# AJAX EAST MINERALISATION EXTENDED TO OVER 1KM WITH NEW INTERCEPTS AS DRILLING KICKS OFF AT MT HOPE

**ASX RELEASE**
24 October 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 (21/10/2022) | $0.052 |
| Shares on Issue | 820m |
| Market Cap | $43m |
| Options Unlisted | 21m |
| Performance Rights | 8m |
| Cash (30/6/2022) | $5.4m |

- **Further drilling targeting EM plates at Ajax East** has increased the tested strike length to in excess of 1km, with significant new intercepts of:
  - **2m at 4.23% Cu and 0.23g/t Au from 138m** within a broader envelope of 15m at 0.82% Cu from 129m in HMLVRC025
  - **1m at 2.58% Cu from 78m** within a broader envelope of 10m at 0.49% Cu from 71m in HMLVRC023
  - **1m at 1.51% Cu and 2.91g/t Au from 116m** in HMLVRC023
- **At Ajax itself, drilling to the south of HMLVRC014, which intersected 11m at 5% Cu and 2.5g/t Au from 24m** (see ASX Announcement, 9 March 2022), has opened up the Ajax structure to the south with a new intercept of:
  - **48m @ 0.43% Cu and 0.12g/t Au from 10m** in HMLVRC021, including:
    - **4m at 2.4% Cu and 0.41g/t Au from 27m** in HMLVRC021.
- Drilling with a second rig has commenced in the Mt Hope region. This rig will test multiple targets on Hammer's tenements, which surround Carnaby Resources' (ASX: CNB) Mt Hope prospect, where several significant intercepts have been reported in recent weeks.


***Figure 1.*** *Hammer geologists on site at Ajax*

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**Hammer's Managing Director, Daniel Thomas said:**

*"This is a great start to our drilling program, with significant copper mineralisation intersected at both Ajax East and Ajax itself. The re-establishment of the Ajax structure to the south of the high-grade result announced in March opens up the potential for further high-grade copper intercepts. Meanwhile, at Ajax East, a significant sulphide trend has been established over a 1km strike length which potentially extends into the Mount Isa East JV prospects at Pearl.*

*"The potential of the Ajax trend to deliver a copper-gold resource is demonstrated to the north at Mount Colin (ASX:AIS), Elaine and Jubilee. Drilling to date remains wide-spaced both along strike and up and down-dip.*

*"Recent drilling within the Mount Isa East JV has been concluded with the rig having now re-commenced on Hammer's 100%-owned prospects. In addition, we're pleased to have commenced drilling with a second drill rig at Hammer's targets in our EPM at Mount Hope. This ensures a steady stream of news-flow for the remainder of the year."*

**Hammer Metals Ltd** (**ASX: HMX**) ("**Hammer**" or the "**Company**") is pleased to report results from recent follow-up drilling at the Ajax and Ajax East prospects, located within its Mt Isa Project in NW Queensland along the exciting Trafalgar-to-Jubilee trend, which includes established copper-gold resources at Elaine, Jubilee and at Aeris Resources' (ASX: AIS) Mt Colin copper mine.

Utilising further down-hole electromagnetics, surface electromagnetics and ground magnetic surveys, a total of six Reverse Circulation (RC) holes for 1,145m have been completed in this emerging area.

This drilling is being conducted a part of a larger program covering 10 prospects within the Mount Isa project area. Two of these prospects, Pearl and Trafalgar, are part of the Mount Isa East Joint Venture with Sumitomo Metal Mining Oceania.

Successful drilling at Ajax has re-opened this trend for the discovery of further mineralisation, with a number of follow-up holes currently being designed to be drilled towards the end of the current program to further evaluate this trend.

Similarly, drilling at Ajax East, has confirmed the presence of a large-scale sulphide system with a narrow zone of high-grade copper mineralisation now defined across a total strike length of more than 1km. A number of follow-up targets have been identified which may be tested towards the end of the current drilling program.

**Ajax East**

Five holes (for 1,050m) were drilled along the Ajax East FLEM anomaly. These holes targeted FLEM anomalies and zones of demagnetisation. The rationale is to test varying geophysical properties along the strike length of the EM anomaly, as these properties are a reflection of the underlying alteration and sulphide mineralisation (Figure 2). Significant intercepts include:

- **2m at 4.23% Cu and 0.23g/t Au from 138m within an envelope of 15m at 0.82% Cu from 129m in HMLVRC025. This interval included 1m at 0.11% Co and 0.18% Ni from 137m**
- **1m at 2.58% Cu from 78m within an envelope of 10m at 0.49% Cu from 71m in HMLVRC023**
- **1m at 1.51% Cu and 2.91g/t Au from 116m in HMLVRC023**

Significantly, the mineralised system appears to contain elevated nickel with an individual maximum assay of 0.31% Ni in HMLVRC024. Refer to Table 1 for a full intercept listing.

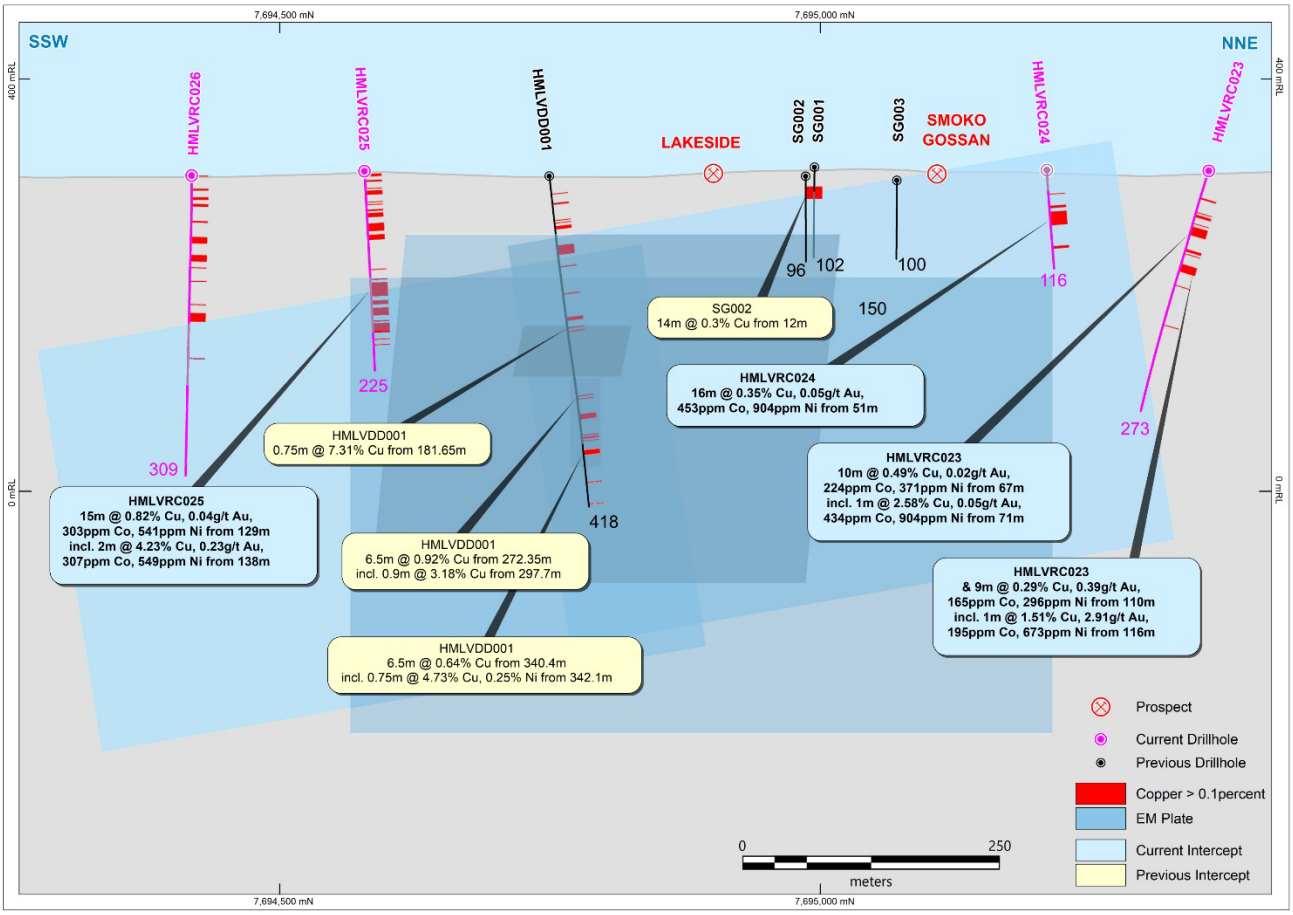


***Figure 2.*** *Long section (looking west) showing the Ajax East EM plates with drilling conducted to date. Refer to HMX, ASX announcement dated 9 March 2022.*

### Ajax

Following the initial success with HMLVRC014 and a follow-up loupe EM survey, Hammer drilled HMLVRC021 (to a total depth of 105m), 100m to the south of HMLVRC014. The hole was designed to target both the Ajax trend and also a loop EM response (Figures 3 and 4). Significant intercepts include:

- **4m at 2.4% Cu and 0.41g/t Au from 27m, 1m at 1.16% Cu and 0.02g/t Au from 45m and 1m at 0.53% Cu and 1.96g/t Au from 52m**
- **These high-grade zones occur within a wider mineralised envelope of 48m @ 0.43% Cu and 0.12g/t Au from 10m.**

This intercept opens up the Ajax mineralised position to the south. Further drilling is being planned along strike to better delineate the size of this target.

### Next Steps for Ajax/Ajax East

This RC program has provided Hammer with a significant amount of valuable information along both the Ajax and Ajax East Trends. Further drill planning is underway with a view to conducting follow-up drilling along the trend, possibly during the current program.

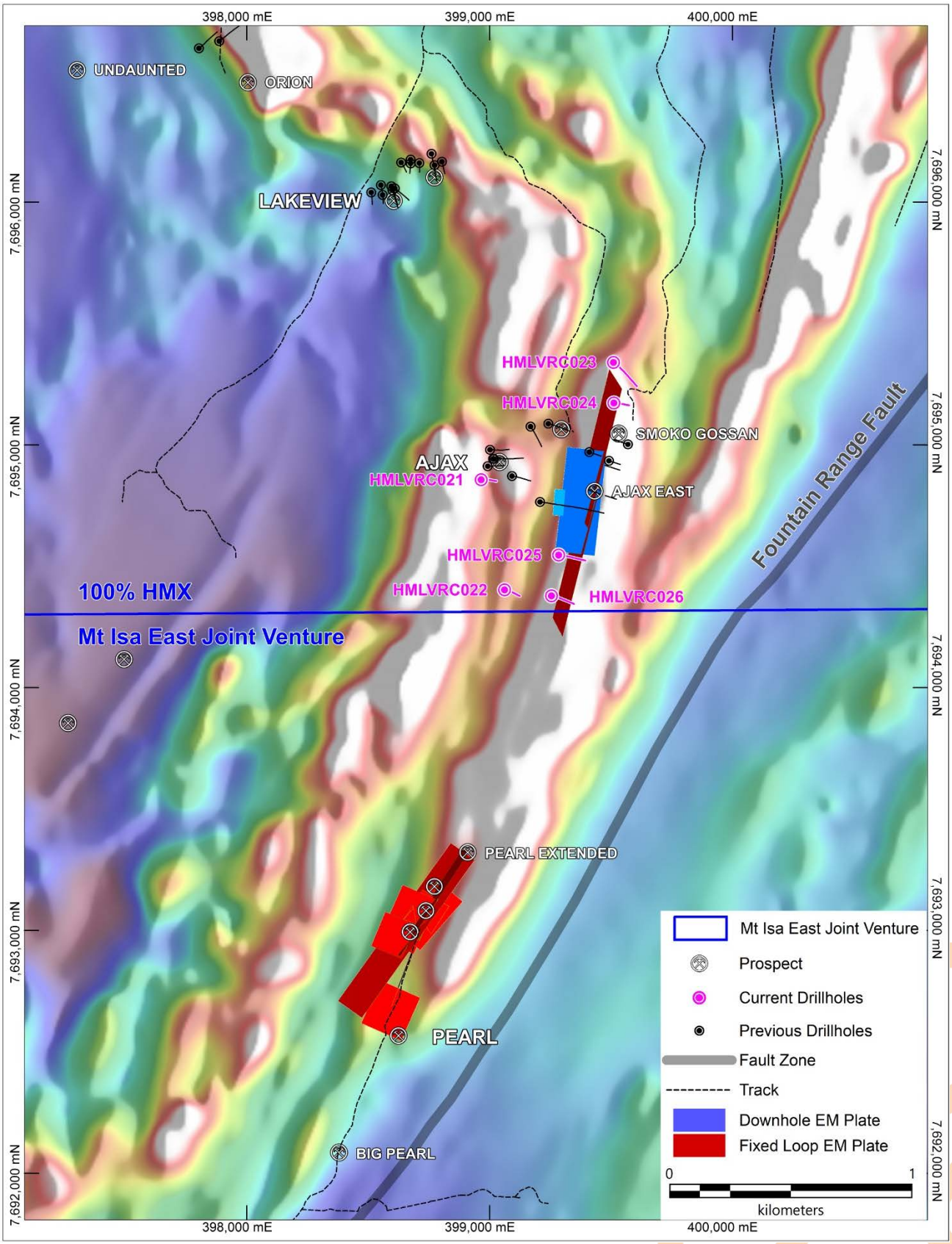


***Figure 3.*** *Plan view showing the location of the Ajax East relative to the Pearl Prospect (within the Mt Isa East Joint Venture Area). Holes drilled during the current program area highlighted. The base image is the magnetic first vertical derivative (RTP).*

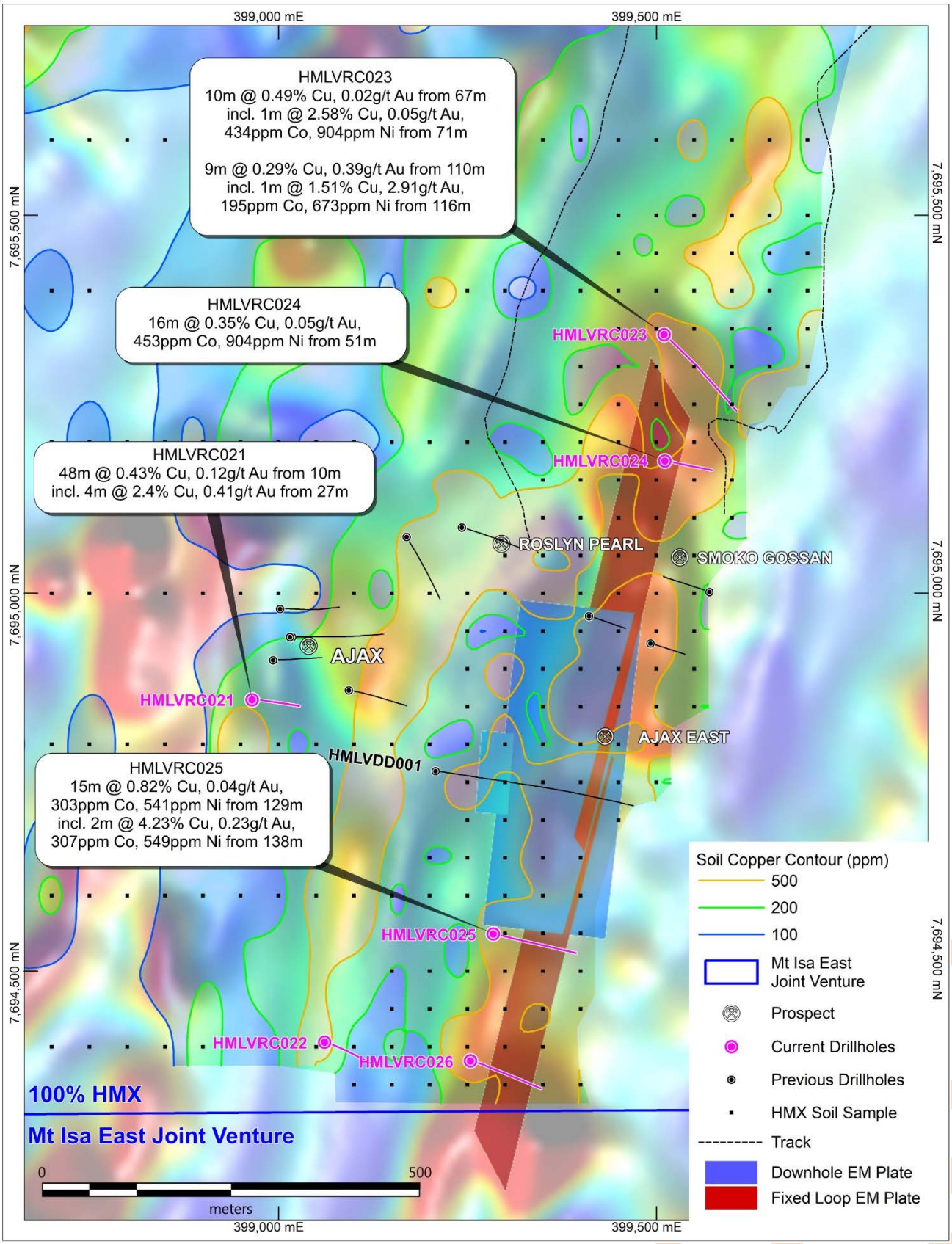


***Figure 4.*** *Plan view showing the location of the Ajax and Ajax east regional with copper in soil contours and combined EM plates. The base image is the magnetic first vertical derivative (RTP). (refer also ASX announcements 2 March, 9 March, and 5 September 2022).*

**Mount Hope/Mascotte/Mascotte Junction**

Drilling has also commenced in the Mount Hope region with the addition of a second drill rig. This work will test Hope South, an IP anomaly at Mt Hope North, The Stubby, Mascotte and, Mascotte Junction, (Figures 5 and 6) (see ASX announcement 31 August 2022).

Recent drill intercepts by neighbouring ML90240 holder, Carnaby Resources (ASX:CNB), highlight the prospectivity of the Mount Hope deposits and the neighbouring workings. Hammer continues to review the intercepts at Mount Hope, Mount Hope North and Binna Burra as these mineralised structures appear to extend towards Hammer's tenure.

As per Hammer's announcement on 20 July 2022, Figures 5 and 6 show the current tenure boundaries as recorded by the Queensland Department of Resources. Hammer was alerted to potential changes to the southern boundary of the mining lease encapsulated within Hammer's EPM26777 tenement. Hammer has submitted a formal response to the issue, seeking clarification and certainty with respect to the status of the mining lease and its boundary. Hammer will keep the market informed of any further developments.

Regional work continues with target reviews underway over the recently completed Pilgrim South VTEM survey and the Bullrush IOCG target (see ASX release dated 19 September 2022).

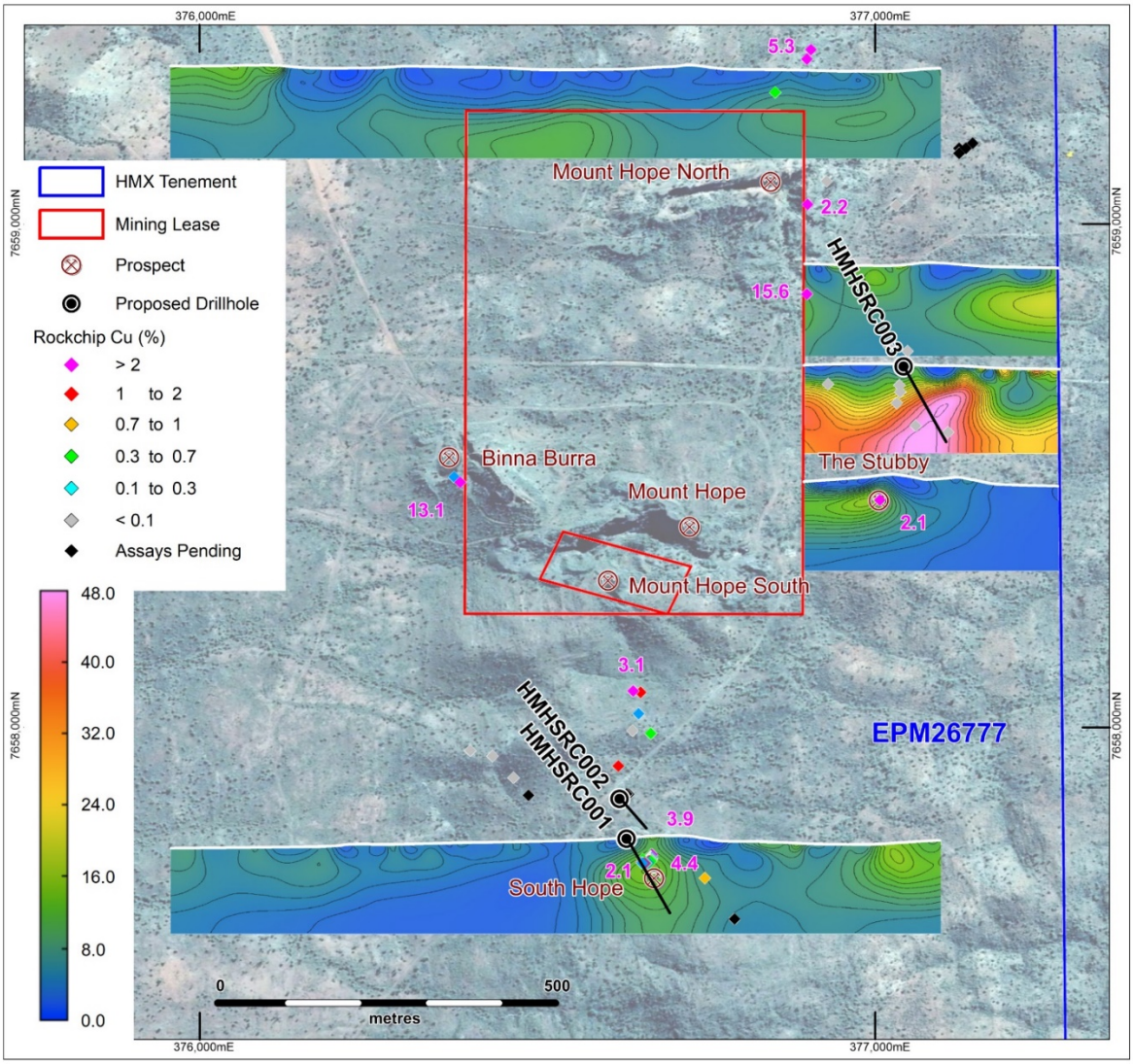


***Figure 5.*** *Mt Hope region showing the location of Hammer the drilling areas – South Hope and the North Mt Hope IP target*

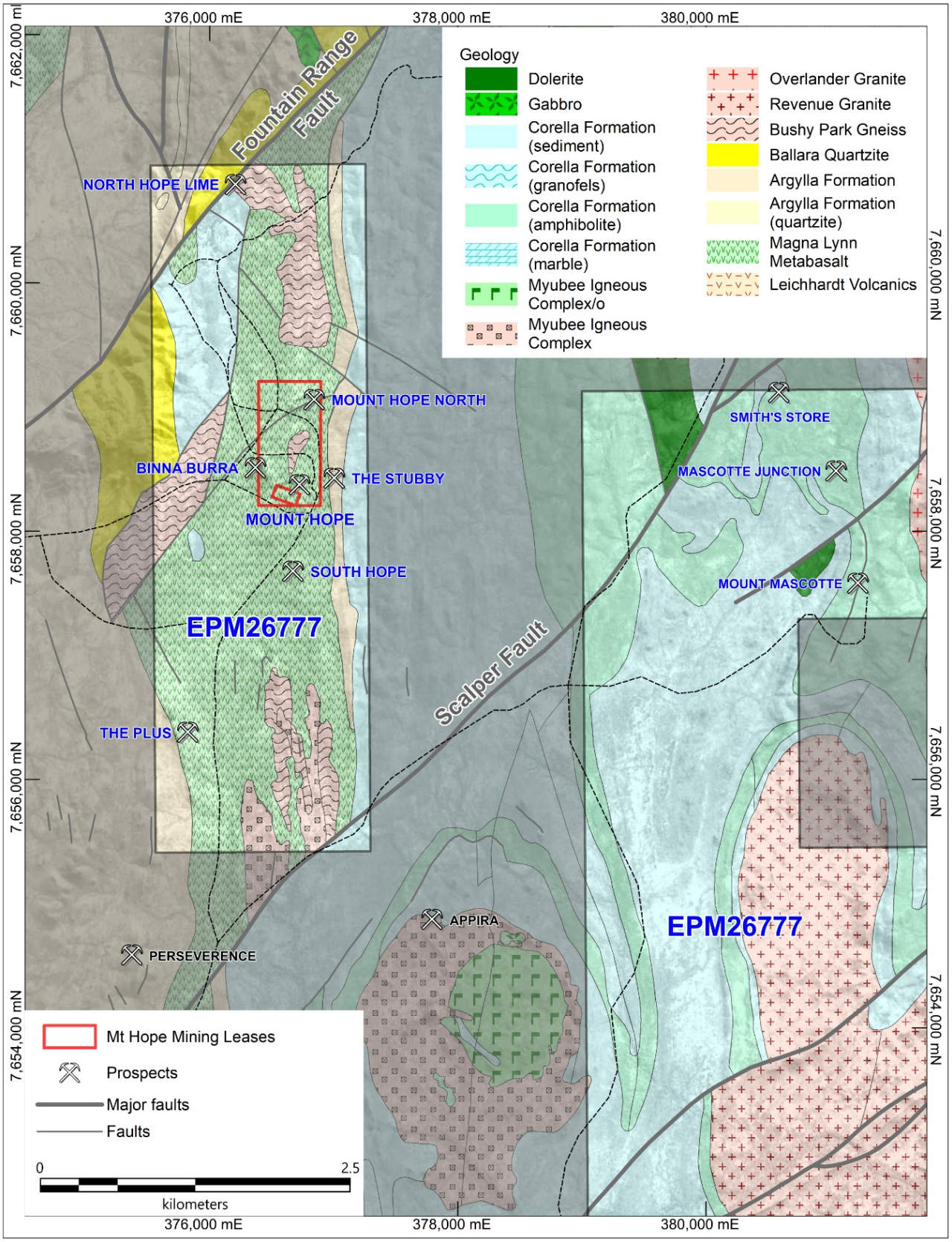


***Figure 6.*** *Mt Hope region showing the location of Hammer the drilling areas – South Hope, The Stubby, Mount Mascotte and Mascotte Junction*

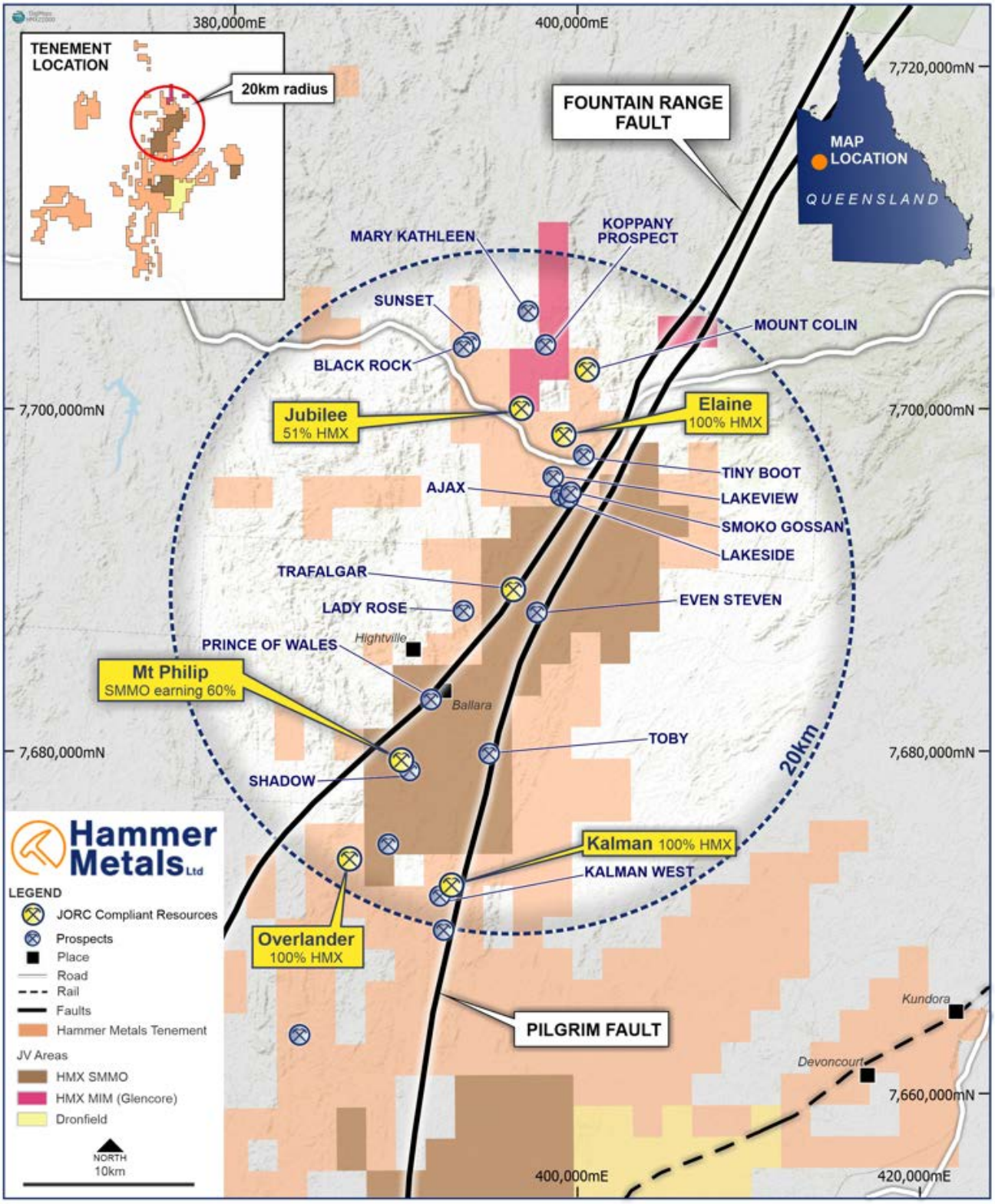


***Figure 7:*** *Hammer's northern tenement area*

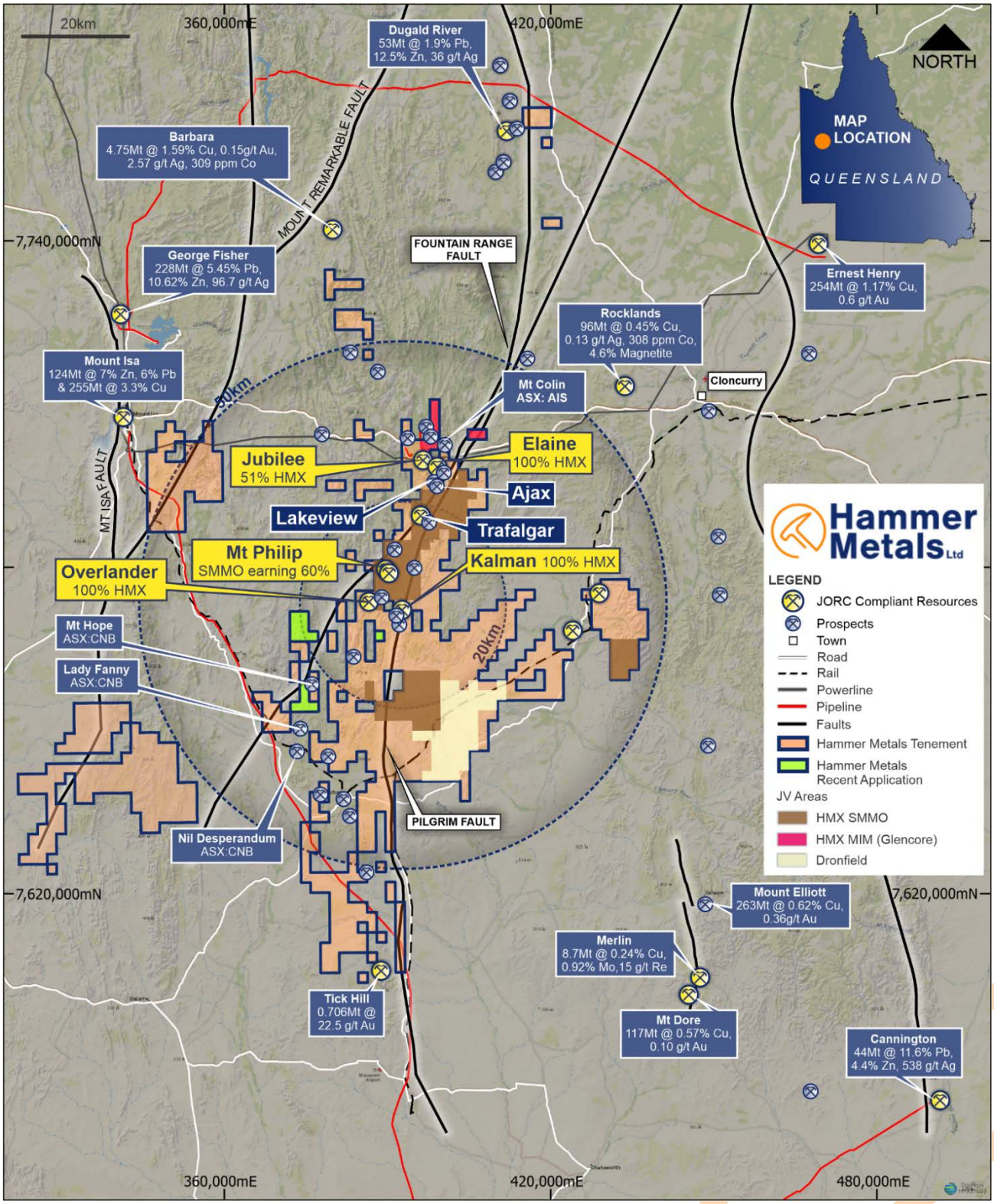


***Figure 8:*** *Mt Isa Project Area*

| Hole | E | N | RL | Dip | Az_GDA | TD (m) | incl. | From (m) | To (m) | Interval | Au (g/t) | Cu (%) | Co (ppm) | Ni (ppm) | Comment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| HMLVRC021 | 398960 | 7694860 | 310 | -55 | 90 | 105 | | 0 | 2 | 2 | 0.01 | 0.36 | 33 | 46 | |
| | | | | | | | | 10 | 58 | 48 | 0.12 | 0.43 | 69 | 123 | |
| | | | | | | | **incl.** | **27** | **31** | **4** | **0.41** | **2.40** | **174** | **288** | |
| | | | | | | | **&** | **45** | **46** | **1** | **0.02** | **1.16** | **48** | **66** | |
| | | | | | | | **&** | **52** | **53** | **1** | **1.96** | **0.53** | **228** | **227** | |
| | | | | | | | | 63 | 64 | 1 | 0.01 | 0.77 | 34 | 45 | |
| | | | | | | | | 96 | 97 | 1 | 0.04 | 0.13 | 39 | 50 | |
| HMLVRC022 | 399061 | 7694407 | 310 | -55 | 115 | 117 | | 6 | 9 | 3 | 0.13 | 0.28 | 89 | 51 | |
| | | | | | | | incl. | 7 | 8 | 1 | 0.31 | 0.46 | 99 | 60 | 43-47m 0.23% W |
| | | | | | | | | 83 | 84 | 1 | 0.02 | 0.13 | 41 | 50 | |
| | | | | | | | | 94 | 95 | 1 | 0.19 | 0.67 | 84 | 107 | |
| HMLVRC023 | 399511 | 7695343 | 312 | -55 | 135 | 273 | | 33 | 35 | 2 | 0.01 | 0.33 | 168 | 347 | |
| | | | | | | | | 50 | 51 | 1 | 0.01 | 0.21 | 93 | 171 | |
| | | | | | | | | 53 | 56 | 3 | 0.02 | 0.38 | 384 | 688 | 53-54m 0.13% Ni |
| | | | | | | | | 63 | 64 | 1 | 0.08 | 0.21 | 313 | 656 | |
| | | | | | | | | 67 | 77 | 10 | 0.02 | 0.49 | 224 | 371 | |
| | | | | | | | **incl.** | **71** | **72** | **1** | **0.05** | **2.58** | **434** | **904** | |
| | | | | | | | | 93 | 96 | 3 | 0.01 | 0.15 | 88 | 202 | |
| | | | | | | | | 98 | 99 | 1 | 0.28 | 0.16 | 36 | 47 | |
| | | | | | | | | 110 | 119 | 9 | 0.39 | 0.29 | 165 | 296 | |
| | | | | | | | **incl.** | **116** | **117** | **1** | **2.91** | **1.51** | **195** | **673** | |
| | | | | | | | | 134 | 135 | 1 | 0.01 | 0.25 | 310 | 720 | |
| | | | | | | | | 179 | 180 | 1 | 0.03 | 0.11 | 23 | 35 | |
| HMLVRC024 | 399511 | 7695176 | 315 | -55 | 105 | 116 | | 30 | 31 | 1 | 0.02 | 0.12 | 222 | 298 | |
| | | | | | | | | 44 | 47 | 3 | 0.03 | 0.26 | 122 | 256 | |
| | | | | | | | | 51 | 67 | 16 | 0.05 | 0.35 | 453 | 904 | 55-57m 0.31% Ni |
| | | | | | | | incl. | 51 | 52 | 1 | 0.11 | 0.82 | 836 | 1170 | |
| | | | | | | | | 91 | 94 | 3 | 0.11 | 0.21 | 30 | 47 | |
| HMLVRC025 | 399280 | 7694547 | 312 | -60 | 105 | 225 | | 5 | 8 | 3 | 0.01 | 0.19 | 114 | 198 | |
| | | | | | | | | 12 | 14 | 2 | 0.01 | 0.13 | 78 | 132 | |
| | | | | | | | | 21 | 22 | 1 | 0.01 | 0.28 | 108 | 139 | |
| | | | | | | | | 24 | 29 | 5 | 0.01 | 0.18 | 123 | 200 | |
| | | | | | | | | 37 | 38 | 1 | 0.01 | 0.44 | 255 | 556 | |
| | | | | | | | | 40 | 41 | 1 | 0.01 | 0.12 | 99 | 149 | |
| | | | | | | | | 46 | 48 | 2 | 0.01 | 0.12 | 93 | 160 | |
| | | | | | | | | 50 | 55 | 5 | 0.01 | 0.10 | 104 | 181 | |
| | | | | | | | | 62 | 71 | 9 | 0.01 | 0.29 | 103 | 174 | |
| | | | | | | | | 75 | 81 | 6 | 0.02 | 0.18 | 153 | 473 | 77-78m 0.14% Ni |
| | | | | | | | | 114 | 115 | 1 | 0.01 | 0.18 | 71 | 154 | |
| | | | | | | | | 125 | 126 | 1 | 0.01 | 0.12 | 133 | 290 | |
| | | | | | | | **incl.** | **129** | **144** | **15** | **0.04** | **0.82** | **303** | **541** | **137-138m 0.11% Co & 0.18% Ni** |
| | | | | | | | | **138** | **140** | **2** | **0.23** | **4.23** | **307** | **549** | |
| | | | | | | | | 149 | 153 | 4 | 0.01 | 0.28 | 138 | 195 | |
| | | | | | | | | 157 | 165 | 8 | 0.02 | 0.31 | 285 | 514 | 164-165m 0.11% Ni |
| | | | | | | | | 171 | 172 | 1 | 0.01 | 0.23 | 224 | 472 | |
| | | | | | | | | 174 | 184 | 10 | 0.01 | 0.17 | 224 | 314 | |
| | | | | | | | | 191 | 192 | 1 | 0.01 | 0.22 | 75 | 139 | |
| | | | | | | | | 197 | 198 | 1 | 0.01 | 0.22 | 90 | 478 | |
| HMLVRC026 | 399248 | 7694385 | 310 | -65 | 105 | 309 | | 1 | 2 | 1 | 0.01 | 0.12 | 76 | 108 | |
| | | | | | | | | 15 | 17 | 2 | 0.02 | 0.23 | 159 | 201 | |
| | | | | | | | | 24 | 27 | 3 | 0.01 | 0.21 | 251 | 489 | |
| | | | | | | | | 31 | 34 | 3 | 0.01 | 0.13 | 173 | 499 | 32-33m Ni 0.12% |
| | | | | | | | | 49 | 51 | 2 | 0.01 | 0.16 | 116 | 320 | |
| | | | | | | | | 66 | 73 | 7 | 0.01 | 0.11 | 141 | 339 | |
| | | | | | | | | 85 | 92 | 7 | 0.02 | 0.17 | 61 | 91 | |
| | | | | | | | | 98 | 99 | 1 | 0.14 | 0.35 | 23 | 35 | |
| | | | | | | | | 112 | 113 | 1 | 0.05 | 0.16 | 20 | 44 | |
| | | | | | | | | 136 | 137 | 1 | 0.04 | 0.16 | 21 | 28 | |
| | | | | | | | | 145 | 154 | 9 | 0.02 | 0.29 | 415 | 821 | 153-154m 0.22% Ni |
| | | | | | | | | 191 | 192 | 1 | 0.01 | 0.26 | 66 | 124 | |
| Note | | | | | | | | | | | | | | | |
| Coordinates and azimuth relative to GDA94 Zone54 | | | | | | | | | | | | | | | |

***Table 1.*** *Ajax and Ajax East drilling showing significant intercepts utilising a 0.1% Cu cut-off*

## Expected Newsflow

- **October:** Kalman Ore Sorting results
- **October:** Annual Report
- **October/November:** Lakeview JORC Resource
- **October/November:** Updates on drilling at Kalman, Mount Hope and Mascotte
- **November:** Hardway Rare Earth historical drill hole re-sampling and assays
- **November:** Annual General Meeting

*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 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 drilling results from the Ajax and Pearl Prospects (EPM26775). Commentary is also provided in relation to planned drilling in the Mt Hope region. This work is conducted on EPM26777.
- 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).*<br><br>*These examples should not be taken as limiting the broad meaning of sampling.*<br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br><br>*Aspects of the determination of mineralisation that are Material to the Public Report.*<br><br>*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.* | The drilling was conducted using reverse circulation.<br><br>**RC**<br>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.<br><br>Where mineralisation was anticipated or encountered, the sample length was reduced to 1m with lab submission of the 1m samples.<br><br>The average sample length and weight for the assays reported herein is 2.71m and 2.43kg respectively.<br><br>**Analysis**<br>All samples submitted for assay underwent fine crush with 1kg riffled off for pulverising to 75 microns.<br><br>Samples were submitted to ALS for:<br>• Fire Assay with AAS finish for gold.<br>• 4 acid digest followed by ICP-MS for a comprehensive element suite.<br><br>Portable XRF analysis was conducted in the field on each 1m interval.<br><br>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 Tulla drilling using a Schramm 685 drilling rig using the reverse circulation drilling method. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Drill sample recovery*** | *Method of recording and assessing core and chip sample recoveries and results assessed.*<br><br>*Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br><br>*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.<br><br>In holes where recovery or significant sampling bias was observed, the hole was terminated.<br><br>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.*<br><br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br><br>*The total length and percentage of the relevant intersections logged.* | All drilling was geologically logged by Hammer Metals Limited Geologists.<br><br>Quantitative portable XRF analyses were conducted on metre intervals on site.<br><br>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.*<br><br>*If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br><br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br><br>*Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.*<br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | **RC**<br>Samples consist of RC drill chips.<br><br>Samples from the hole were collected by a three-way splitter with A and B duplicates taken for every sample.<br><br>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.<br><br>Where evidence of mineralisation was encountered or anticipated, the sample length was reduced to 1m.<br><br>**QA/QC**<br>Standard reference samples and blanks were each inserted into the laboratory submissions at a rate of 1 per 25 samples.<br>Duplicate samples were taken at an interval of approximately 1 in 50 samples.<br><br>**Comment**<br>The sample collection methodology and sample size is considered appropriate to the target-style and drill method, and appropriate laboratory analytical methods were employed. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***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.*<br><br>*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.*<br><br>*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.* | Each metre drilled was subject to site portable XRF analysis.<br><br>All samples were analysed for gold by flame AAS using a 50gm charge.<br><br>Each sample was also analysed by 4-acid multielement ICP OES and MS.<br><br>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 and assaying*** | *The verification of significant intersections by either independent or alternative company personnel.*<br><br>*The use of twinned holes.*<br><br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>*Discuss any adjustment to assay data.* | All assays have been verified by alternate company personnel.<br><br>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.*<br><br>*Specification of the grid system used.*<br>*Quality and adequacy of topographic control.* | Datum used is GDA 94 Zone 54.<br><br>RL information will be merged at a later date utilising the most accurately available elevation data. In this specific case holes were surveyed by DGPS and rehabilitation of these sites is underway. |
| ***Data spacing and distribution*** | *Data spacing for reporting of Exploration Results.*<br><br>*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.*<br><br>*Whether sample compositing has been applied.* | The density of drilling conducted at sites reported herein is insufficient to establish more than broad mineralised trends.<br><br>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.*<br><br>*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 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | 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.<br>All assay data has been reviewed by two company personnel.<br>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.*<br><br>*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 34 tenements.<br>The drilling reported herein was conducted on EPM26775. This tenement is held by Mt Dockerell Mining Pty Ltd, a 100% owned subsidiary of Hammer Metals Limited.<br>Planned drilling in the Mt Hope region is located on EPM26777.<br><br>The areas reported herein are not part of the Mt Isa East Joint Venture with Sumitomo Metal Mining Oceania ("SMMO").<br><br>SMMO has the right to earn a 60% interest by expending $6,000,000 by 31 March 2024 with a minimum expenditure commitment of $1,000,000 by 31 March 2020. No proportional ownership change occurs until such time as the $6,000,000 is expended and the current SMMO interest is 0%.<br><br>See ASX announcement dated 25 November 2019, for details of the Joint Venture. |
| ***Exploration done by other parties*** | *Acknowledgment and appraisal of exploration by other parties.* | Previous holders held title either covering the tenement in part or entirely and previous results are contained in Mines Department records. |
| ***Geology*** | *Deposit type, geological setting and style of mineralisation.* | The Ajax Prospect located on EPM26775 is located on the Trafalgar to Jubilee magnetic trend. Mineralisation at Ajax is little understood but associated with quartz vein zones with a higher pyrrhotite content. Recent EM undertaken at the prospect has defined a large conductive body to the east of Ajax. |
| ***Drill hole Information*** | *A summary of all information material to the understanding of the exploration results* | See the attached tables. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *including a tabulation of the following information for all Material drill holes:*<br>*easting and northing of the drill hole collar*<br>*elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole*<br>*down hole length and interception depth*<br>*hole length.*<br><br>*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.* | |
| ***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.*<br><br>*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.*<br><br>*The assumptions used for any reporting of metal equivalent values should be clearly stated.* | Intercepts are quoted at a 0.1% cut-off with included intercepts highlighting zones of increased grade of Cu and Au |
| ***Relationship between mineralisation widths and intercept lengths*** | *These relationships are particularly important in the reporting of Exploration Results.*<br><br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br><br>*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').* | The relationship between intersected and true thicknesses is difficult to interpret with any certainty. |
| ***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.<br>Portions of a drillhole that are not quoted in the intercept table contain grades less that the quoted cut-off. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***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.* | All 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).*<br><br>*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 is planning to conduct further drilling at Ajax along strike.<br>At Ajax East infill drilling is planned to test Loupe EM and Magnetic targets using information gained from this program. |