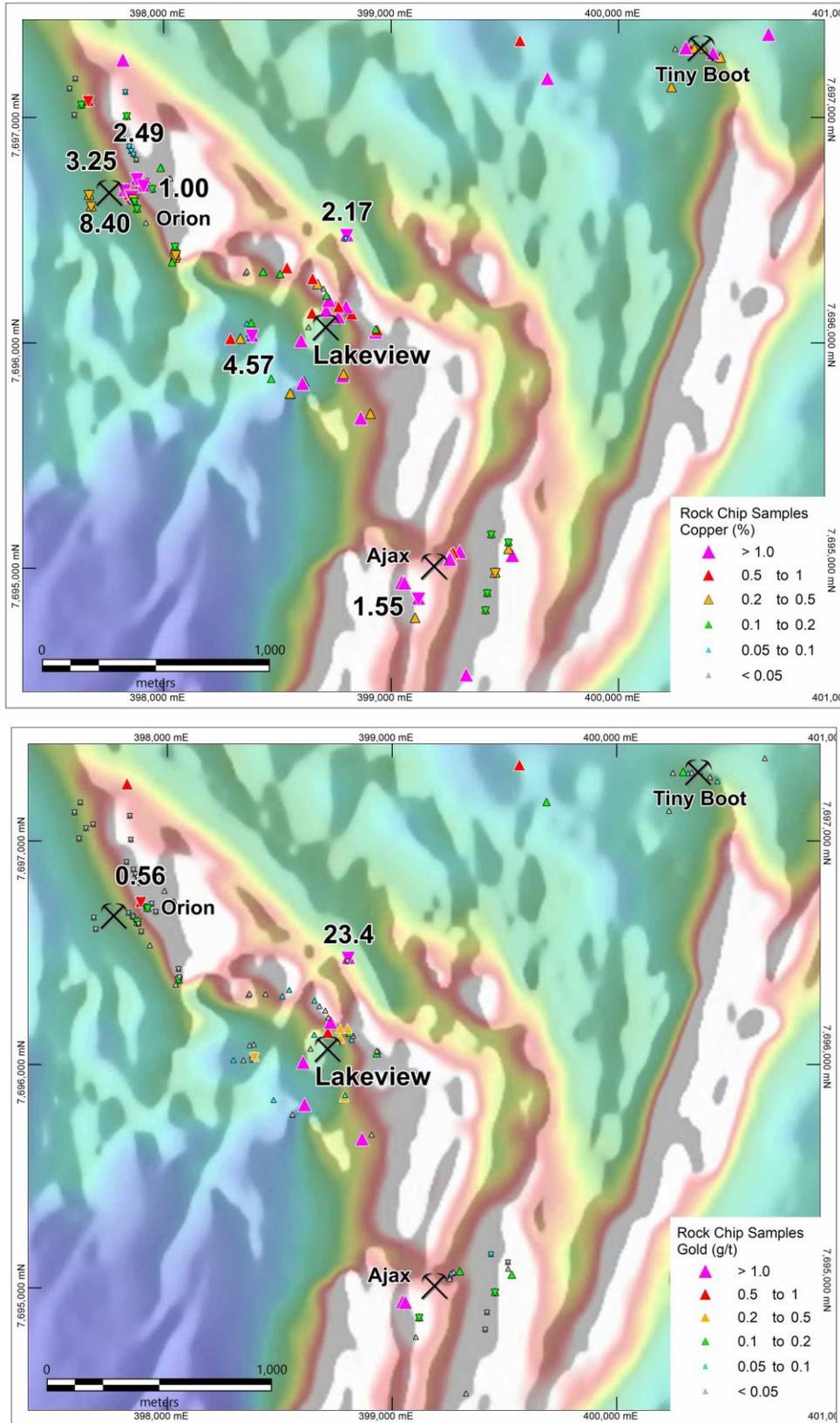


Figure 3. Lakeview region showing the location of drilling areas Orion and Ajax in the current drill program. Rock Chip sampling (Cu at top and Au at base, refer ASX announcement 14 October 2021) by Hammer Metals has identified multiple zones for follow up. Soil results from this region are expected soon.

Mount Isa – Ongoing Exploration Activities

The current drilling program consists of targets along the Trafalgar trend (SMMO JV), Neptune, Ajax, Orion and Sunset. A number of these targets are still to be drilled and will be considered in conjunction with ongoing drilling at the Ajax prospect.

In addition, an extensive soil sampling program will be recommenced once the inclement weather ceases and the ground conditions allow for the adequate collection of soil samples.

Following the nearby “Major Copper Discovery” by Carnaby Resources (ASX: CNB) at Nil Desperandum, Hammer has instigated a geological review of its neighbouring tenements and targets including Revenue prospect (~5km to the East of Nil Desperandum) and Overlander deposits. The review encompasses historical drilling and residual geophysical targets including historical IP surveys which appear to be a factor in Carnaby’s recent exploration success.

An IP team has been secured for work in March/April to complete initial surveys across several Hammer and Mount Isa East JV targets. Potential targets being considered for this IP survey include: Kalman, Trafalgar, Shadow, Hammertime, Neptune, Revenue, St Mungo, Mt Mascotte and Saint Andrew.

Additionally, Hammer is reviewing deep magnetic and gravity responses below Cambrian Georgina basin cover immediately to the north of the RTX Devoncourt IOCG project.

Results from recently completed geochemical surveys on the Mount Isa East JV at Dronfield, Shadow North, Prince of Wales are expected soon. Results from the soil geochemical surveys at Hammer’s 100% owned project at Lakeview are also anticipated.

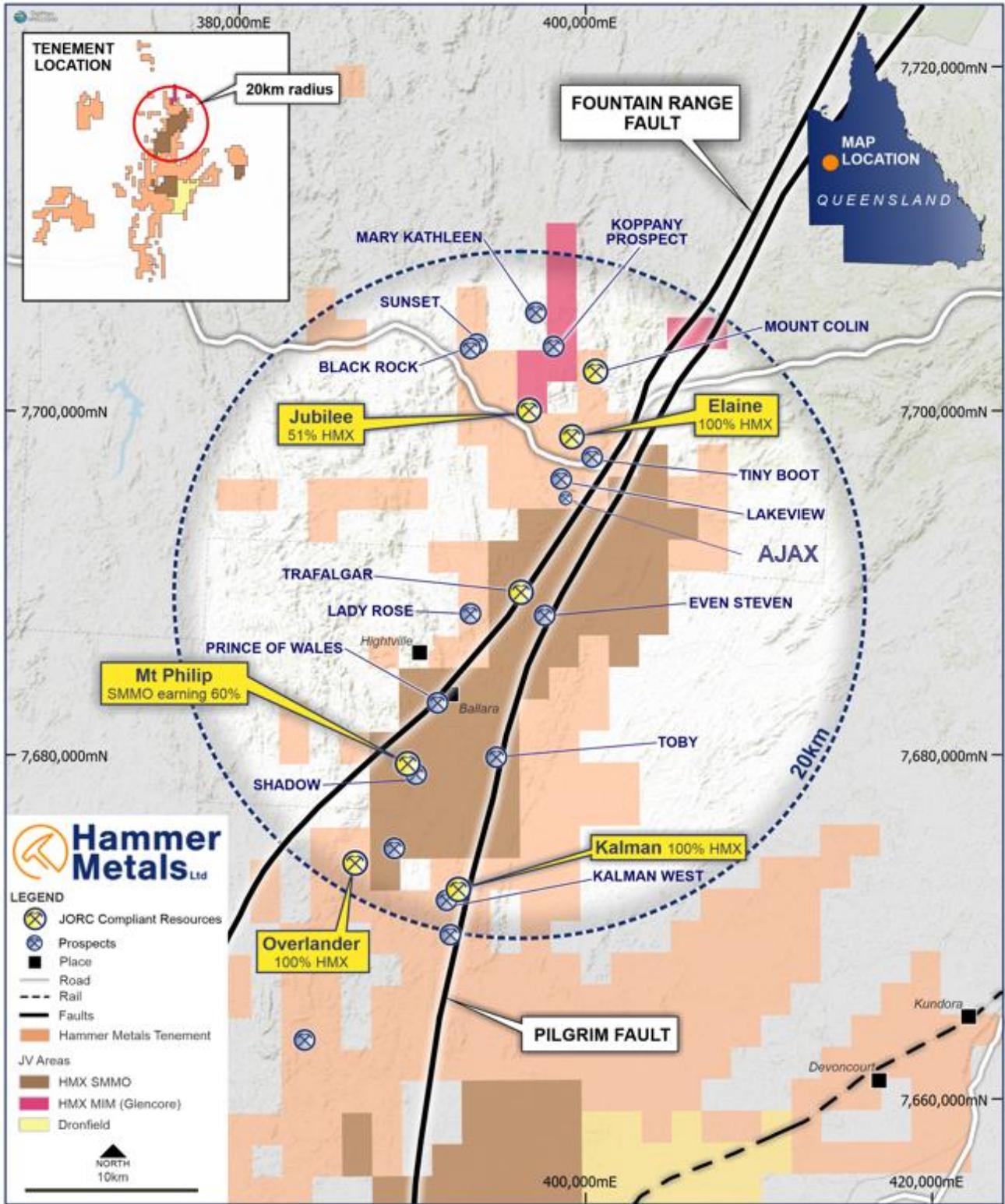


Figure 4: Hammer's northern tenement area

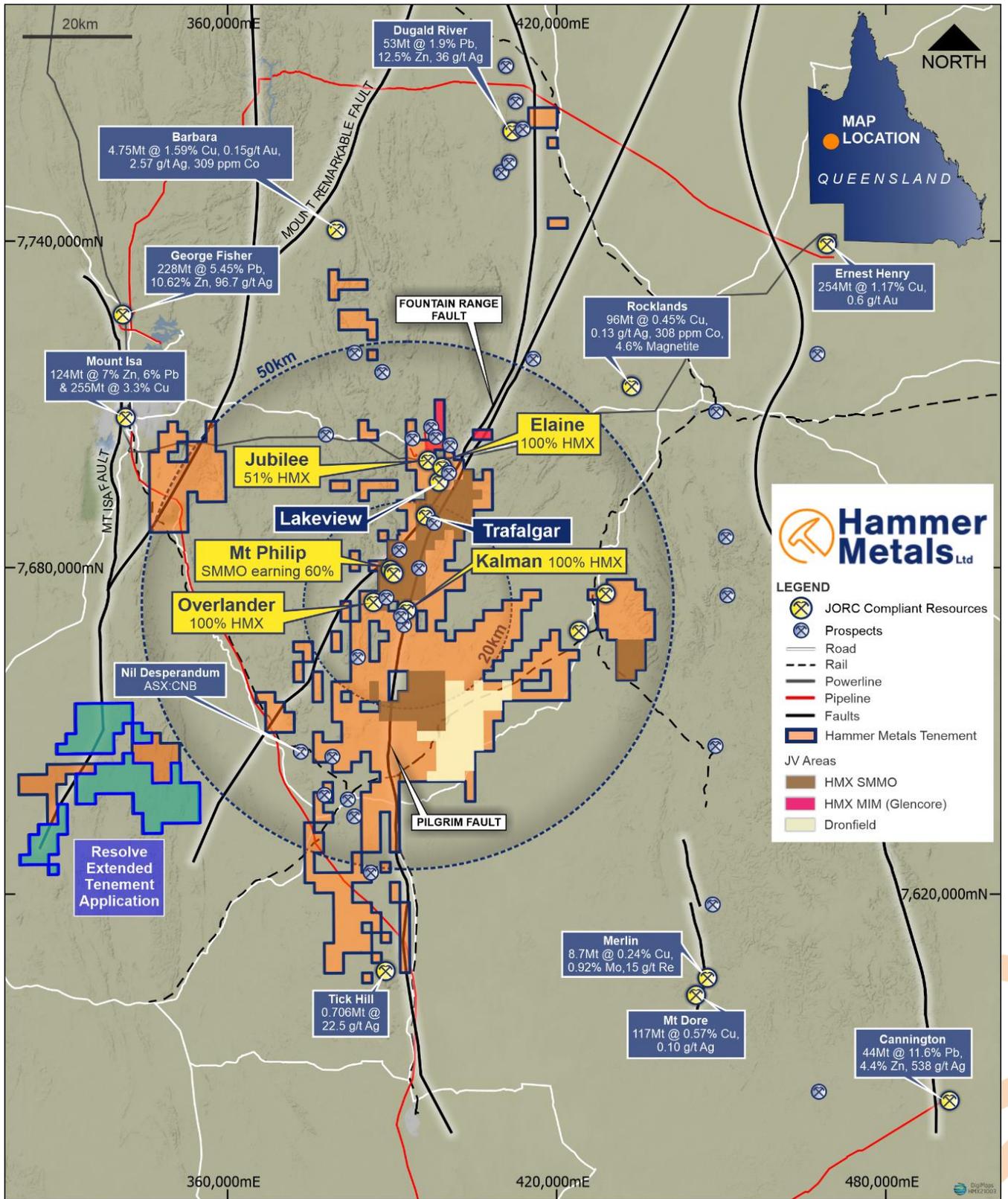


Figure 5: Mt Isa Project Area

This announcement has been authorised for issue by the Board of Hammer Metals Limited in accordance with ASX Listing Rule 15.5.

For further information please contact:

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About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds 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. Hammer holds a strategic tenement position covering approximately 2,600km² 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 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.

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 styles of mineralisation and types of deposit under consideration and to the activities 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.

Where the Company references Mineral Resource Estimates previously announced, it 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 resource estimates with those announcements continue to apply and have not materially changed.

JORC Table 1 report – Mount Isa Project Exploration Update

- This table is to accompany an ASX release updating the market with drilling portable XRF analyses conducted at the Ajax prospect on HMLVRC014.
- The drilling reported herein was conducted on EPM26775.
- All ancillary information presented in figures herein has previously been reported to the ASX.
- Historic exploration data noted in this, and previous releases has been compiled and validated. It is the opinion of Hammer Metals that the exploration data are reliable.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections in this information release.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc).</i></p> <p><i>These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Drill chip samples were taken at dominantly 1m intervals. When multiple metre intervals were sampled, a riffle split of each metre interval was conducted with the split portions then being combined to produce a composite sample.</p> <p>Portable XRF analyses were conducted using an Olympus Vanta on 1 metre intervals. The analysis was conducted on a 2-3kg subset of the drill interval which corresponds to the sample eventually submitted for lab analysis.</p> <p>Standards are inserted into portable XRF analyses to monitor possible instrument drift. Calibration checks are also conducted daily.</p>
Drilling techniques	<p><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>Holes were drilled by DDH1 drilling using a Sandvik DE840 (UDR1200) drilling rig.</p> <p>The holes were drilled by the reverse circulation method. The reverse circulation technique which uses a face sampling hammer to reduce contamination.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	<p>Sample recoveries were generally in excess of 80%. Recoveries are typically low in the first 5m of each hole.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>In holes where recovery or significant sampling bias was observed, the hole was terminated.</p> <p>No sample recovery bias has been noted.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>All drilling is geologically logged by Hammer Metals Limited Geologists.</p> <p>Quantitative portable XRF analyses were conducted on metre intervals on site.</p> <p>All metres drilled will be subject to laboratory analysis</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Samples consist of RC drill chips.</p> <p>Samples from the hole were collected by a three-way splitter with A and B duplicates taken for every sample.</p> <p>Samples were taken at dominantly one metre intervals however where 2 or 4 metre composites were created, samples were composited by riffle splitting material from each one metre sample bag.</p> <p>Where evidence of mineralisation was encountered or anticipated, the sample length was reduced to 1m.</p> <p>Sample collection methodology and sample size is considered appropriate to the target-style and drill method, and appropriate laboratory analytical methods were employed.</p> <p>Standard reference samples and blanks were each inserted into the laboratory submissions at a rate of 1 per 25 samples.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p>	<p>Each metre drilled was subject to site portable XRF analysis.</p> <p>All samples will be analysed for gold by flame AAS using a 50gm charge.</p> <p>Each sample will also be analysed by 4-acid multielement ICP OES and MS.</p> <p>Standard reference samples and blanks are also inserted at 25 sample intervals. ALS also</p>

Criteria	JORC Code explanation	Commentary
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	maintains a comprehensive QAQC regime, including check samples, duplicates, standard reference samples, blanks and calibration standards.
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>All PXRF analyses were verified by alternate company personnel.</p> <p>Portable XRF analyses are downloaded on site and subsequent assay files are received electronically from the laboratory.</p>
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Datum used is GDA 94 Zone 54.</p> <p>RL information will be merged at a later date utilising the most accurately available elevation data. In this specific case holes will be surveyed by DGPS prior to rehabilitation.</p>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>This release is from a single reconnaissance hole drilled into a new prospect called Ajax. The drill density is not sufficient to establish mineralisation continuity</p> <p>Sample compositing has been applied however in this specific release all analyses for the mineralised interval are appended.</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>Drill holes are generally oriented as close to perpendicular as possible to the orientation of the targets based on interpretation of previous exploration, however this is the first hole into a new prospect and orientation of mineralisation at this time is not known with certainty.</p>
Sample security	<i>The measures taken to ensure sample security.</i>	With lab analyses, pre-numbered bags are used, and samples are transported to ALS by company personnel. Samples are packed within sealed polywoven sacks.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>The dataset associated with this reported exploration has been subject to data import validation.</p> <p>All assay data has been reviewed by two company personnel.</p> <p>No external audits have been conducted.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>The Mt Isa Project consists of 28 tenements.</p> <p>The drilling reported herein was conducted on EPM26775. These tenements are held by Mt Dockerell Mining Pty Ltd, a 100% owned subsidiary of Hammer Metals Limited.</p>
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Exploration at Ajax has been conducted by CRAE prior to 2000 however this prospect has not been drilled previously.
Geology	Deposit type, geological setting and style of mineralisation.	<p>Ajax Prospect</p> <p>The Ajax prospect is hosted by metasediments of the corella formation which have been subject to variable levels of albite and magnetite alteration. Mineralisation at Ajax appears to be associated with zones of demagnetisation along this trend.</p> <p>The prospect is located on a 12km mineralised trend which runs between Trafalgar (south) through to the Jubilee Cu-Au Resource (held 51% HMX and 49% Glencore).</p>
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.</p> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	See the attached tables.
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation</p>	<p>The intercepts quoted have been derived from portable XRF analysis conducted at the drill site. Samples will be subsequently submitted to a laboratory for detailed analysis.</p> <p>The PXRF Intercepts are quoted at a 0.1% Cu cut-off.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></p>	True thicknesses determinations of drilled intervals cannot be made at Ajax as at this stage only one hole has been drilled.
Diagrams	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	See attached figures.
Balanced reporting	<p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</i></p>	<p>The PXRF Intercepts are quoted at a 0.1% Cu cut-off.</p> <p>Portions of a drillhole that are not quoted in the intercept table contain grades less than the quoted cut-off.</p>
Other substantive exploration data	<p><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	All relevant information is disclosed in the attached release and/or is set out in this JORC Table 1.
Further work	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>Hammer Metals Limited has conducted geological mapping, soil and rock chip sampling over the Ajax area. The hole mentioned in this release is the first drill hole at the Ajax Prospect. Drilling has been conducted further to the north at the Lakeview Prospect.</p> <p>Soil results will be reported soon which cover Ajax. It is expected that DH EM and further drilling will be conducted at Ajax to delineate the extent and orientation of mineralisation encountered in the first hole.</p>

Appendix 1: Ajax Prospect – Portable XRF individual metre copper analyses

Hole	E_GDA94^	N_GDA94^	RL^	Dip	Az_GDA	TD	From	To	Interval (m)	PXRF Cu %	PXRF Cu ppm
HMLVRC014	399,020	7,694,943	313	-55	90.5	200	20	21	1	0.05	485
							21	22	1	0.03	251
							22	23	1	0.17	1700
							23	24	1	0.32	3245
							24	25	1	0.84	8402
							25	26	1	1.21	12095
							26	27	1	0.90	9020
							27	28	1	4.57	45730
							28	29	1	8.98	89769
							29	30	1	6.23	62332
							30	31	1	4.32	43164
							31	32	1	1.76	17573
							32	33	1	0.53	5263
							33	34	1	4.62	46216
							34	35	1	1.39	13942
							35	36	1	0.25	2547
							36	37	1	0.17	1698
							37	38	1	0.14	1444
							38	39	1	0.08	824
							39	40	1	0.08	819
							40	41	1	0.04	356
							41	42	1	0.03	250
							42	43	1	0.04	407
							43	44	1	0.06	588
							44	45	1	0.05	547
							45	46	1	0.01	81
Note											
^	Coordinates relative to GDA94 Zone54										