11 METRES AT 5% COPPER AND 2.5g/t GOLD AND SIGNIFICANT EM CONDUCTOR AT AJAX

ASX RELEASE
9 March 2022

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (8/03/2022)	$0.086
Shares on Issue	815m
Market Cap	$70m
Options Unlisted	27m
Performance Rights	8m

- **Significant upgrade in previously reported p-XRF intercept** at the **Ajax prospect**, with laboratory assays returning the following outstanding results:
  - **11m at 5% Cu and 2.5g/t Au from 24m in HMLVRC014, within a broader interval of:**
    - **16m at 3.5% Cu and 1.8g/t Au from 22m**
- A single follow-up hole has been completed at Ajax from the same drill pad due to wet ground conditions, testing for a westerly-dipping extension of the mineralised horizon (HMLVRC015 to 124m).
- No significant mineralisation was observed, however this hole only tested one potential orientation of the mineralised horizon.
- A series of holes is now planned along strike and from the east to test for different orientations and potential plunges of the high-grade copper intercept.
- **High-priority EM conductor identified ~350 metres east of Ajax.**
- **The modelled conductor has an interpreted strike length of 500m with a depth profile of 500m and a conductance of 3,000 Siemens.**
- The conductor is interpreted to dip to the west and **sits approximately 100m below the highly anomalous copper-gold soil response between the Smoko Gossan and Lakeside prospects**.
- Drilling of follow-up holes at Ajax is planned to commence in mid-March, with a hole designed to test the EM conductor likely in early April.

Hammer's Managing Director, Daniel Thomas said:

"It's extremely pleasing to see a significant upgrade to the preliminary assay results at Ajax. Copper grades above 5% are rare, especially with the potential relationship of this intercept to a nearby sizeable geophysical target. Given the absence of graphite in the immediate area, the conductor may represent a prospective sulphide horizon. The corresponding strong copper and gold geochemistry at surface presents Ajax as one of the more exceptional exploration targets that I have observed. Another high-quality target has now been added to our drilling sequence and is a testament to the high-quality work being delivered by the Hammer team."

Figure 1. *Sieve of sulphidic interval, 28-29m in HMLVRC014. Portable XRF analysis of 8.98% Cu upgraded by the lab analysis to 13.2% Cu and 3.2g/t Au.*

Hammer Metals Ltd (**ASX: HMX**) ("**Hammer**" or the "**Company**") is pleased to advise that it has received laboratory assay results for the previously reported high-grade copper-gold sulphide intercept at the 100%-owned **Ajax prospect**, within its Mt Isa exploration portfolio in northwest Queensland.

The Company has also received significant results from recently completed electromagnetic surveys at Ajax further upgrading the potential of this prospect and ensuring it is prioritised for follow-up drilling.

Reconnaissance Reverse Circulation (RC) drill-hole HMLVRC014, which was designed to test prospective surface geological features on the Lakeview trend (see Figure 2), has now been confirmed via laboratory analysis to have intersected a significant zone of high-grade copper and gold mineralisation.

A subsequent down-hole electromagnetic (DHEM) survey was unable to identify conductors within the hole, with a sizeable EM conductor identified nearby overshadowing any potential response generated from the mineralisation identified within the drill-hole. A limited fixed-loop electromagnetic survey ("FLEM") has identified a **large conductive plate located approximately 350m to the east of Ajax** beneath the mineralised Lakeside-Smoko Gossan trend (Figure 2).

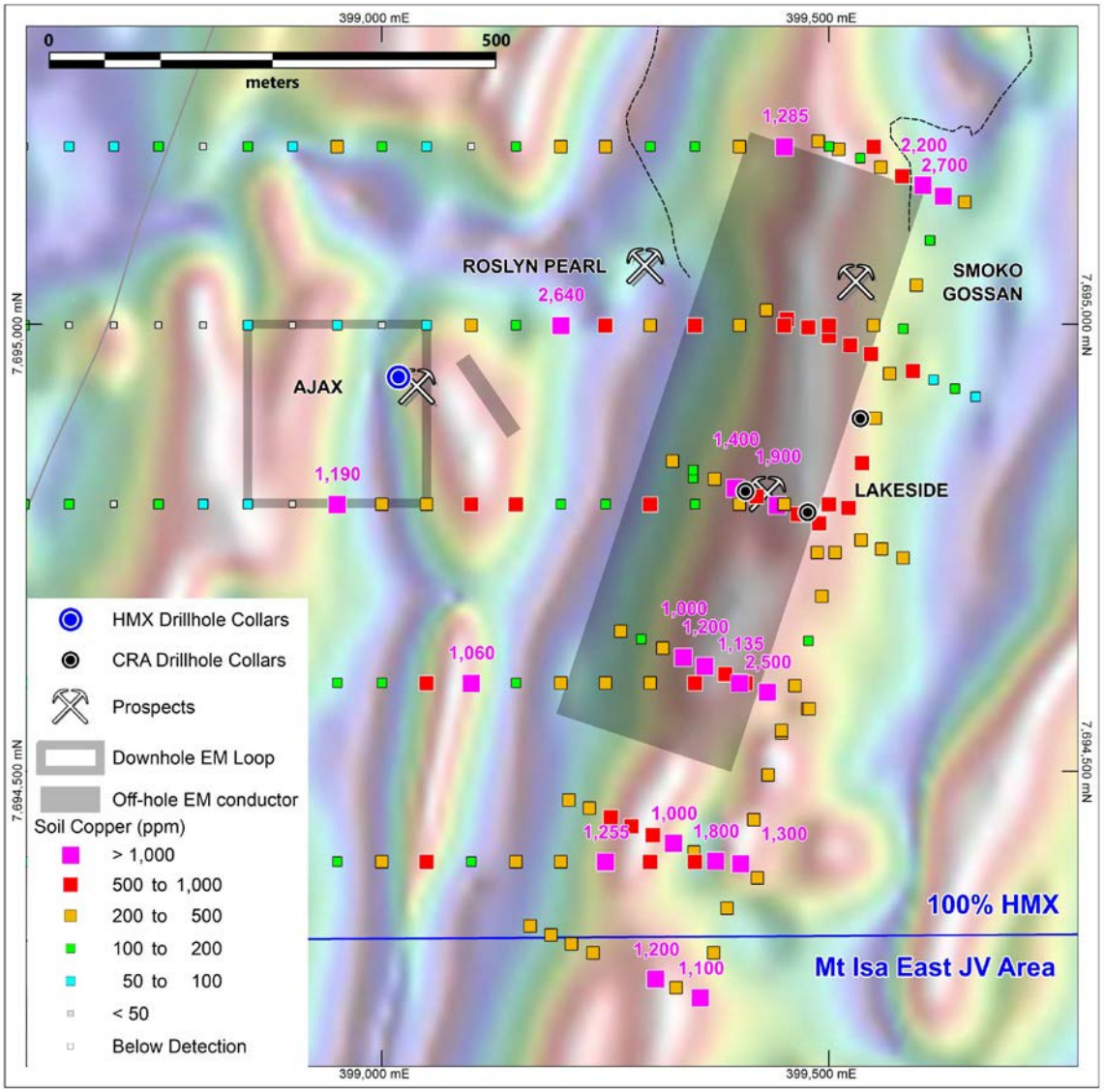

Figure 2. *Plan view showing the location of the Ajax, Smoko Gossan and Lakeside Prospects with copper-in-soil response. The preliminary EM plates, location, EM loop and receiving stations are also shown. The base image is the magnetic first vertical derivative (RTP). (refer also ASX announcement 2 March 2022)*

Ajax Drill results

Laboratory results have been received for HMLVRC014. The results confirm Hammer's initial assessment of high-grade copper mineralisation, however with a significant upgrade in the copper content when compared to the previously reported portable-XRF results (refer ASX announcement, 14 February 2022).

Significant intercepts include:

- **16m at 3.5% Cu and 1.8g/t Au from 22m including**
  - **11m at 5% Cu and 2.5g/t Au from 24m**

An individual maximum Cu grade of 13.2% Cu, 3.2g/t Au and 0.12% Ni *was encountered between 28-29m down-hole (Figure 1).*

Table 1: *Ajax Prospect Drilling – Lab Results utilising a 0.1% Cu cut-off*

Hole	E_GDA94^	N_GDA94^	RL^	Dip	Az_GDA	TD		From	To	Interval	Au_ppm	Cu %
HMLVRC014	399,020	7,694,943	313	-55	90.5	200		22	38	16	1.80	3.46
							incl.	24	35	11	2.54	4.96
							incl.	27	30	3	5.32	10.47
							&	32	33	1	0.32	0.86
								60	64	4	0.03	0.19
								80	81	1	0.02	0.22
								169	174	5	0.03	0.17
HMLVRC015	399,017	7,694,944	313	-77	91	124	*Assays Pending*					
Note												
^	Coordinates relative to GDA94 Zone54 and RL determined from SRTM											

With recent wet ground conditions preventing the preparation of further drill pads, a single follow-up hole from the initial drill pad has been completed at Ajax, testing for a potential westerly-dipping extension of the mineralised horizon (HMLVRC015 to 124m). No significant mineralisation was observed.

This single hole was only able to test for one potential orientation of mineralisation. A series of holes is now planned along strike and from the east to test for different orientations and potential plunges of the high-grade copper zone and any possible relationship to the identified EM conductor to the east.

Ajax DHEM and FLEM

A down-hole EM (DHEM) survey was completed on HMLVRC014 with the surrounding area also subjected to a limited fixed-loop EM (FLEM) survey.

The DHEM response in the vicinity of HMLVRC014 was limited by a sizeable response generated from the nearby conductive zone, which overshadowed any conductive response from the DHEM. Both the DHEM and FLEM surveys have identified a significant EM response at depth underlying the Lakeside-Smoko Gossan trend. The EM survey was conducted by Australian Geophysical Surveys, with data processing completed by Newexco.

Ajax East EM Anomaly

The EM surveys both identified a large conductor to the east of Ajax beneath the Smoko Gossan and Lakeside prospects. Preliminary modelling of this conductor resolved a 500m-by-500m westerly-dipping plate with a conductance of around 3,000 Siemens. Previous mapping failed to identify conductive lithologies such as graphite schist which could cause EM anomalies at depth. In light of this, Hammer's geological team is confident that this anomaly may represent prospective conductive sulphidic zones at depth, geologically associated with the Smoko Gossan – Lakeside Cu-Au trend.

The Smoko Gossan prospect is located on the Trafalgar-to-Jubilee trend within 100%-held Hammer Metals tenements. The last major exploration conducted in this region was undertaken by CRA Exploration (CRAE) in the mid-1990's on historic EPM8823. The prospect was initially identified through a GeoTEM survey which also identified targets at Trafalgar and Lakeview.* Soil sampling and limited Reverse Circulation drilling was conducted in 1994 and 1995†.

CRAE reported that mineralisation at Smoko Gossan consists of "semi-massive pyrrhotite-pyrite-chalcopyrite with haloes of vein style sulphides within a pyritic biotite-magnetite-amphibolite schist". Soil sampling conducted by CRAE identified a plus 900m long and 100m wide copper anomaly (at the 500ppm Cu threshold). The peak value in this soil program was 2,200ppm.

CRAE tested the anomaly with a 3-hole, 298m program. The drilling was limited in extent and, with the highest tenor intersection of 14m @ 0.3% Cu‡, Hammer Metals considers that this drilling did not effectively test the Ajax East EM anomaly, which is interpreted to commence 100m below surface. The size of the EM plate suggests that there may be a larger system at depth beneath the Smoko Gossan and Lakeside prospects.

The Ajax Prospect and the Lakeside-Smoko Gossan trend are located within the 12km long Trafalgar-Jubilee mineralised trend. The FLEM survey in the Ajax area represents the first use of ground EM along this trend. The delineation of this anomaly vindicates the use of EM as an exploration tool to delineate large copper targets.

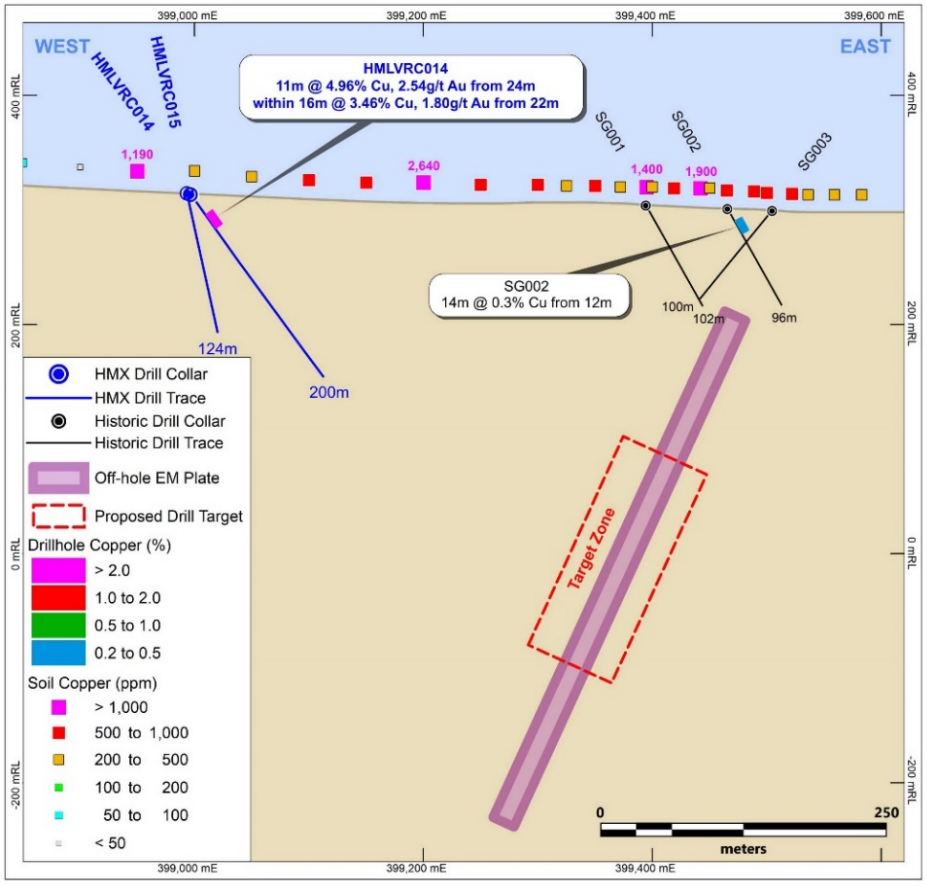

Figure 3. *Cross-section Ajax and EM plate. Drilling by CRAE above the EM plate failed to test the EM anomaly.*

* CRAE Pty Ltd – EPM8823 (Pearl) – CR26718

† CRAE Pty Ltd – EPM8823 (Pearl) – CR28149

‡ The information pertaining to drilling and soil results at Smoko Gossan was conducted in 1995. These results have not been updated to comply with the JORC-2012 edition of the code. The data relating to this drilling and soil sampling has been compiled by Hammer Metals Limited and it has not been updated to comply with the 2012 JORC Code.

Next Steps for the area

The identified mineral horizon at Ajax delineated in hole HMLVRC014 will be followed up with drilling along strike and at depth to determine the potential geometry of the system. Drilling at Ajax is likely to commence later this week.

The testing of the EM target zone to the east of Ajax has been prioritised with Hammer undertaking additional cultural clearances and finalising its land access arrangements. The hole will be tested with diamond drilling with initial indications that drilling will commence once landholder negotiations have been finalised.

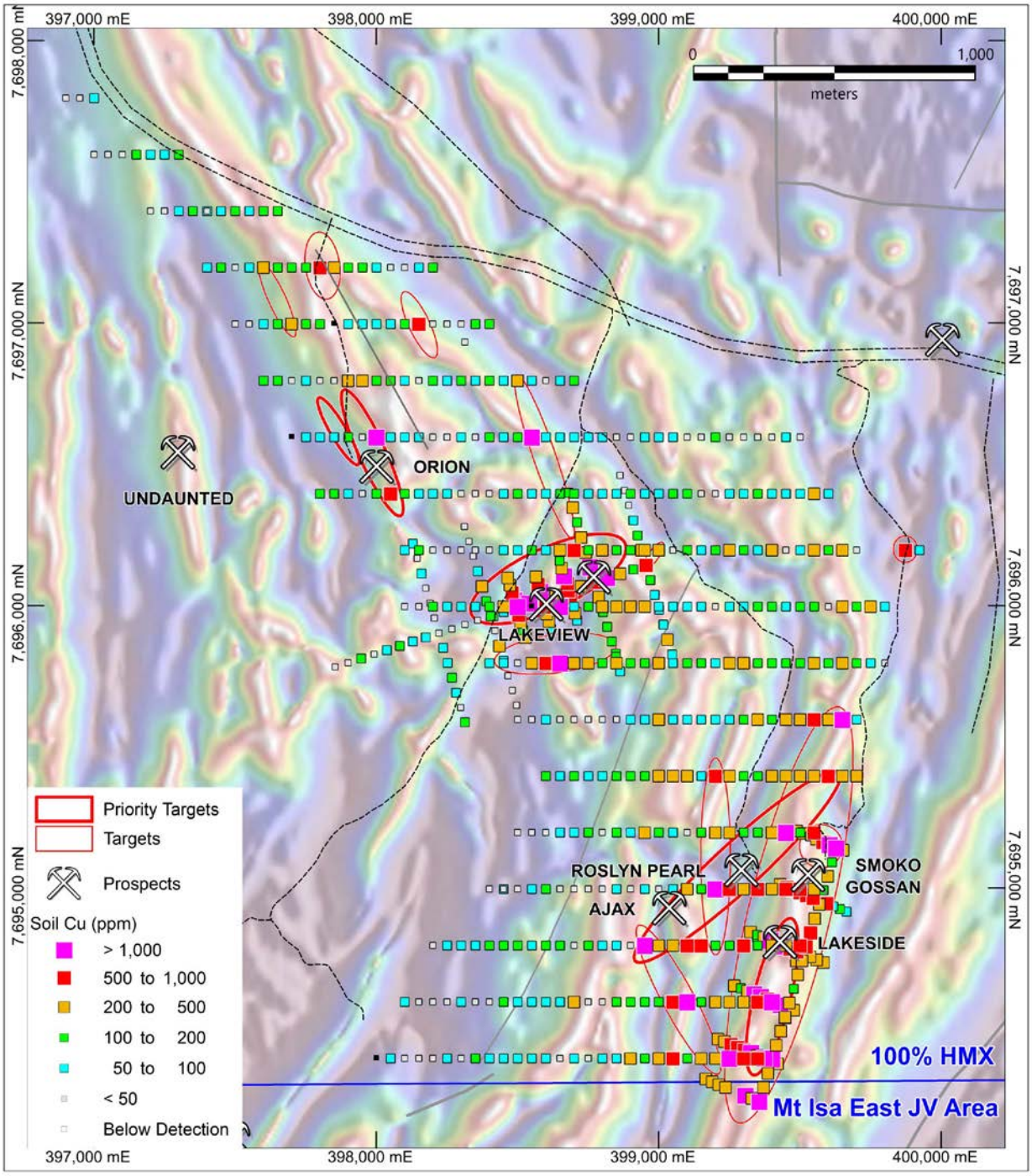

Figure 4. *Lakeview overview showing the location of Ajax and Orion (drilled in this program) in addition to the Lakeside-Smoko Gossan trend and the Lakeview prospect. Background image is magnetics processed to highlight structural trends. (refer also ASX announcement 2 March 2022)*

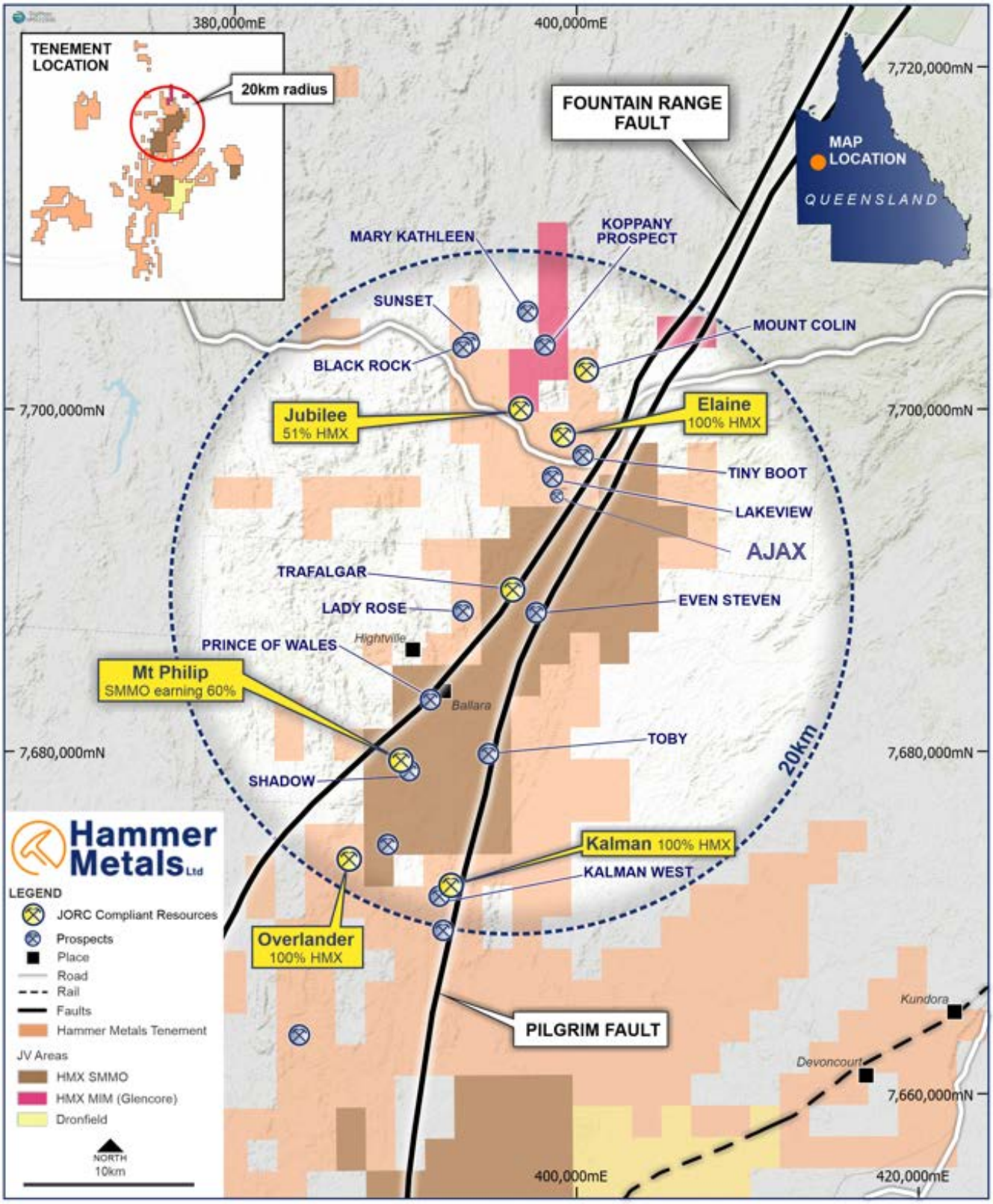

Figure 5: *Hammer's northern tenement area*

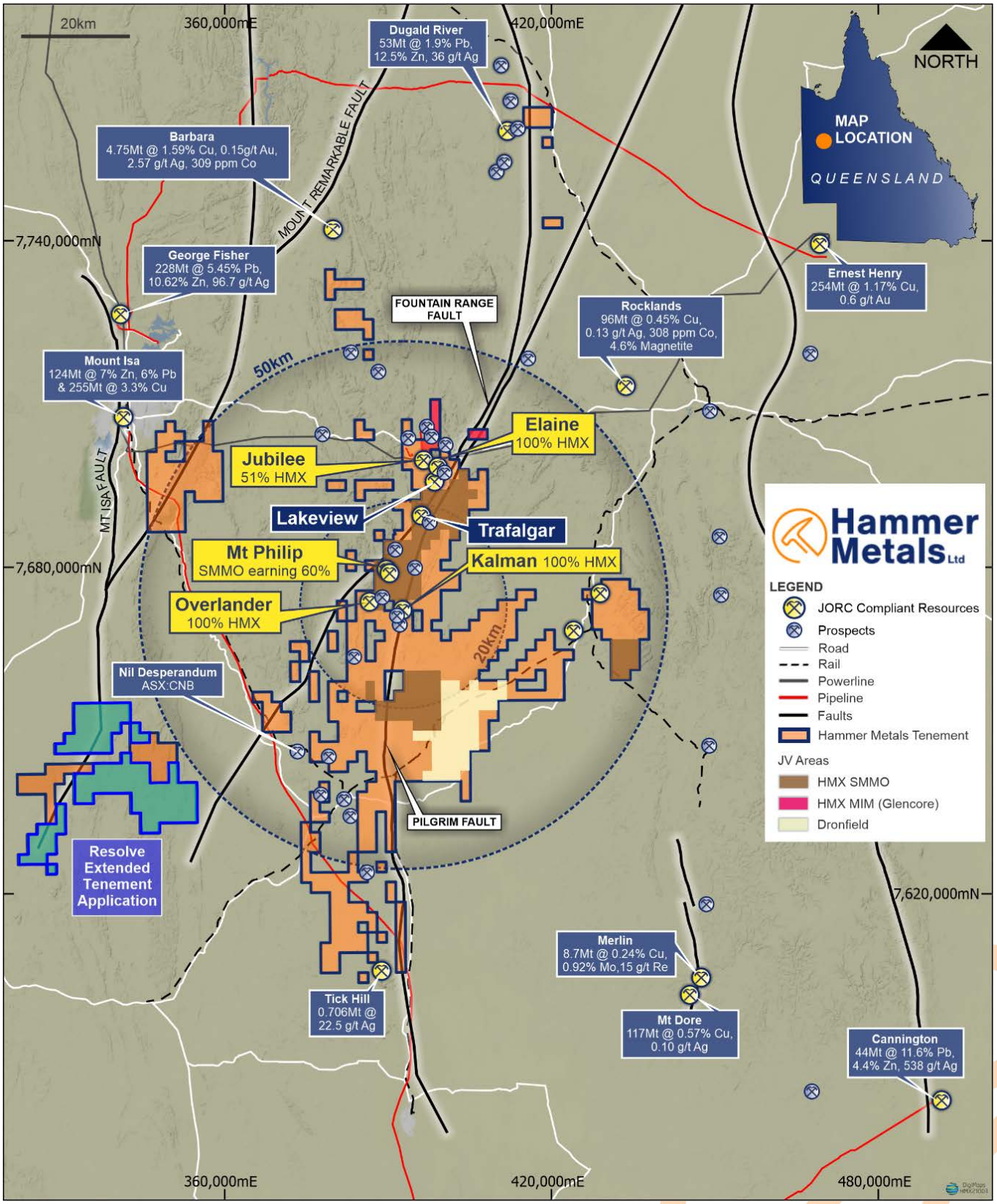

Figure 6: *Mt Isa Project Area*

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

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About Hammer Metals

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

Hammer 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

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.

The information in this report that relates to previous exploration results was prepared and first disclosed under a pre-2012 edition of the JORC code. The data has been compiled and validated. It is the opinion of Hammer Metals that the exploration data is reliable. Nothing has come to the attention of Hammer Metals that causes it to question the accuracy or reliability of the historic exploration results. In the case of the pre-2012 JORC Code exploration results, they have not been updated to comply with 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

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.

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JORC Table 1 report – Mount Isa Project Exploration Update

- This table is to accompany an ASX release updating the market with drill results from a single hole at the Ajax Prospect within Hammer Metals 100% held tenement areas.
- 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	*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).* *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.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *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.*	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. Where mineralisation was anticipated or encountered, the sample length was reduced to 1m with lab submission of the 1m samples. The average sample length and weight for the assays reported herein is 2.37m and 2.51kg respectively. All samples submitted for assay underwent fine crush with 1kg riffled off for pulverising to 75 microns. Samples were submitted to ALS for: • Fire Assay with AAS finish for gold. • 4 acid digest followed by ICP-MS and ICP-OES for a variable element suite. Portable XRF analysis was conducted in the field on each 1m interval. Re-analyses will be conducted as required to investigate element repeatability.
Drilling techniques	*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).*	Holes were drilled by DDH1 drilling using a Sandvik DE840 (UDR1200) drilling rig. The holes were drilled by the reverse circulation method. The reverse circulation technique which uses a face sampling hammer to reduce contamination.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples. *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.*	Sample recoveries were generally in excess of 80%. Recoveries are typically low in the first 5m of each hole. In holes where recovery or significant sampling bias was observed, the hole was terminated. No sample recovery bias has been noted.
Logging	*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.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	All drilling was geologically logged by Hammer Metals Limited Geologists. Quantitative portable XRF analyses were conducted on metre intervals on site. All metres drilled were analysed by the lab methods listed above.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Samples consist of RC drill chips. Samples from the hole were collected by a three-way splitter with A and B duplicates taken for every sample. 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. Where evidence of mineralisation was encountered or anticipated, the sample length was reduced to 1m. Sample collection methodology and sample size is considered appropriate to the target-style and drill method, and appropriate laboratory analytical methods were employed. Standard reference samples and blanks were each inserted into the laboratory submissions at a rate of 1 per 25 samples.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model,*	Each metre drilled was subject to site portable XRF analysis. All samples were analysed for gold by flame AAS using a 50gm charge. Each sample was also analysed by 4-acid multielement ICP OES and MS.

Criteria	JORC Code explanation	Commentary
	reading times, calibrations factors applied and their derivation, etc. *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.*	Standard reference samples and blanks were inserted at 25 sample intervals. ALS also maintained a comprehensive QAQC regime, including check samples, duplicates, standard reference samples, blanks and calibration standards.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	All assays have been verified by alternate company personnel. Assay files were received electronically from the laboratory.
Location of data points	*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.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Datum used is GDA 94 Zone 54. 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.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *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.* *Whether sample compositing has been applied.*	The drill density is sufficient to establish broad trends of mineralisation and the holes are located on the margins of an established JORC resource. See ASX release dated September 27th, 2016. The average grade has been utilised where multiple repeat analyses have been conducted on a single sample.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *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.*	Drill holes were oriented as close to perpendicular as possible to the orientation of the targets based on interpretation of previous exploration.
Sample security	*The measures taken to ensure sample security.*	Pre-numbered bags were used, and samples were transported to ALS by company personnel. Samples were packed within sealed polywoven sacks.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The dataset associated with this reported exploration has been subject to data import validation.

Criteria	JORC Code explanation	Commentary
		All assay data has been reviewed by two company personnel. No external audits have been conducted.

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	*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.* *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.*	The Mt Isa Project consists of 28 tenements. 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.
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.*	Ajax Prospect The Ajax prospect is hosted by metasediments of the corella formation which have been subject to variable levels or albite and magnetite alteration. Mineralisation at Ajax appears to be associated with zones of demagnetisation along this trend. 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).
Drill hole Information	*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.* *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.*	See the attached tables.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of*	Intercepts are quoted at a 0.1% Cu cut-off with included intercepts highlighting zones of increased Cu grade.

Criteria	JORC Code explanation	Commentary
	high grades) and cut-off grades are usually Material and should be stated. *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *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').*	True thicknesses determinations of drilled intervals cannot be made at Ajax as at this stage only one hole has been drilled.
Diagrams	*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.*	See attached figures.
Balanced reporting	*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.*	Intercepts are quoted at a 0.1% Cu equivalent grade. Portions of a drillhole that are not quoted in the intercept table contain grades less that the quoted cut-off.
Other substantive exploration data	*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.*	This release also reports preliminary results from a downhole and fixed loop electromagnetic survey primarily conducted to delineate mineralisation associated with the intersection in HMLVRC014. The survey was conducted by Australian Geophysical Services utilising a GeoResults DRTX TX4 transmitter and a Emit Digiatlantis 3 component probe. The survey involved downhole testing on HMLVRC014 in addition to conducting surface fixed loop EM in the areas surrounding the hole. The location of the drillhole, loop and fixed loop stations is shown in the attached figures. Information was given to Newexco for processing and initial interpretation. This work is ongoing.

Criteria	JORC Code explanation	Commentary
		All other relevant information is disclosed in the attached release and/or is set out in this JORC Table 1.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Hammer Metals Limited will be conducting further drilling at Ajax in the near future. In relation to the FLEM anomaly to the east, the company is investigating conducting further ground EM to better define this target.