HAMMER ACQUIRES MT DOROTHY COPPER-REE PROJECT

ASX RELEASE
6 July 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 (05/07/2023)	$0.068
Shares on Issue	880m
Market Cap	$60m
Options Unlisted	23.6m
Performance Rights	8m
Cash	$6.3m^

(^ Cash at 31/03/2023 plus capital raised)

- **Hammer to acquire an 80% interest in the Mount Dorothy and Cobalt Ridge projects,** two critical minerals projects in the Mount Isa district.
- These projects were originally sold by Hammer to Global Energy Metals Corporation (GEMC) with the Millenium Cobalt Project in 2019.
- The Mount Dorothy Project is located approximately 10km south-west of the Company's exciting recent copper-rare earths discovery at Hardway.
- Mount Dorothy **is a Copper/Heavy Rare Earth Element and Yttrium prospect**. Based on historical exploration reports, there may be some similarities between the REE minerals at the Mount Dorothy and Hardway prospects.
- Historical exploration at Mount Dorothy defined a prospective copper-rare earth system. **Historical drill intercepts at Mount Dorothy include**[*]:
  - **36m at 1.54% Cu from 50m in MDD006 including:**
    - **9m at 5.48% Cu from 55m.**
  - **35m at 1.52% Cu** from 17m **in MDR002; including:**
    - **15m at 2.81% Cu and 744ppm Co from 19m.**
  - **16m at 1,864ppm total TREYO from 71m in MDD005**

Figure 1: *Historical image from previous exploration drilling at Mount Dorothy.*

[*] Sourced from data supplied by AuKing Mining Ltd (ASX:AKN), formerly China Yunan Copper Australia Ltd, in addition to CYU ASX releases dated 19 August 2010, 20 September 2010, 17 November 2010 and 20 January 2011. The data underlying these intercepts have been validated by Hammer Metals Limited personnel and it is the opinion of Hammer Metals that the historic exploration data are reliable.

Hammer's Managing Director, Daniel Thomas said:

"Hammer is pleased to have reached agreement with Global Energy Metals to re-take majority ownership of these tenements. We believe the prospects deserve further exploration and will complement Hammer's already impressive project inventory in the world-class Mt Isa district. We are confident in the opportunity that the Mount Isa region presents for minerals that are critical for Australia's future and we are determined that Hammer will play a leading role in this region in helping to secure the raw materials needed for batteries and new energy technologies through projects like Mt Dorothy and Cobalt Ridge."

Mitchell Smith, President and CEO commented:

"The partial divestiture of the Mount Isa Projects is consistent with the Company's strategy of actively managing and streamlining our property portfolio through a partnership model while benefiting from the collaboration with well-funded, technically experienced peer groups. In addition to maintaining a sizeable investment exposure in these two early-stage exploration properties with known showings of strategic elements, the Company also benefits by having created two new royalties on the properties of which we are free-carried on any cash expenditure until the time of completion of a Pre-Feasibility Study."

Hammer Metals Ltd (**ASX: HMX**) ("**Hammer**" or the "**Company**") is pleased to announce that it has entered into a binding term sheet with Element Minerals Australia (Element), a subsidiary of Global Energy Metals Corporation (GEMC), to acquire an 80% interest in the Mount Dorothy and Cobalt Ridge Projects, two copper and critical elements projects located in the Mount Isa inlier region of Northwest Queensland.

These prospects were initially sold to GEMC in 2019 as part of Hammer's divestment of the Millenium Cobalt Project. In light of Hammer's recent exploration success in making a significant copper-rare earth discovery at the nearby Hardway prospect, and the exploration results from Mount Dorothy by China Yunnan Copper Australia Ltd in 2011 that suggest similarities in the mineralogy of the Hardway and Mount Dorothy mineral systems[†] the Company is pleased to have re-acquired the prospects.

With the renewed focus on critical minerals in Queensland, Hammer continues to build its geological knowledge of the rare earth systems in the region, in particular the unique nature of the dominant heavy rare earth minerals contained in both the Hardway and Mount Dorothy systems.

Historical drilling at the Mount Dorothy prospect returned the following intersections[‡]:

- **36m at 1.54% Cu from 50m in MDD006 including:**
  - **9m at 5.48% Cu from 55m.**
- **35m at 1.52% Cu** from 17m **in MDR002; including:**
  - **15m at 2.81% Cu and 744ppm Co from 19m.**
- **16m at 1,864ppm total TREYO from 71m in MDD005**

The rare earth intercepts at Mount Dorothy showed a high proportion (~75%) of Heavy Rare Earth Yttrium (HREEY) expressed as a percentage of Total Rare Earth Yttrium elements.

[†] See ASX announcements for AKN dated 17 November 2010 and 20 January 2011.

[‡] Sourced from data supplied by AuKing Mining Ltd (ASX:AKN), formerly China Yunan Copper Australia Ltd, in addition to CYU ASX releases dated 19 August 2010, 20 September 2010, 17 November 2010 and 20 January 2011. The data underlying these intercepts have been validated by Hammer Metals Limited personnel and it is the opinion of Hammer Metals that the historic exploration data are reliable.

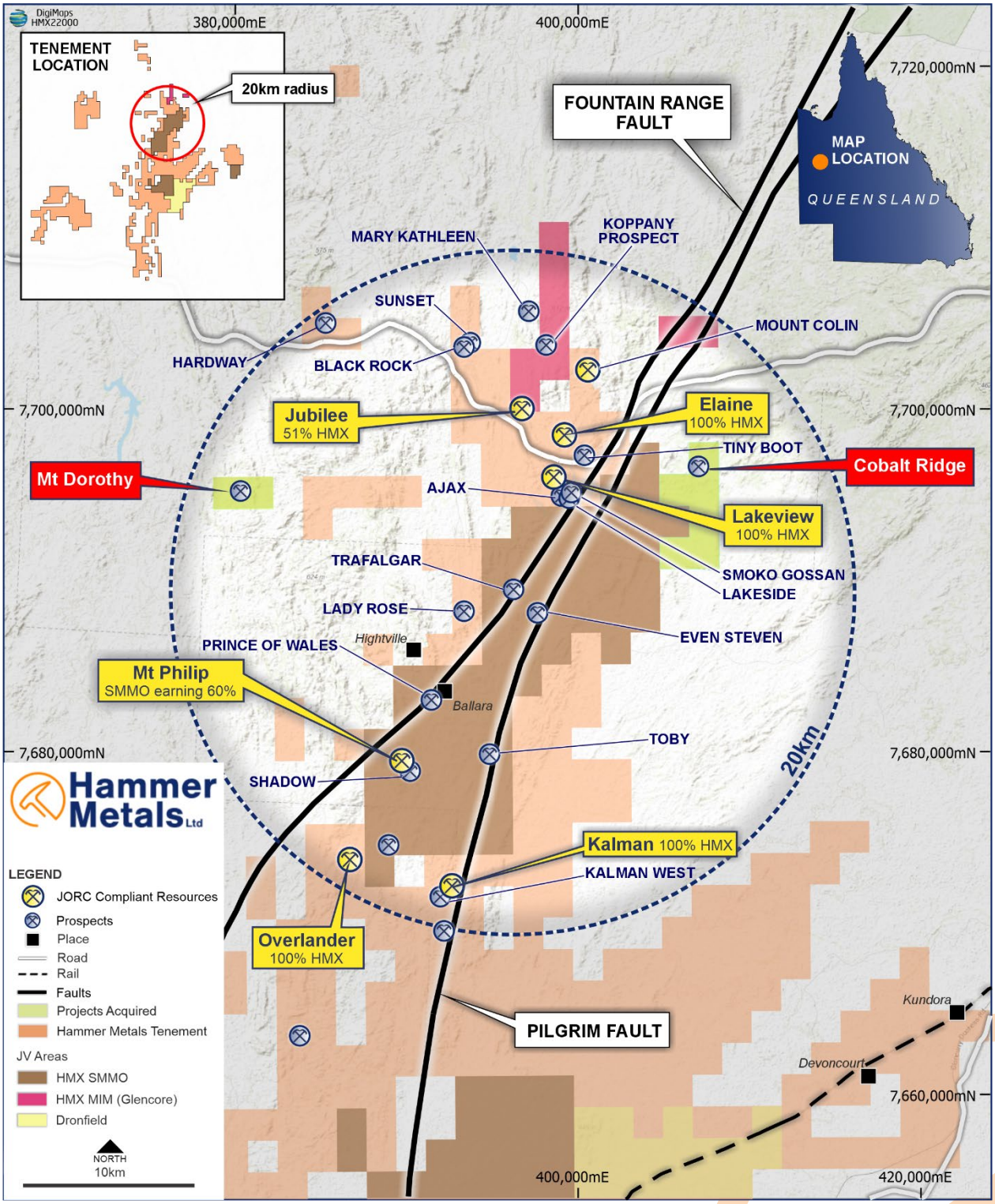

Figure 2. *Location of Mount Dorothy and Cobalt Ridge.*

Acquisition Terms

Hammer to acquire 80% of the exploration tenure holding the Mount Dorothy and Cobalt Ridge prospects from Element in exchange for a 1% NSR on each of the Mount Dorothy and Cobalt Ridge properties. Hammer will be responsible for all exploration and holding costs for the projects until the completion of a Pre-Feasibility Study. After the completion of a Pre-Feasibility Study, Element will have the option to fund its pro-rata annual spend or be diluted based upon a standard JV dilution formula.

Expected Newsflow

- **July – Drillings results – Hope South, The Stubby, Mascotte and Mascotte Junction.**
- **July – Exploration Update:**
  - **EM results and interpretation;**
  - **Tourist Zone, Overlander, Pommern, Bulonga and others; and**
  - **Easy Life soil sampling program results.**
- **July – Drilling Program – Hardway, South Hope Follow-Up. Pommern, Bulonga, Tourist Zone, Overlander Central and Kalman North.**
- **July – MIE JV Update.**
- **July – Drone Magnetic Survey – Yandal Lithium Prospects.**
- **August – Yandal lithium-nickel-gold air-core drilling program.**

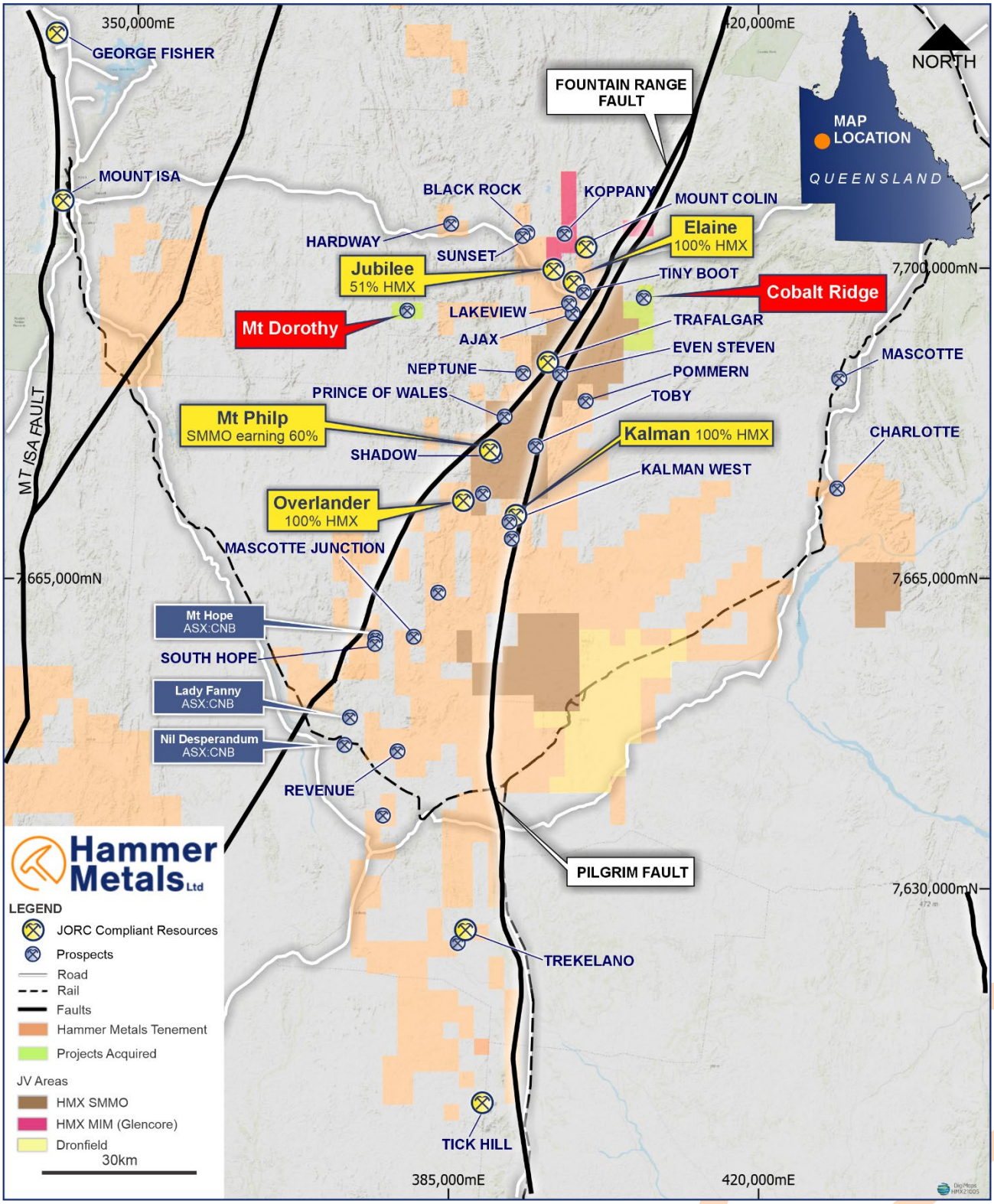

Figure 3: *Mount Isa Project Area*

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

- END -

About Hammer Metals

Hammer Metals Limited (ASX: HMX) 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. Hammer 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.

About Global Energy Metals Corporation

Global Energy Metals Corp. offers investment exposure to the growing rechargeable battery and electric vehicle market by building a diversified global portfolio of exploration and growth-stage battery mineral assets. Global Energy Metals recognizes that the proliferation and growth of the electrified economy in the coming decades is underpinned by the availability of battery metals, including cobalt, nickel, copper, lithium and other raw materials. To be part of the solution and respond to this electrification movement, Global Energy Metals has assembled and are advancing a portfolio of strategically significant investments in battery metal resources.

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 20212 JORC Code on the basis that the information has not materially changed since it was last reported. All information pertaining to the results is presented in Table 1, JORC Code 2012.

JORC Table 1 report – Mount Dorothy Copper Rare Earth Element Project

- This table is to accompany an ASX release notifying the market of the decision to acquire the Mount Dorothy Project from Global Energy Metals Corporation ("GEMC"). The Mount Dorothy Project is located on EPM14022, held by Mulga Minerals Pty Ltd, a wholly owned subsidiary of Hammer Metals Limited.
- The portion of EPM14019 overlying the Mount Dorothy Project was originally vended to GEMC and held in a trust arrangement by Hammer metals Limited.
- The information in this report that relates to previous exploration results was prepared and first disclosed in a pre-2012 edition of the JORC code.
- Further information can be obtained by accessing ASX market announcements by AuKing Limited (ASX:AKN), formerly Chinalco Yunnan Copper Australia Limited (ASX: CYU)
    - 19/9/2010: Significant Copper-Cobalt sulphide mineralisation intersected at the Mount Dorothy Prospect.
    - 30/9/2010: Mount Dorothy and Elaine Dorothy Prospects Update.
    - 17/11/2010: Mt Dorothy Copper Cobalt Discovery.
    - 26/11/2010: Mt Dorothy Drilling Update.
    - 20/1/2011: Rare Earth Element (REE) Copper – Drilling Commences – Elaine and Mt Dorothy – Mary Kathleen JV with Goldsearch Ltd.
- The data has been compiled and validated. It is the opinion of Hammer Metals that the exploration data are reliable. In the case of the JORC Code 2004 exploration results, they have not been updated to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported. All information pertaining to the results is presented in Table 1 JORC Code 2012.

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*	**Drilling** Drilling by AKN/CYU consisted of 9 holes for 1218m. 5 of these holes were drilled as diamond core. Reverse Circulation samples were collected at 1m intervals. Standards were inserted at a rate of 1 sample for 40 normal samples. Duplicates inserted at a rate of 1 duplicate every 50 samples. Spear sampling was conducted to obtain a subsample for Lab analysis. CYU reported that lab submitted samples ranged between 1.13-3.84kg with an average of 2.61kg For Diamond drilling no information has been recorded. 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.

Criteria	JORC Code explanation	Commentary
	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.	• 4 acid digest followed by ICP-MS for a comprehensive element suite.
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).*	Reverse Circulation drilling was conducted by a UDR650 drilling rig. The rig utilised for diamond drilling is not available.
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.* *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 recovery was not specified.
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.*	All drilling was geologically logged by Chinalco Yunan geologists with information being entered into excel on site.
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.*	Samples consisted of a spear sample of a 1m interval. Reverse Circulation samples were collected at 1m intervals. Standards were inserted at a rate of 1 sample for 40 normal samples. Duplicates inserted at a rate of 1 duplicate every 50 samples. Spear sampling to obtain a subsample for Lab analysis. CYU reported that lab submitted samples ranged between 1.13-3.84kg. Av 2.61kg. Note. When conducting reverse circulation drilling, the use of the spear sampling technique to obtain samples for lab analysis would currently be considered less than optimal. Sample sizes however are appropriate for the method and intended lab analysis protocol.

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.* *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 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.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *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.*	The sample verification methodology by Chinalco Yunan Copper Australia Limited is not known.
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. The accuracy control on China Yunan drillhole locations will be confirmed via DGPS once access is available.
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.*	The drill density is not sufficient to establish mineralisation continuity. Sample compositing has been utilised to calculate intercepts.
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.*	Drill holes were mostly oriented perpendicular to the major structural direction.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	With lab analyses, pre-numbered bags were used. Samples are packed within sealed polywoven sacks.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Hammer Metals Limited undertook a review of data received from China Yunan Copper Australia Limited. 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.* *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 44 tenements. The drilling reported herein was conducted on EPM14019. These tenements are held by Mulga Minerals Pty Ltd, a 100% owned subsidiary of Hammer Metals Limited.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The Mt Dorothy Project comprises two historic mines. The Three Threes and Wee Wyeems. The Mount Dorothy workings comprise a 14m shaft and a small adit (now collapsed) located on the south side of a ferruginous hill at the Three Threes Prospect. A 27m drive was run from the bottom of the shaft (at around the water table), presumably NW toward the breccia hill and below the adit. Mount Isa Mines conducted detailed mapping in 1957 (ATP 81, CR87) and drilled 2 core holes (CR23057). Mount Isa Mines Limited then drilled 3 RC holes (WW201 to 203) at the Wee Wyeems prospect. All three holes intersected mineralised felsic volcanics and breccia and visible copper mineralisation was reported as copper oxides and native copper occurring in fractures and narrow veins. No significant work has been undertaken on the prospects since the MIMEX drilling. The work conducted by Chinalco Yunan Copper Australia Limited in summarised throughout this document.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Mount Dorothy Project consists of a Copper-REE shear zone hosted variant not common in the Mount Isa region. The

Criteria	JORC Code explanation	Commentary
		element distribution shows superficial similarities to mineralisation drilled to the north at the Hammer Hardway Prospect. However, the host units at Mt Dorothy differ from those at Hardway. The Mt Dorothy host is the Tewinga Group, a series of rhyolitic through to andesitic volcanics with common mafic dykes and sills. Mineralisation is associated with a NW trending quartz vein breccia which has a partly gossanous limonite rich matrix. The Tewinga Group hosts mineralisation at the Barbara Cu deposit.
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.*	See the appended tables which summarise drilling conducted by Chinalco Yunan Copper Australia Limited.
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.* *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.*	Drillhole intercepts reported in this document have been reported previously by Chinalco Yunan Copper Australia Limited. See also appended tables.
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*	True thicknesses determinations of drilled intervals cannot be made until the drilling density is higher.

Criteria	JORC Code explanation	Commentary
	clear statement to this effect (eg 'down hole length, true width not known').	
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.*	Drillhole intercepts reported in this document have been reported previously by China Yunan Copper Australia Limited at a 0.1% Cu cut-off. The reader should assume that any intercepts outside of the portions of the hole mentioned will have Cu grades at less than the quoted cut-off.
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.*	Exploration conducted at this prospect has been summarised above under the heading "Exploration conducted by other parties"
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The identification of REE bearing Copper-Cobalt mineralisation at Hardway gives Hammer renewed interest in the Mt Dorothy area. It is envisaged that a comprehensive review will be undertaken in order to identify zones for further drilling.

Appendix 1. Drilling undertaken by Chinalco Yunnan Copper Resources Ltd (ASX:CYU)

(Refer to ASX announcement dated 20/1/2011: Rare Earth Element (REE) Copper – Drilling Commences – Elaine and Mt Dorothy

Hole	E_GDA94	N_GDA94	RL	Dip	Az_GDA	TD	Incl.	From	To	Interval	Cu(%)	Co(ppm)
MDR001	380720	7694999	449	-60	278	193		35	36	1	0.14	63
								43	50	7	0.16	23
								54	55	1	0.13	62
								61	73	12	0.19	32
								79	81	2	0.12	36
								87	88	1	0.1	39
								107	110	3	0.22	60
								114	115	1	0.13	40
								122	154	32	0.18	44
								158	164	6	0.12	57
								168	169	1	0.06	242
								181	193	12	0.19	301
MDR002	380623	7695016	449	-60	119	163		17	106	89	0.73	190
							Incl.	19	34	15	2.81	744
							Incl.	143	144	1	1.04	83
								139	154	15	0.28	31
							Incl.	143	144	1	1.04	83
MDR003	380621	7695021	447	-60	224	100		45	47	2	0.32	232
								59	70	11	0.3	116
								83	84	1	0.18	1390
MDR004	380293	7695296	429	-60	160	130		44	63	19	0.16	462
								69	70	1	0.12	293
								79	80	1	0.15	294
								83	84	1	0.11	67
MDD005	380625	7695065	448	-60	119	150		34	44	10	0.22	32
								63	91	28	0.19	98
								112	114	2	0.59	214
							Incl.	113	114	1	1.05	357
MDD006	380604	7695027	448	-60	121	129		50	86	36	1.54	198
							Incl.	55	64	9	5.48	205
							Incl.	61	64	3	12.26	496
								90	91	1	0.14	48
								96	97	1	0.15	27
MDD007	380605	7695029	449	-85	114	137		65	80	15	0.35	43
							Incl.	72	76	4	0.58	48
								96	131	35	0.26	126
							Incl.	124	125	1	1.05	83
MDD008	380368	7695152	438	-60	134	150		52	54	2	0.12	217
MDT001	380601	7695010	304	-42	272	66	no significant intersections					

Note

Locations relative to GDA94 Zone54