IP SURVEYS DELIVER COMPELLING NEW DRILL TARGETS AT MOUNT HOPE

ASX RELEASE
31 August 2022

DIRECTORS / MANAGEMENT

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Managing Director

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Non-Executive Director

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CAPITAL STRUCTURE

ASX Code: HMX

Share Price (30/08/2022)	$0.054
Shares on Issue	820m
Market Cap	$44m
Options Unlisted	21m
Performance Rights	8m
Cash (30/6/2022)	$5.4m

- **Strong Induced Polarisation (IP) anomalies (>42mv/v) identified within Hammer's 100%-owned tenement (EPM26777) at Mount Hope**.
- **Two high-priority targets identified from five IP survey lines completed across the tenement.**
- The strength of the **>42mv/v anomaly** and its positioning along trend from copper workings **elevates this target to a drill-ready prospect,** to be tested as part of Hammer's ongoing drilling program.
- Targets located along trend from Carnaby Resources' Nil Desperandum and Lady Fanny prospects.

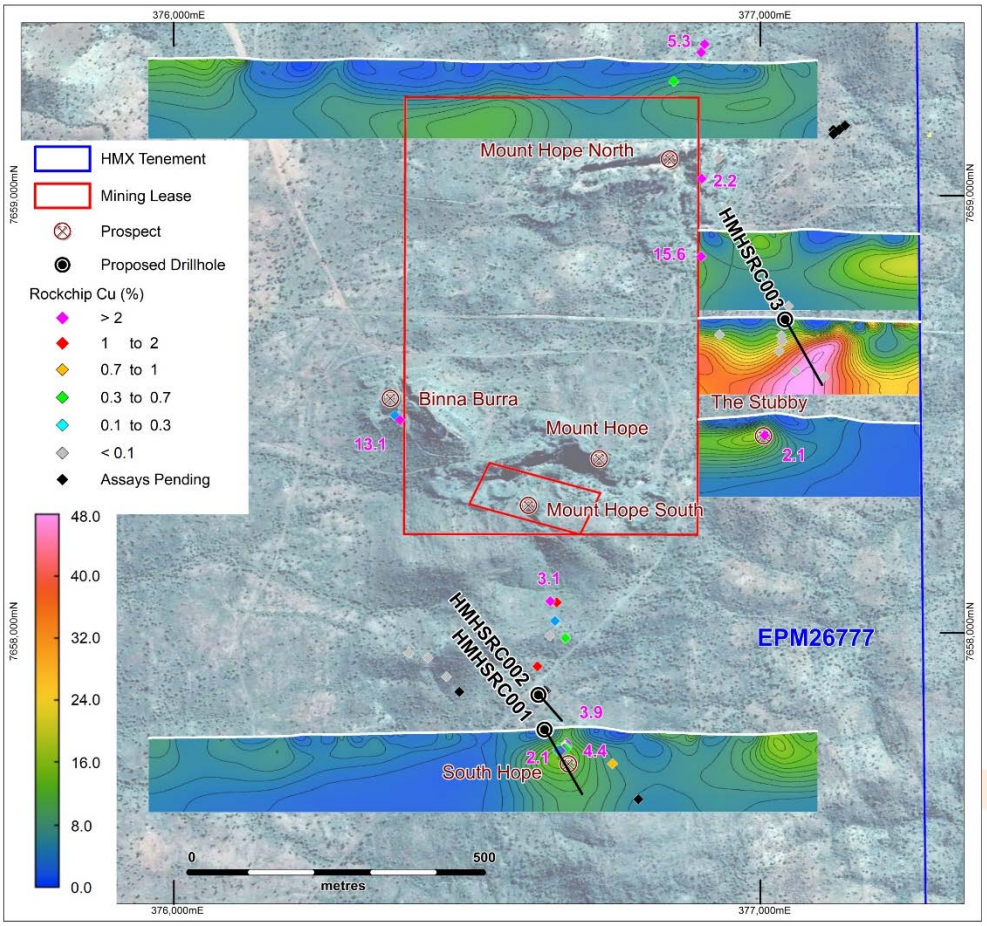

Figure 1. *Mount Hope Plan showing the chargeability response from the recently completed IP survey lines.*

- **South Hope prospect upgraded** with an anomalous IP response returned below historical copper workings, where face sampling results from within the pit returned an **average grade of 1.7% copper and 0.2g/t gold over 20.3m.**
- **Preliminary imagery from a three-dimensional IP array at Overlander has delineated a chargeability anomaly (>30mv/v) along strike from the Overlander South JORC Mineral Resource.**
- Additional IP surveys to be considered following completion of the current drilling program.

Hammer's Managing Director, Daniel Thomas said:

"It's pleasing to see such strong anomalies generated from the intensive geophysical programs that we have been undertaking across our tenure. The highly encouraging anomaly at the Stubby prospect will be added to our extensive ongoing drilling program and offers another exceptional copper-gold target for our shareholders. A strong news pipeline has been developed, with an active drilling program on prospective targets continuing and further geophysical results on the horizon."

Hammer Metals Ltd (**ASX: HMX**) ("**Hammer**" or the "**Company**") is pleased to advise that recently completed Induced Polarisation (IP) geophysical surveys across the 100%-owned Mount Hope EPM in North-West Queensland have generated compelling new drill targets.

A total of five IP lines were completed covering prospective trends to the east, south and north of the main Mount Hope historic workings. The survey outlined a number of anomalies, with two targets considered suitable for immediate drilling and a number of further zones identified for further ground review.

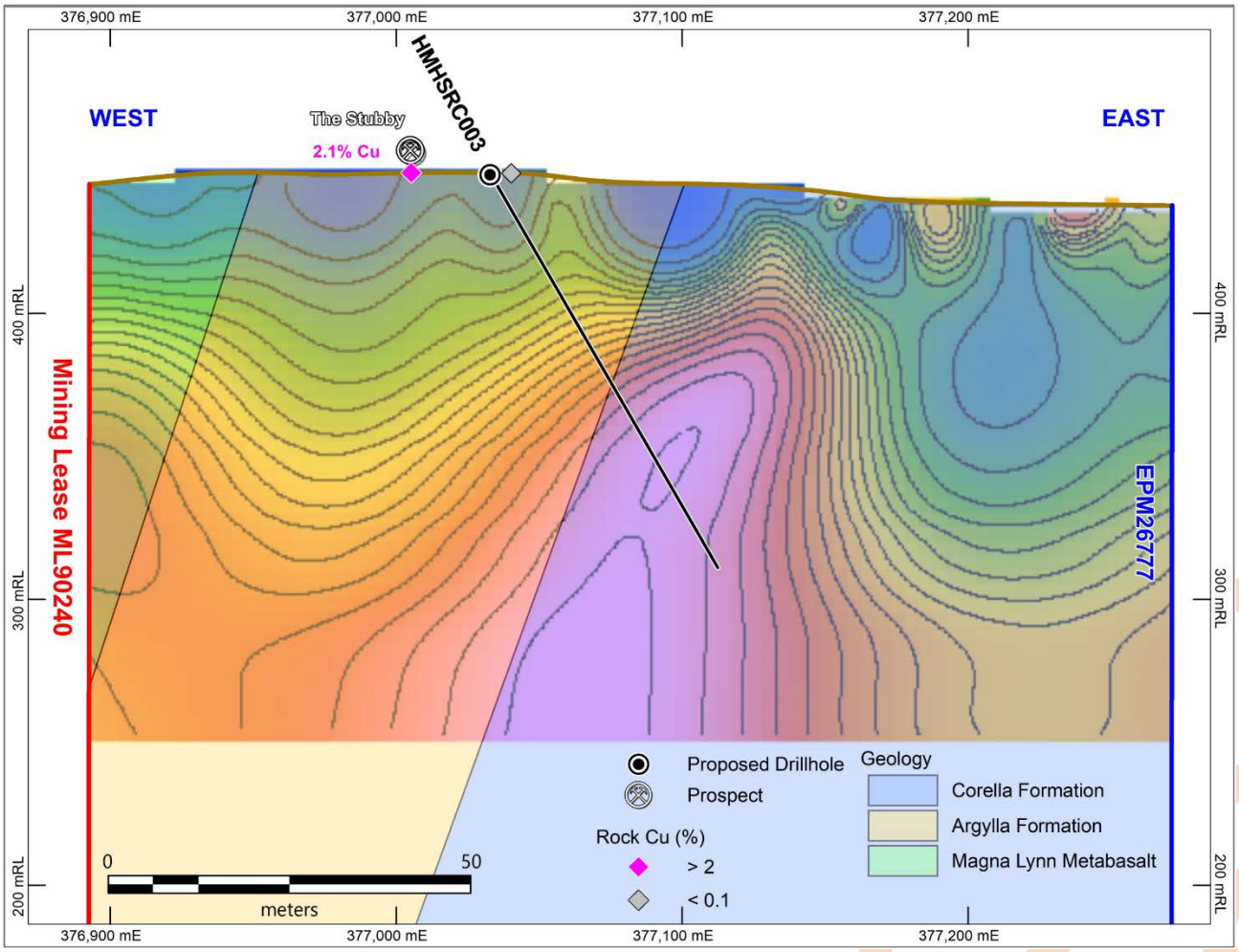

Figure 2. *Mount Hope East Anomaly chargeability cross-section showing the projected position of the Stubby prospect.*

Mount Hope

Hammer's Mount Hope prospects are located within EPM26777, along trend from Carnaby Resources Limited's (Carnaby) (ASX: CNB) Nil Desperandum and Lady Fanny prospects and within Carnaby's interpreted "IOCG structural corridor".

Following the report of a substantial IP anomaly in Hammer's Exploration Licence, Hammer completed an IP survey over several of its Mount Hope prospects.

The surveys have delineated several significant anomalies which will be prioritised for further investigation and potential drill testing. A maximum IP anomaly of **>42mv/v** was recorded in the survey along trend from nearby copper workings and represents an immediate drilling prospect (see Figures 1 and 4).

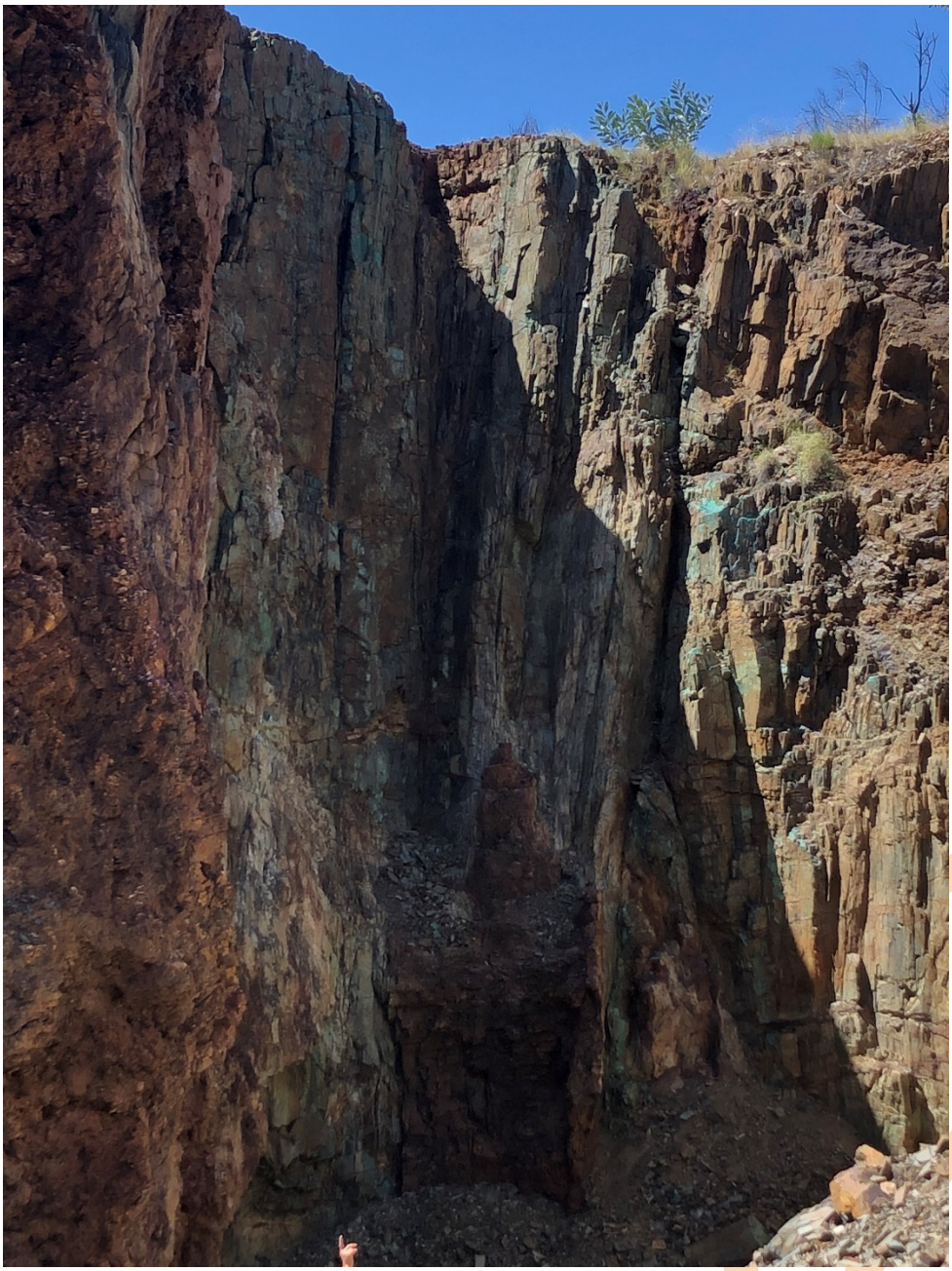

Figure 3. *South Hope historic workings.*

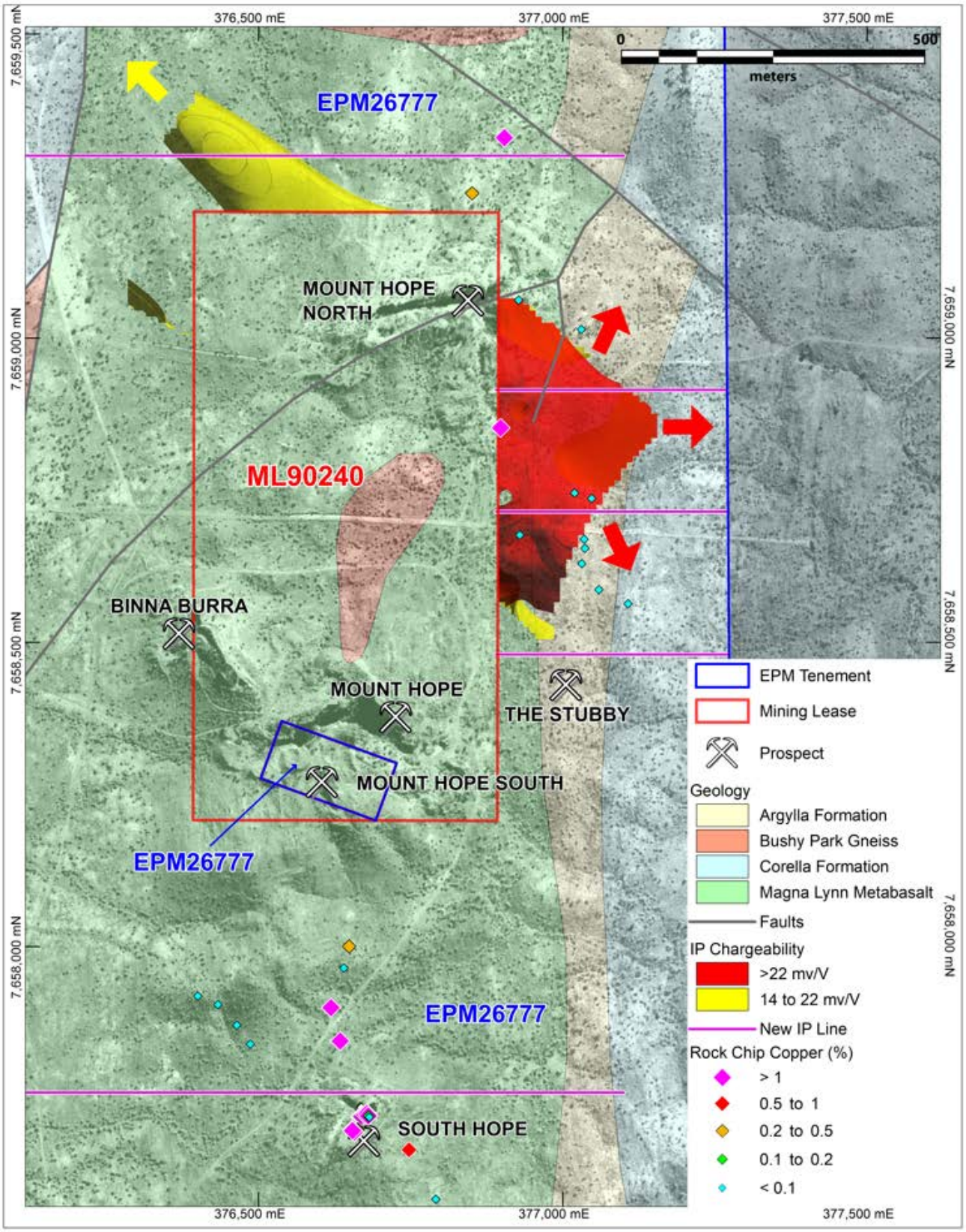

Figure 4. *EPM26777 – Mount Hope EPM and IP survey design lines.*

IP Anomalies

South Hope

Hammer has recently completed rock chip sampling and detailed mapping of the **South Hope prospect.** Key results are summarised below (also refer ASX announcement 20 July 2022). Gold analyses which were outstanding have now been reported from this sampling (see Figures 2 and 5):

- Channel sample results of 1.7% Cu and 0.22g/t Au over 20.3m with individual samples of 4m at 3.89% Cu, 1m at 4.35% Cu and 1m at 2.07g/t Au from within the **South Hope workings;** and
- Rock chip samples collected immediately along strike to the north of **South Hope** which contained elevated individual grades of 6.24% Cu, 2.6g/t Au and 0.2% Mo (Table 2).

Several target zones **at South Hope** have been identified and will be considered for addition to Hammer's upcoming Reverse Circulation drill program.

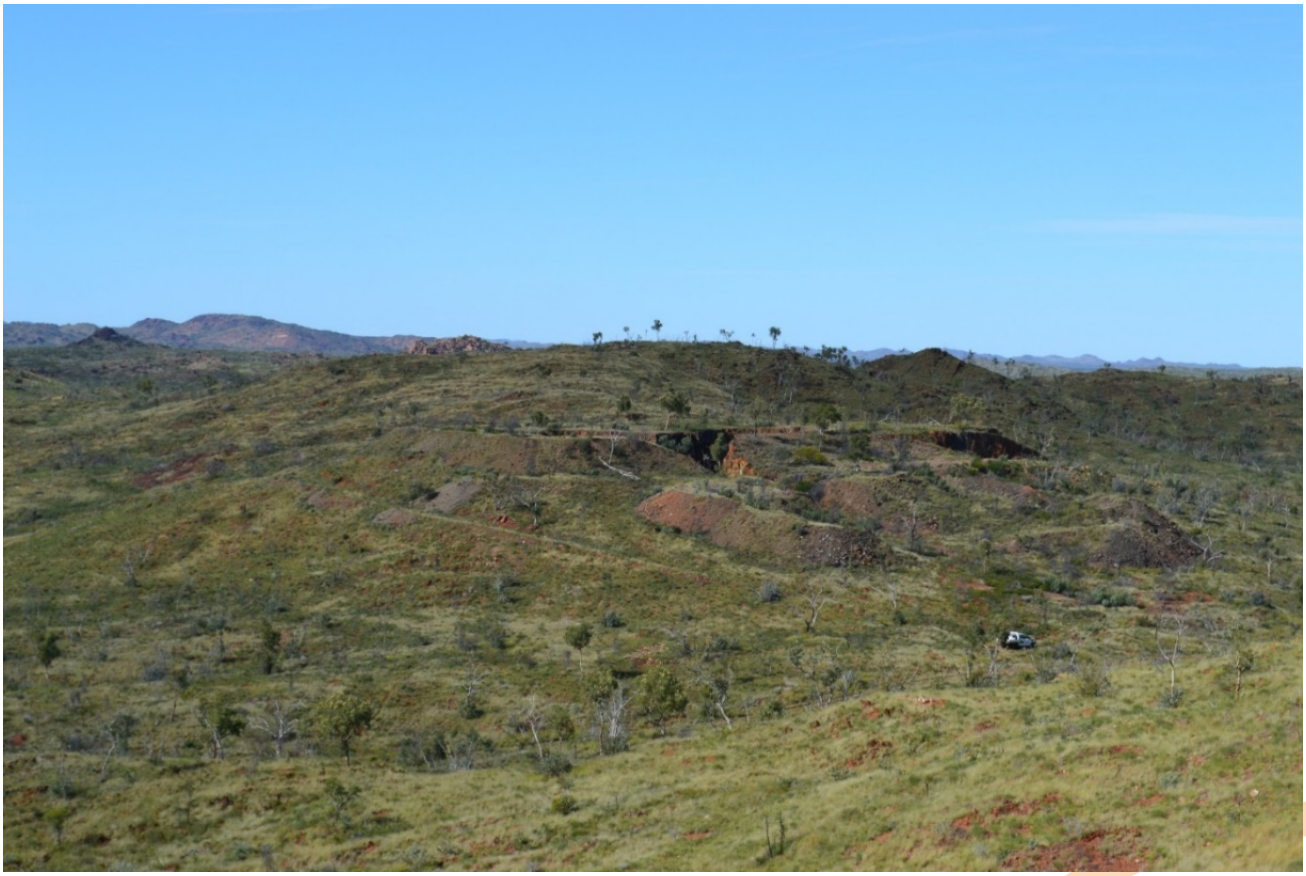

Figure 5. South Hope workings *looking southeast*

Other IP survey areas

Induced Polarisation surveys were also undertaken at Hammertime (three lines), Kalman (two lines) and Overlander South (one 3D array).

Kalman

Two lines of Induced Polarisation were conducted as a test over the Kalman deposit. These lines presented subtle responses to the mineralisation defined within the JORC Mineral Resource. Further investigation of these results will be conducted with a view to extending the IP surveys over prospective zones along strike from the Kalman Cu-Au-Mo-Re deposit.

Overlander South

The extensive copper mineralisation system at Overlander continues to be investigated following Hammer's previous test of an IP anomaly beneath the Overlander South JORC compliant Mineral Resource.

One three-dimensional array was conducted at Overlander South to the south of the existing Overlander South copper Resource. Preliminary 2D sections have been received. Both sections show elevated chargeability responses to the south of the Overlander Resource envelope. The peak response of >30mv/v remains to be drill tested.

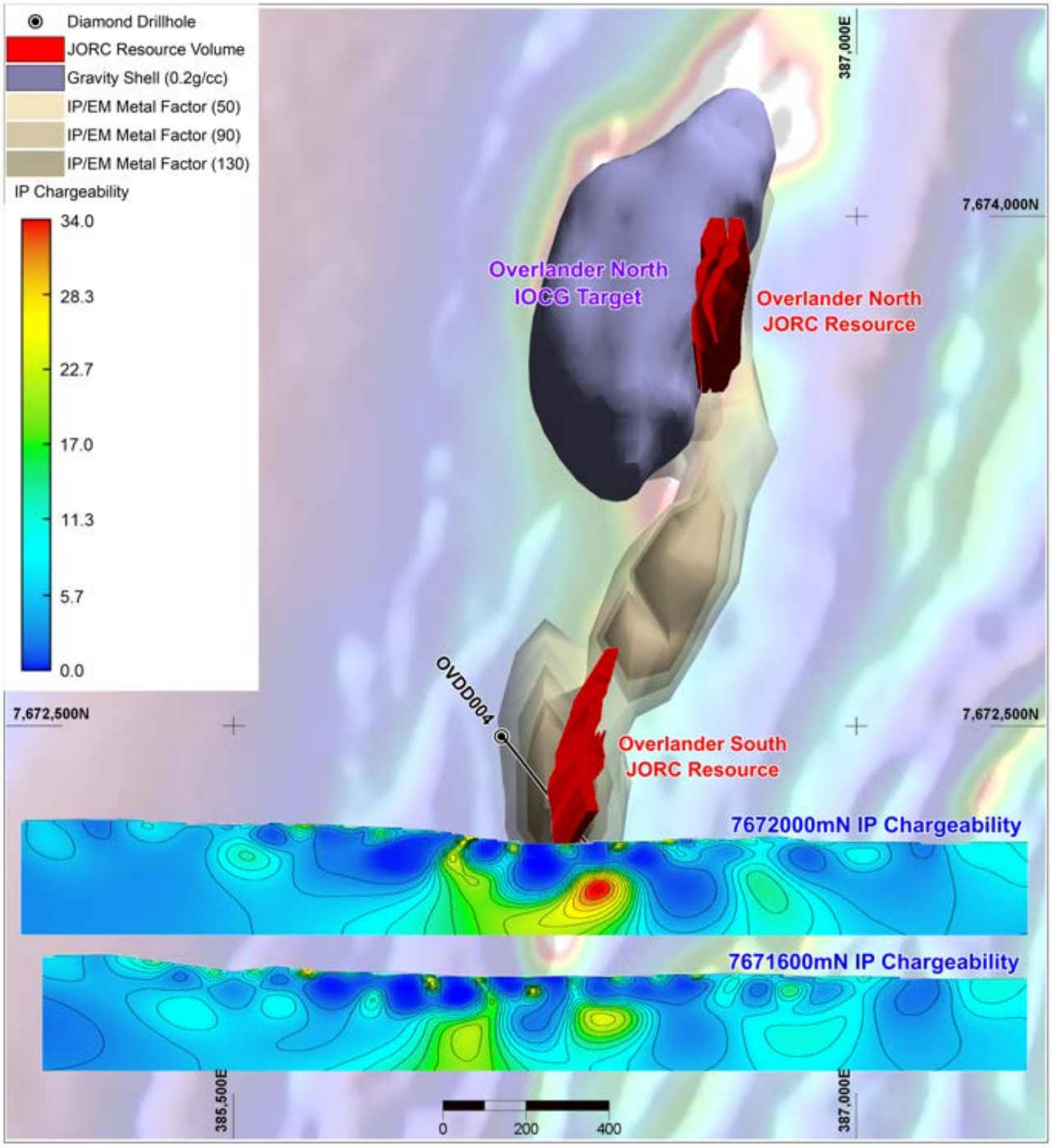

Figure 6. *Overlander South IP Survey Results relative to the Overlander JORC Mineral Resources.*

Hammertime

Three lines of Induced Polarisation were conducted over the Hammertime Prospect. Preliminary imagery has been received and interpretation is in progress.

Table 1. *South Hope open pit wall sampling (with Au analyses)*

SOUTH HOPE OPEN PIT - CONTINUOUS CHIP SAMPLING							
PROSPECT	SAMPLE	E_GDA94	N_GDA94	Interval	Au (g/t)	Cu (%)	Co (ppm)
Northern Wall	KBH026	376667	7657724	1	<0.01	0.97	203
	KBH027	376667	7657723	1	<0.01	2.28	330
	KBH028	376668	7657723	1	0.06	4.35	120
	KBH029	376669	7657723	1	0.01	1.83	125
	KBH030	376670	7657724	1	2.07	0.42	21
	KBH031	376671	7657724	1	0.14	0.18	19
	KBH032	376672	7657725	1	0.10	0.34	25
	KBH033	376672	7657725	1	0.75	0.77	34
	KBH034	376673	7657726	1	0.10	0.13	21
	KBH035	376674	7657726	1	0.18	1.48	454
	KBH036	376675	7657727	1	0.27	0.18	35
	KBH037	376676	7657728	1	0.10	0.70	104
	KBH038	376677	7657728	1	<0.01	0.75	55
	KBH039	376678	7657728	4	0.06	3.89	96
	KBH040	376679	7657725	2.3	0.15	0.63	54
	KBH041	376680	7657724	1	0.04	3.14	98
	KBH042	376681	7657723	2	0.21	0.18	25
	KBH043	376682	7657721	1	0.06	0.04	3
Southern Wall	KBH048	376663	7657701	1	<0.01	0.33	398
	KBH049	376662	7657700	1	0.04	0.32	19
	KBH050	376662	7657699	1	0.01	0.18	42
	KBH051	376662	7657698	1	0.01	0.28	22
	KBH052	376662	7657697	1	0.03	0.19	84
	KBH053	376661	7657697	1	0.02	0.08	64
	KBH054	376660	7657697	1	<0.01	0.03	66
	KBH055	376659	7657697	1	0.01	0.34	109
	KBH056	376658	7657697	1	0.99	2.06	126
	KBH057	376657	7657697	1	0.01	1.22	45
	KBH058	376656	7657698	1	0.06	0.25	20
	KBH059	376655	7657698	1	0.09	0.19	31
	KBH060	376655	7657699	1	0.11	0.88	51
	KBH061	376654	7657701	1	<0.01	1.63	72
Note							
Coordinates are relative to GDA94 Zone54 and represent the central position of the continuous sampled interval							

Table 2. *Mt Hope Region Rock Chip Sampling (with Au analyses)*

MOUNT HOPE REGION - GRAB ROCK CHIP SAMPLING							
PROSPECT	SAMPLE	E_GDA94	N_GDA94	Au (g/t)	Cu (%)	Co (ppm)	Mo (ppm)
Regional	KBH044	376464	7657872	0.03	0.04	6	7
	KBH045	376433	7657906	0.05	0.07	5	5
	KBH046	376400	7657920	0.13	0.03	4	6
South Hope Extension	KBH047	376747	7657668	0.12	0.96	37	3
	KBH062	376654	7657700	2.6	3.05	56	12
	KBH063	376649	7658002	0.13	0.28	12	3
	KBH064	376640	7657966	0.46	0.10	30	5
	KBH065	376619	7657902	0.28	1.75	16	5
	KBH066	376631	7657847	1.63	0.30	41	6
	KBH067	376632	7657847	0.01	0.24	46	3
	KBH068	376633	7657847	0.01	0.97	61	4
	KBH069	376634	7657847	0.01	6.24	152	1
	KBH070	376791	7657586	<0.01	0.01	12	2
	KBH071	376469	7657265	0.01	0.17	69	2120
Mt Hope North Extension	KBH072	375935	7659738	0.34	0.35	295	6
	KBH073	375946	7659710	0.01	0.01	21	4
The Plus	KBH074	375817	7656385	0.20	1.86	108	3
	KBH075	375817	7656385	0.26	2.72	27	3
	KBH076	375824	7656430	0.15	0.66	45	5
	KBH077	375814	7656524	0.19	0.17	19	1
Regional	KBH082	376486	7657841	0.20	0.06	5	8
Note							
Coordinates relative to GDA94 Zone54							

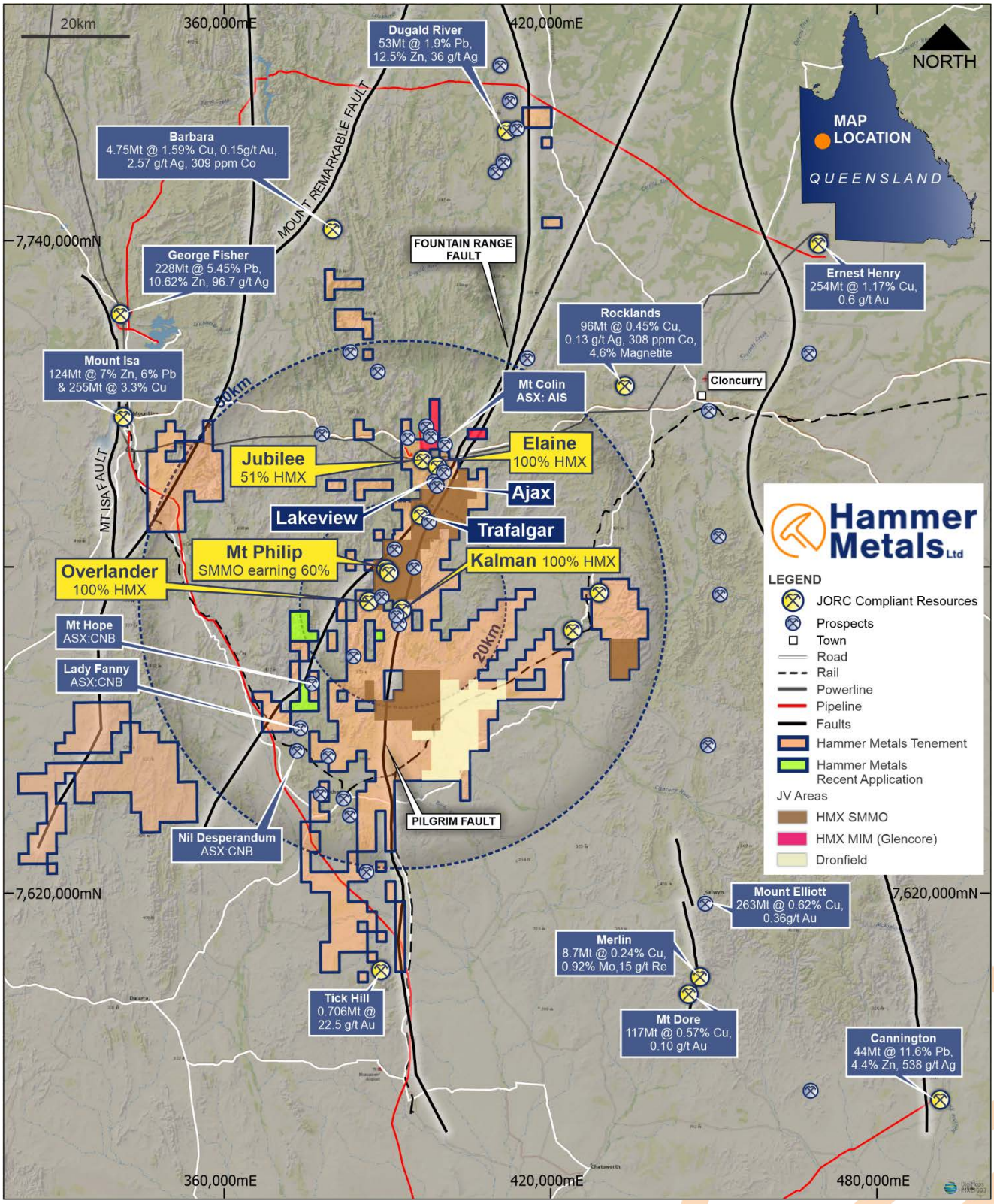

Figure 7. *Mt Isa Project Area*

Expected Newsflow

- **Early September:** MIE JV Update including DD results from Mount Philp, Trafalgar, IP Surveys at Pearl, The Springs and Shadow
- **September:** VTEM Pilgrim Fault South results
- **September**: Aeromagnetic and gravity survey results from IOCG prospect at Malbon
- **September:** Yandal Soil Survey Results
- **September:** Updates on drilling at Ajax, Ajax East and Pearl
- **End September:** Kalman Ore Sorting results
- **October:** 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.

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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.

JORC Table 1 report – Mount Isa Project Exploration Update

- This table is to accompany an ASX release updating the market with the results from work conducted at Multiple prospects within 100% Hammer Metals tenements. in the vicinity of the Mt Hope former Mt Hope mine located approximately 21km to the southwest of the Kalman Cu-Au-Mo-Re deposit.
- 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 Limited 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.*	No Drilling is reported in this release. **Rock Chip Sampling** Samples reported herein are a mix of continuous chip face sampling and grab sampling. The samples are tabulated separately in the body of the report. **Rock Chip Analysis** 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 for a comprehensive element suite. Gold results are now reported herein
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).*	No Drilling is reported in this release.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	No Drilling is reported in this release.

Criteria	JORC Code explanation	Commentary
	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.	
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.*	No Drilling is reported in this release.
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.*	No Drilling is reported in this release. **Rock Chip Sampling** Sampling was composed of both grab sampling and continuous chip face sampling (the latter in in the Mt Hope South Open Pit). Grab sampling was taken from outcrops but by its nature it is not a good representation of grade across significant intervals. All samples were taken from outcrops and faces and are considered insitu. Continuous chip face sampling as the name implies is a good test of lateral continuity and the quantitative grades over a defined strike width. **Comment** As part of a first pass sampling program both grab, and continuous chip sampling are considered appropriate to gauge tenor and element types likely to be encountered. The laboratory methods are appropriate.
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, 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.*	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. In addition to the Hammer in-house certified reference materials, the assay laboratory maintains a comprehensive QAQC regime, including check samples, duplicates, standard reference samples, blanks and calibration standards.
Verification of sampling	*The verification of significant intersections by either independent or alternative company personnel.*	All assays have been verified by alternate company personnel.

Criteria	JORC Code explanation	Commentary
and assaying	*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.*	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.
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.*	Grab rock chip sampling is not appropriate to be able to comment on grade over larger areas. Face sampling is a good method to gauge grades over significant widths however the sampling is conducted at one area and is akin to a single drillhole. 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.*	Grab samples are a single point source of data and are hence biased. Face sampling is taken as close to perpendicular to the prevailing strike as possible.
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. 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,*	The Mt Isa Project consists of 34 tenements. The work described herein was conducted on EPM2677. This tenement is held by Mt

Criteria	JORC Code explanation	Commentary
	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.*	Dockerell Mining Pty Ltd, a 100% owned subsidiary of Hammer Metals Limited. It is noted herein that Induced Polarisation was conducted by Carnaby Resources Limited. This work was primarily conducted over ML90240, however with Induced Polarisation in order to get good depth penetration the survey lines extend laterally. In this instance these lines extended onto EPM26777 and this work was done with the permission of Hammer Metals Limited.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Work conducted by other parties and reported herein includes: Carnaby Resources Limited (ASX:CNB) – Induced Polarisation Geophysical Survey. Carnaby Resources delivered to Hammer Metals the data pertaining to Induced Polarisation off ML90240. This data is presented herein. For details of this survey refer to the ASX announcement dated 14/7/2022.
Geology	*Deposit type, geological setting and style of mineralisation.*	The current understanding of the style of minerlisation at Mt Hope is that it is shear zone hosted and located on the margins of the Magna Lyn Metabasalt and the Bushy Park Gneiss. Commonly in the Mt Isa region major lithological contacts become the focus of shearing and this can be accompanied to varying extents by hydrothermal fluid flow. An example of this style of mineralisation is the Mt Colin Cu deposit currently being mined by Round Oak Limited.
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.*	No Drilling is reported in this release. **Rock Chip Sampling** See tables herein showing the location and type of sampling conducted by Hammer Metals Limited in the Mt Hope region.
Data aggregation methods	*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.*	**Geophysics** Induced Polarisation data was delivered to Hammer Metals Limited as inverted 2 dimensional models of chargeability and conductivity. This data was gridded by Hammer Geophysical consultants to

Criteria	JORC Code explanation	Commentary
	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.*	provide a three-dimensional image of chargeability and conductivity. These three-dimensional chargeability shells are presented herein on figures at levels of 22mv/V and 14mv/V. **Rock Chip Sampling** Continuous chip face sampling has been presented as a sample length weighted average. Grab rock chip sampling has not been aggregated.
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').*	**Rock Chip Sampling** The continuous chip face sampling has been taken along a horizontal plan. It is not known with any certainty the exact geometry of mineralisation until the zone can be drilled with multiple holes.
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.*	**Rock Chip Sampling** The continuous chip face sampling has been quoted at a 0.1% Cu cut off. Certain intervals are quoted to highlight higher grades. All samples are tabulated for detailed review.
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 reports results from an Induced Polarisation survey conducted by Carnaby Resources Limited (ASX:CNB) dated 14/7/2022. The portions of this survey which were acquired were supplied to Hammer Metals Limited as inverted (or processed data). The release also presents results from 5 Hammer Metals IP lines at Mt Hope and discusses results of IP conducted at the Hammertime prospect and the Kalman Deposit. 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).*	Hammer Metals Limited intends to better identify chargeable zones adjacent to Carnaby Resources Limited ML90240

Criteria	JORC Code explanation	Commentary
	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 intends to drill the Mt Hope South and Plus prospects in an upcoming drill program.