

**ASX RELEASE**

14 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 (13/02/2023)	\$0.078
Shares on Issue	821m
Market Cap	\$65m
Options Unlisted	23.6m
Performance Rights	8m
Cash (31/12/2022)	\$2.6m

**MOUNT HOPE BOUNDARY DISPUTE  
UPDATE**

**Further to its announcement of 10 January 2023, Hammer Metals Ltd (ASX: HMX) ("Hammer" or the "Company") provides the following update on the dispute on the location of the Mining Lease at the Mount Hope prospect in North West Queensland (ML90240) and the impact on Hammer's adjoining Exploration Licence (EPM26777).**

On 6 January 2023, Hammer received correspondence from the Queensland Department of Resources' Mineral Assessment Hub ("The Department") that set out the Department's decision to recommend that the delegate of the Minister of Resources slightly adjust the existing boundary of ML90240, currently owned by Carnaby Resources Limited (ASX: CNB), thereby changing the internal boundaries within Hammer's EPM26777.

On 13 February 2023, HMX received further correspondence from the Department advising that the Minister approved the variation of the boundary of ML 90240 in accordance with the Department's recommendation.

Hammer is reviewing the key reasons accompanying the Department's recommendation. **Given the history of the tenure and the various historical errors in the description of the tenure, Hammer's Board of Directors will appropriately consider any potential avenues to review the decision or any other action available to it.**

ML90240 was applied for on 1 November 2013 by Integrated Global Resources Pty Ltd, with ML90240 since sold to Carnaby Resources. At the time of this application, the area that forms the basis of the current dispute was held under a separate mining lease, ML5421. Accordingly, the application for ML90240 attempted to exclude the area contained within ML5421.

The application for ML90240, and its subsequent award, incorrectly recorded the position of ML5421. In fact, the application starting point for ML90240 was inadvertently located within ML5421. The ground contained within the historical ML5421 has since become part of EPM26777 when ML5421 was not renewed.

The records and the original application for ML90240 have since formed the basis of the recorded tenure within the Department's systems. These records have been in existence for over nine years. Subsequent investment decisions, including the purchase of ML90240 were made based upon these erroneous records.

Hammer's submissions to the Department contend that the initial application for ML90240 contained a number of critical errors which are potentially unable to be rectified through the Minister's decision.

Hammer has a strong view that given the longevity of these inaccuracies and that the errors were contained within the original application for ML90240 and its award should not be rectified in a manner that results in a decrease in Hammer's tenure. Hammer should not be disadvantaged by the resultant attempt to rectify past inaccuracies. Accordingly, Hammer will continue to examine any available avenues to minimise/avoid the loss of tenure in what is an area of significant geological interest.

**The movement of the boundary by ~80metres to the south-east does not impact on any of Hammer's current exploration targets or focus.**

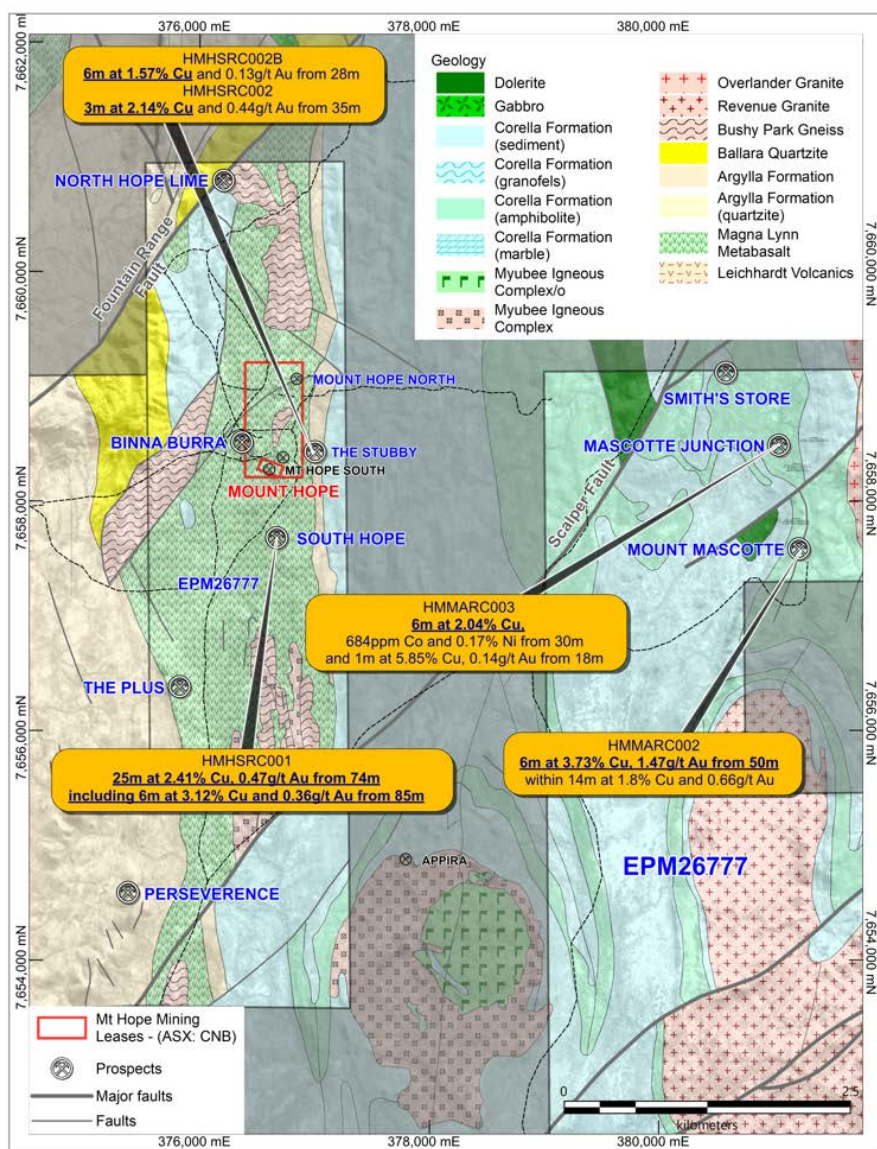
Hammer's South Hope prospect (25m at 2.41% Cu and 0.5g/t Au from 85m in HMSRC001 – see ASX announcement 22 November 2022) is located ~600m to the south of the disputed tenure. This target will be drilled as part of Hammer's upcoming Mount Isa drilling program. Other targets to be drilled during the upcoming drilling program include Hardway, Mascotte and Mascotte Junction.

Should Hammer elect to not pursue the matter further or ultimately be unsuccessful in challenging the decision, Hammer's tenure would be reduced by approximately 1 hectare, with a portion of Hammer's EPM26777 to be incorporated into ML90240.

Some of the current ML90240 tenure would also be encapsulated within EPM26777, while a minor movement of the boundary of ML90240 would occur to the east of the existing boundaries (see Figure 1 and 2). Hammer will keep the market informed on future developments in this matter.

### Expected Newsflow

- **February: Kalman West, Lord Nelson and Ajax drilling results**
- **February 2023: Follow up drilling programs to commence: Hardway, South Hope, Mascotte, Mascotte Junction and Stubby.**
- **Q1/Q2 2023: Yandal Lithium air core drilling program**
- **Q1/Q2 2023: Kalman Resource Upgrade**



**Figure 1:** Existing EPM 26777 and ML90240 boundaries including Hammer's recent exploration drill results from the Mount Hope region (ASX Announcements: 22 November 2022, 19 December 2022 and 23 December 2022)





**Figure 2:** Existing EPM 26777 and ML90240 boundaries and potential changes

*This announcement has been authorised for issue by Board of Directors for Hammer Metals Limited.*

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<sup>2</sup> 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.

Where the Company refers to exploration results and geological information previously released it confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.