

ASX RELEASE

15 August 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 (12/08/2022)	\$0.066
Shares on Issue	820m
Market Cap	\$54m
Options Unlisted	21m
Performance Rights	8m
Cash (30/6/2022)	\$5.4m

DRILLING COMMENCES AT AJAX AS HAMMER SECURES PROSPECTIVE COPPER TREND ALONG STRIKE FROM NIL DESPERANDUM

- **Hammer has been notified that it is the prioritised applicant for EPM28285, located directly west of its Mount Hope tenement (EPM26777), along-trend and less than 5km north of Carnaby Resources' (ASX: CNB) Lady Fanny and Nil Desperandum copper discoveries.**
- **Follow-up RC drilling has commenced at the Ajax and Ajax East prospects,** where previous drilling intersected high-grade copper mineralisation.
- An initial ~4,000m Reverse Circulation "RC" drilling program has been designed to test several highly prospective targets including Ajax, while also targeting extensions of the Kalman Cu-Au-Mo-Re Mineral Resource.
- Hammer will also look to complete drilling in the southern portion of the project area, to test new targets defined at South Hope and Mt Mascotte.
- **Additional IP surveys being commissioned at Mount Hope, Overlander and Hammertime.**
- **Results from the recently completed Pilgrim South VTEM survey are imminent.**
- **High priority targets defined from ongoing geophysical processing and interpretation (VTEM, IP, Gravity and Aeromagnetic) will be added to the drilling program.**
- A drill program for the Mount Isa East JV is being finalised and is expected to commence following the completion of drilling on Hammer's 100%-owned prospects.

Hammer's Managing Director, Daniel Thomas said:

"I'm really pleased that Hammer has been able to secure additional tenure in a highly prospective copper district, located directly along trend from significant recent copper discoveries. Once again, our team has been able to secure highly sought-after exploration ground in the Mt Isa district with low/minimal expenditure."

Work programs focusing on our southern targets are increasing with an RC program designed to test several old workings for the first time. In addition to the upcoming stream of drilling news, I expect that our extensive geophysical programs (IP, VTEM, gravity and magnetics) will continue to deliver new and exciting targets as the data from these surveys is processed."

Hammer Metals Ltd (ASX: HMX) (“**Hammer**” or the “**Company**”) is pleased to advise that it has commenced a major new phase of exploration drilling across its Mt Isa copper-gold project in NW Queensland, with Reverse Circulation (RC) drilling currently underway at the highly prospective 100%-owned Ajax prospect.

Hammer has also further strengthened its strategic exploration footprint after securing a highly prospective tenement located along strike to the north of the recent Nil Desperandum and Lady Fanny copper discoveries by Carnaby Resources (ASX: CNB).

The start of drilling at Ajax marks a significant step-up in exploration activity over the next few weeks, with drilling also planned at Kalman, South Hope and Mascotte before commencing on targets within the Mount Isa East JV. The drilling program is expected to provide a steady stream of news-flow through to the end of 2022.

Processing of data from the recently completed aeromagnetic and gravity survey over the Malbon IOCG target is underway, in addition to the recently completed IP and VTEM surveys. New drill targets from these programs are expected to emerge, with high-ranking targets likely to be added to the current drilling program.

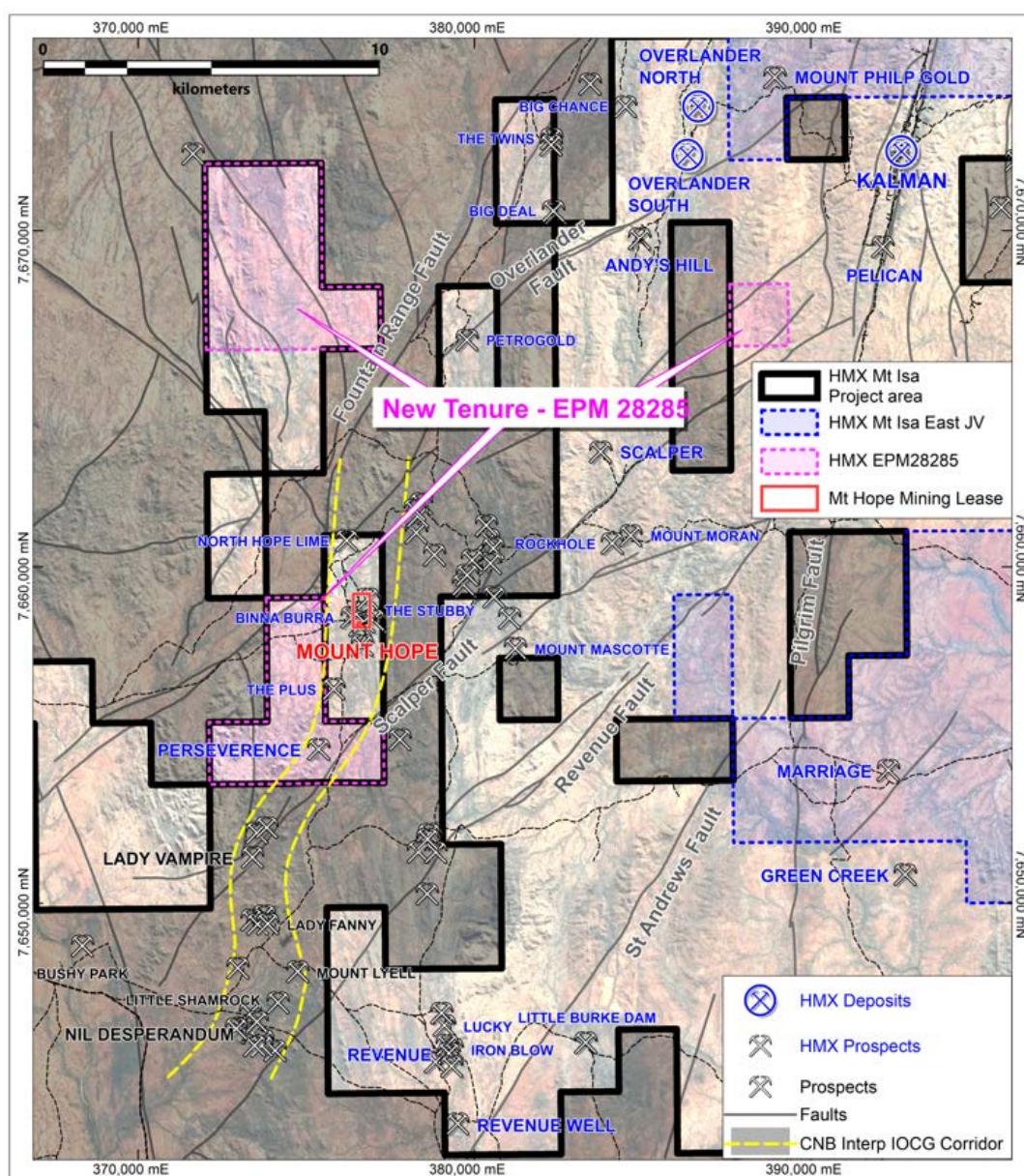


Figure 1. HMX Tenement Position and New EPM28285

Drilling Program and Targets

Ajax and Ajax East

Follow-up drilling (8 holes for ~1,730m) has been planned to test EM targets along the Ajax and Ajax East trends.

These holes will test the conductor along its 1km strike length in addition to testing higher frequency conductive zones occurring near-surface and in close proximity to the original copper intercept encountered at Ajax (refer to ASX Announcement 9 March 2022):

- **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.**



Figure 2. Hammer geologists inspecting drilling of HMLVRC0021 at Ajax

Kalman Cu-Au-Mo-Re Deposit

Drilling in early 2022 highlighted the potential for Hammer to extend the Mineral Resource envelope on the northern margin of the Kalman Cu-Au-Mo-Re Deposit (refer to ASX announcement 15 February 2022). A further eight holes (~1,330m) are planned to the north of the Kalman trend with a view to expanding the existing shallow copper/gold/molybdenum/rhenium JORC resource.

Ore sorting beneficiation test work is underway in Perth on a trial 500kg composite sample. Results from this program are expected during the quarter.

South Hope

Located 500m south of the Mt Hope Mining Lease, the South Hope prospect was recently subject to detailed geological mapping to define drill targets. Drilling aims to test and extend the **initial channel sample result of 20.3m @ 1.7% Cu** (refer to ASX announcement 20 June 2022).

Hammer has recently commenced IP surveys across its Mount Hope tenure following the anomalies identified in Hammer's ASX release on 20 June 2022. A total of five new IP lines will be completed, designed to further define the existing anomalies and identify new anomalies near the South Hope workings and to the north of existing anomalies.

Mascotte and Mascotte Junction

Mascotte is located approximately 20km to the south-west of Kalman and is a former copper mine, mined in the early 1900's. Production records documented in an historical exploration report (CR22223) indicated that Mount Mascotte produced 4,824 tonnes of copper, yielding 248.4 ounces of gold.

There are no records of historical drilling at Mascotte with recent Hammer rock chips confirming the presence of high-grade zone of mineralisation. An initial drilling test of the prospective zones at both Mascotte and Mascotte Junction has been planned.

EPM28285 "The Plus" tenement application

Early in 2022, Hammer Metals applied for an area immediately to the north of Carnaby Resources' Lady Vampire prospect. This tenement application was in competition with Carnaby Resources. Hammer has recently been notified that it is the preferred candidate for this tenement area.

The Plus application covers the northern extension of the Nil Desperandum mineralised trend being explored by Carnaby.

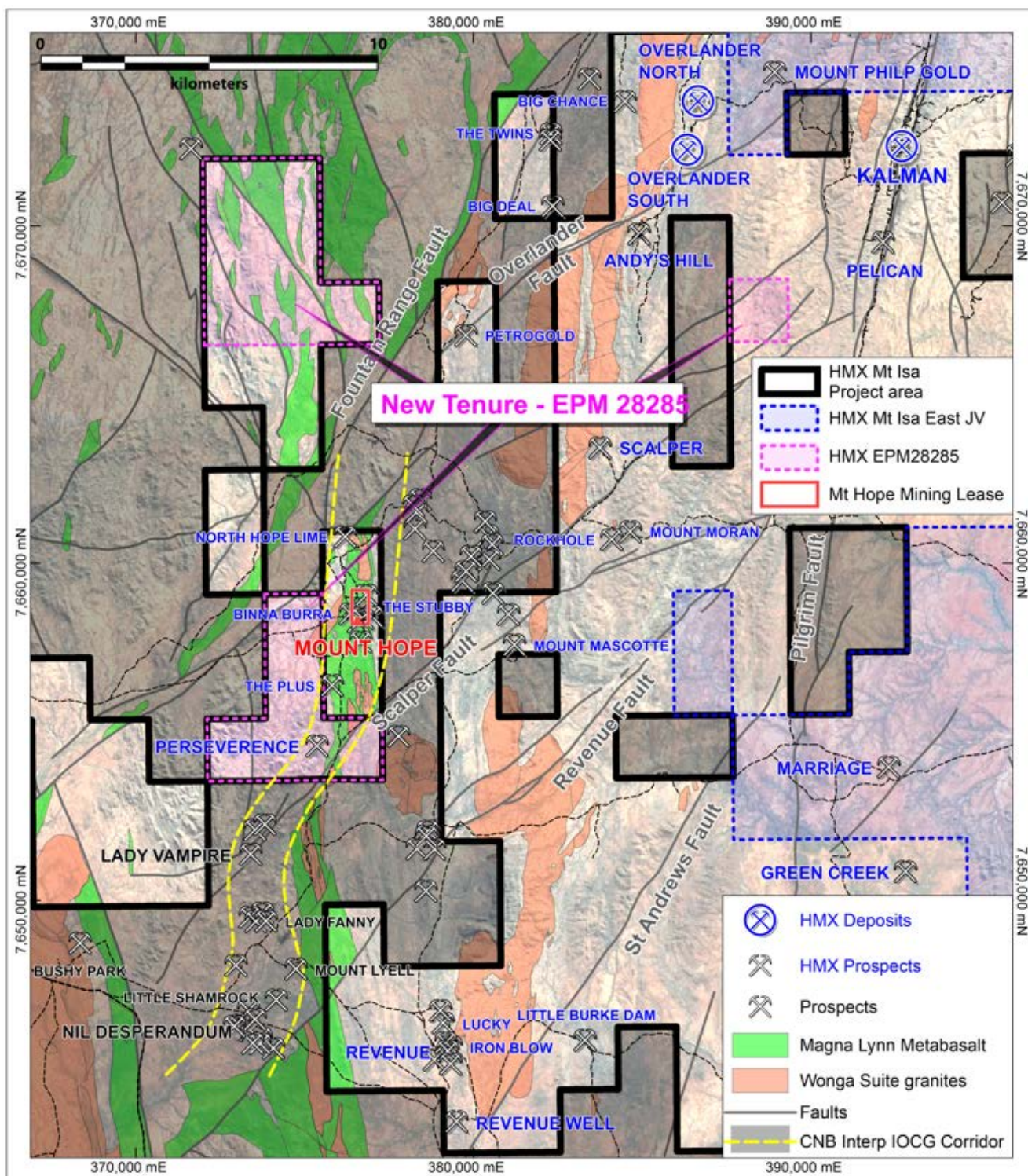


Figure 3. HMX Tenement Position with regional geology underlay

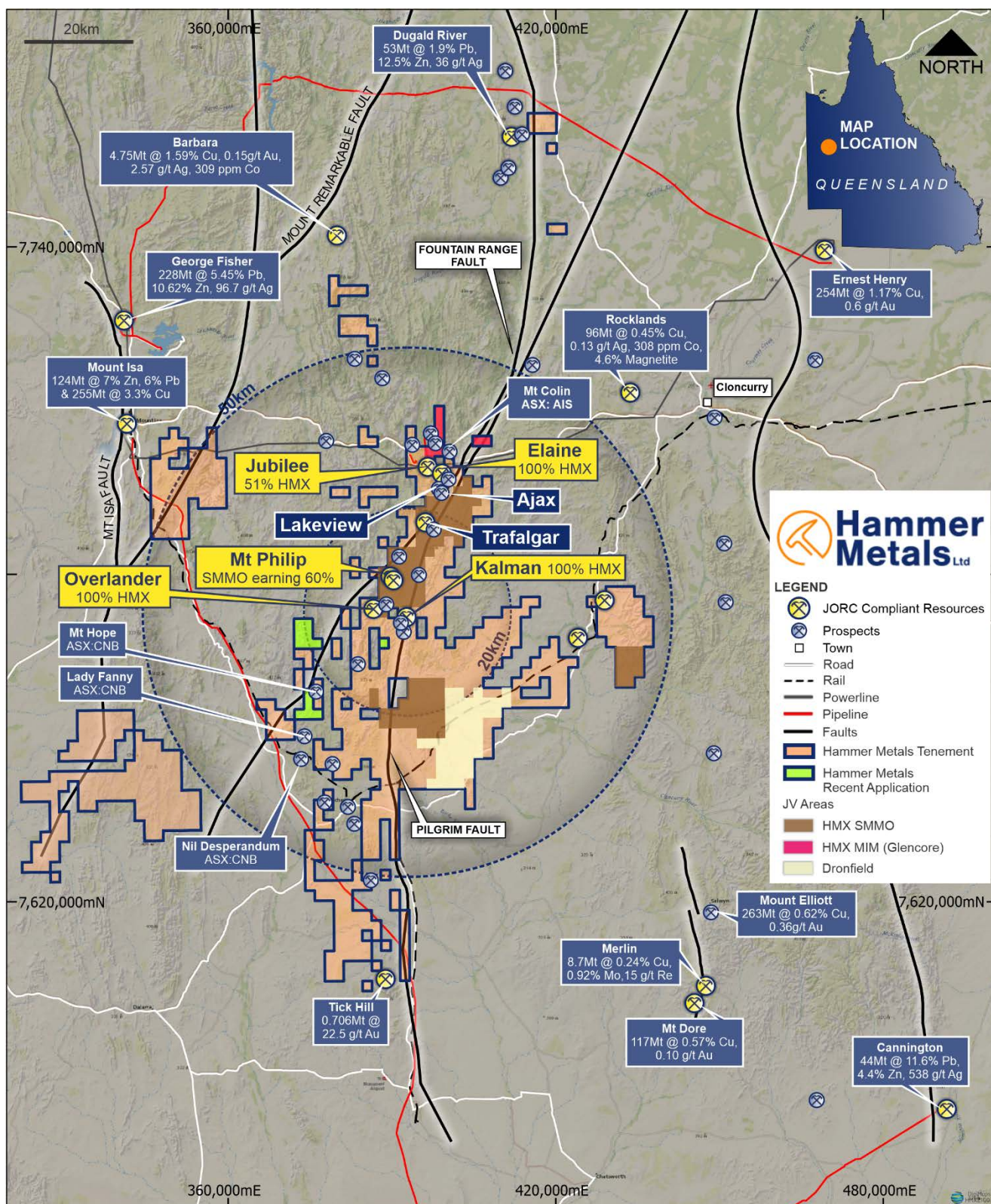


Figure 4. Mt Isa Project Area

Expected Newsflow

- **August:** Mount Hope, Hammertime and Overlander IP survey results
- **August:** VTEM Pilgrim Fault South results
- **August:** Aeromagnetic and gravity survey results from IOCG prospect at Malbon
- **August:** MIE JV Update including DD results from Mount Philp, Trafalgar, IP Surveys at Pearl, The Springs and Shadow
- **August:** Yandal Soil Survey Results
- **August/September:** Updates on drilling at Ajax, Ajax East and Pearl
- **September:** Kalman Ore Sorting results
- **September:** Hardway Rare Earth historical drill hole re-sampling and assays

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:

Daniel Thomas
Managing Director

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

Media Enquiries:
Nicholas Read – Read Corporate

T +61 9 9388 1474
E info@readcorporate.com.au

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About Hammer Metals

Hammer Metals Limited (ASX: HMX) 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.

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.