CLARIFICATION: RIU EXPLORERS CONFERENCE GUIDE IN THE AUSTRALIAN NEWSPAPER

ASX RELEASE
9 February 2023

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 (08/02/2023)	$0.075
Shares on Issue	821m
Market Cap	$62m
Options Unlisted	23.6m
Performance Rights	8m
Cash (31/12/2022)	$2.6m

Hammer Metals Ltd (ASX: HMX) ("Hammer" or the "Company") is pleased to provide a clarification in relation to an article which appeared in The Australian Newspaper's "RIU Explorers Event Guide" on 8 February 2023.

Hammer advises that a statement referring to $6billion of inground value at the Kalman Project was included in error and notes that this statement is retracted.

Hammer also acknowledges that the article did not appropriately reference Hammer's copper equivalent JORC compliant inventory which totals 'in excess of 400kt' of copper equivalent metal.

Only the Kalman and Elaine copper equivalent inventories are combined in the copper equivalent resources (*refer Table 1*) as **Hammer's other JORC resources at Overlander, Lakeview and Jubilee have not been quoted on a copper equivalent basis**.

Hammer has recently completed a drilling program to extend the Kalman resource at shallow depths to the north of the deposit. **These assay results are due imminently and are likely to be available within the next week.**

Hammer has commissioned a JORC resource upgrade for the Kalman deposit in the coming months. This resource update will look to build upon the newly defined northern zones of mineralisation, the positive results from the ore sorting test work (see ASX announcement 1 November 2022) and recent strengthening in global molybdenum and copper prices. Molybdenum prices have risen by over 100% since the start of 2023 and have recently traded at an all-time high of US$94,150/t. The last Kalman resource report was prepared utilising the following price assumptions: Cu: US$4,650t, Au: US1,250/oz, Ag: US$16/oz, Mo: US$22,040/t and Re: US$3000/kg.

As per S&P Global's list of undeveloped Molybdenum projects, Hammer's Kalman deposit is recognised as the third highest grade undeveloped Molybdenum project in the world.

Table 1. *Hammer's JORC Classified Resources at Kalman and Elaine (refer Annexure A)*

Deposit	Tonnes Mt	CuEq %	Cu %	Au g/t	Mo %	Re g/t	Ag g/t	CuEq Tonnes
Kalman	20.0	1.80	0.61	0.34	0.14	3.7	1.9	**360kt**
Elaine	9.3	0.95	0.82	0.19	-	-		**88kt**
Total	**29.3**	**1.53**						**448kt**

This announcement has been authorised for issue by Mr Daniel Thomas, Managing Director on behalf of 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

- END -

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

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.

Annexure A

Kalman Mineral Resource

Classification	Mining Method	CuEq Cut-off	Tonnes Kt	CuEq %	Cu %	Mo %	Au g/t	Ag g/t	Re g/t
Indicated	Open Pit	0.75%	7,100	1.5	0.48	0.12	0.27	1.4	2.9
Inferred	Open Pit	0.75%	6,200	1.6	0.44	0.15	0.24	1.5	3.9
Inferred	Underground	1.4%	7,000	2.4	0.89	0.16	0.50	2.9	4.5
Total			20,000	1.8	0.61	0.14	0.34	1.9	3.7

Note – Totals may differ due to rounding

Elaine Mineral Resource

The Elaine Mineral Resource estimate is 100% Inferred.

Copper Equivalent Calculations

For Kalman *the CuEq calculation is based on the following commodity prices without assumptions about recovery or payability of the different metals. Prices agreed to by Hammer were a reflection of the market as at 7/09/2016 and forward looking forecasts provided by consensus analysis. Metal prices provided are: Cu: US$4,650/t, Au: US$1,250/oz, Ag: US$16/oz, Mo: US$10/lb. The forward looking price for Rhenium was estimated using available historical and current prices - Re: US$3,000/kg*

*The CuEq equation is CuEq = Cu+(0.864268*Au)+(0.011063*Ag)+(4.741128*Mo)+(0.064516*Re) and was applied to the respective elements estimated within the resource block model.*

Assumed Metallurgical Recoveries

Based on the testing completed and the current understanding of the material characteristics it has been assumed that the Kalman material can be processed using a "typical" concentrator process flowsheet.

The mass balance and stage metallurgical recovery of the four major elements were based on the metallurgical test results from the molybdenum zone sample and benchmarks. Testwork undertaken has shown metallurgical recoveries of 74% for Au and Ag, 86% for Cu and Mo and 77% for Re. The final overall recovery was established from the mass balance and benchmarked against other operations and projects.

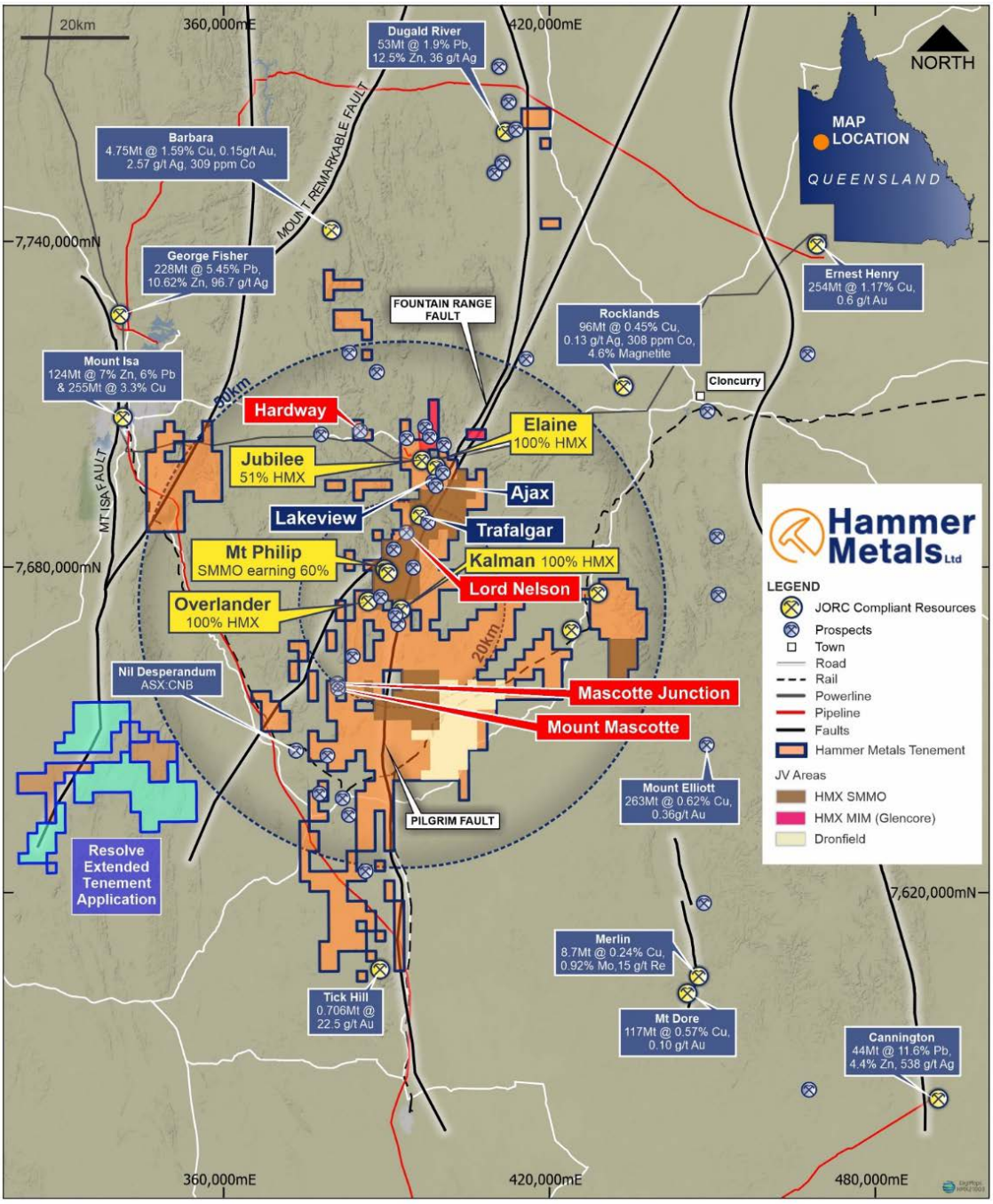
Based on the metallurgical recoveries derived from floatation testwork undertaken to date, it is the company's opinion that the metals used in the metal equivalent equation have reasonable potential for recovery and sale. There are a number of well-established processing routes for copper molybdenum deposits and the sale of resulting copper and molybdenum concentrates.

For Elaine *the CuEq calculation was based on the following commodity prices without assumptions about recovery or payability of the different metals. Metal prices used were: Cu: US$5,400/t, Au: US$1,300/oz. The copper equivalent equation is: CuEq % = Cu % + (Au ppm * 0.70216)*

Assumed Metallurgical Recoveries

Metallurgical testwork indicated that acceptable copper-cobalt sulphide concentrates could be produced via conventional processing methods. Testwork undertaken has shown metallurgical recoveries of 94% for Cu and 70% for Au. Based on the metallurgical recoveries derived from floatation testwork undertaken to date, it is the company's opinion that the metals used in the metal equivalent equation have reasonable potential for recovery and sale.

.



Mt Isa Project Area