



1st May 2017

HAMMER SIGNS TERM SHEET TO ADVANCE MILLENNIUM COBALT PROJECT

Highlights

- Term Sheet signed with TSXV-listed Global Energy Metals Corporation (GEMC) to earn an interest in Hammer's Millennium Project.
- Agreement includes the five granted Millennium Mining Leases located 34km west of Cloncurry in Northwest Queensland.
- Staged earn-in with GEMC having the right to earn 75% by spending a minimum of CAD\$2,700,000 (A\$2,700,000) including CAD\$250,000 in cash payments.
- Hammer to manage the project for the first two stages of the JV until GEMC earns a 65% interest.
- Agreement subject to completion of due diligence and signing of a Definitive Agreement within 90 days.

Material Details of the Agreement

Tenements included in the term sheet are granted ML's 2512, 2761, 2762, 7506 and 7507 held 100% by a Hammer Metals Limited.

The term sheet outlines the principal terms and conditions to enter into a three-year option to purchase a staged interest of up to 75% interest upon making project related expenditures to further advance the property. Total consideration for the option is CAD \$2,700,000. An initial non-refundable deposit of CAD \$50,000 is payable upon signing of the term sheet.

Upon successful conclusion of due diligence, and at the direction of GEMC, the parties will enter into a definitive agreement, subject to standard conditions and any regulatory approvals that may be required. The agreement is subject to the execution of the Definitive Document within 90 days of signing of the term sheet in which case the initial deposit will be applied against the initial expenditure commitment.

Before the third year anniversary of signing a definitive option agreement, GEMC must expend a minimum of CAD \$2,500,000 in project exploration and development work on Millennium as follows:

- \$500,000 within 6 months for 25% interest;
- \$1,000,000 within 18 months for 65% cumulative interest; and
- \$1,000,000 within 36 months for cumulative 75% interest

GEMC will also pay to Hammer a total of CAD \$200,000 in cash in two equal payments of \$100,000, the first upon signing the definitive agreement and the second on the 6 month anniversary of the first payment.

Global Energy Metals may exercise its right to acquire additional interest in Millennium based on future terms agreed to by both parties at that time.



Hammer's CEO Alex Hewlett said:

"We are thrilled to have GEMC as a strategic partner and combine efforts to develop Millennium. GEMC's strong track record, deep cobalt sector knowledge and key partnerships in Asian battery markets were key to our wanting to partner with them. This transaction provides our shareholders with immediate upside in partnering with a cobalt focused leader in the industry while retaining exposure to longer term value creation that the Millennium Project will offer."

Global Energy Metals Corporation (TSXV: GEMC) is an aggregator of primary cobalt and other battery metals projects based in Vancouver, Canada. GEMC currently owns the Werner Lake cobalt Mine in Ontario and is listed on the TSX Venture Exchange.

Hammer Metals Limited (ASX: HMX) Hammer Metals holds a strategic tenement position covering approximately 2,600km² 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, the Millennium (Cu-Co-Au) deposit as well as the recently acquired Elaine-Dorothy (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of the Ernest Henry style and has a range of prospective targets at various stages of testing.

For further information, please contact:

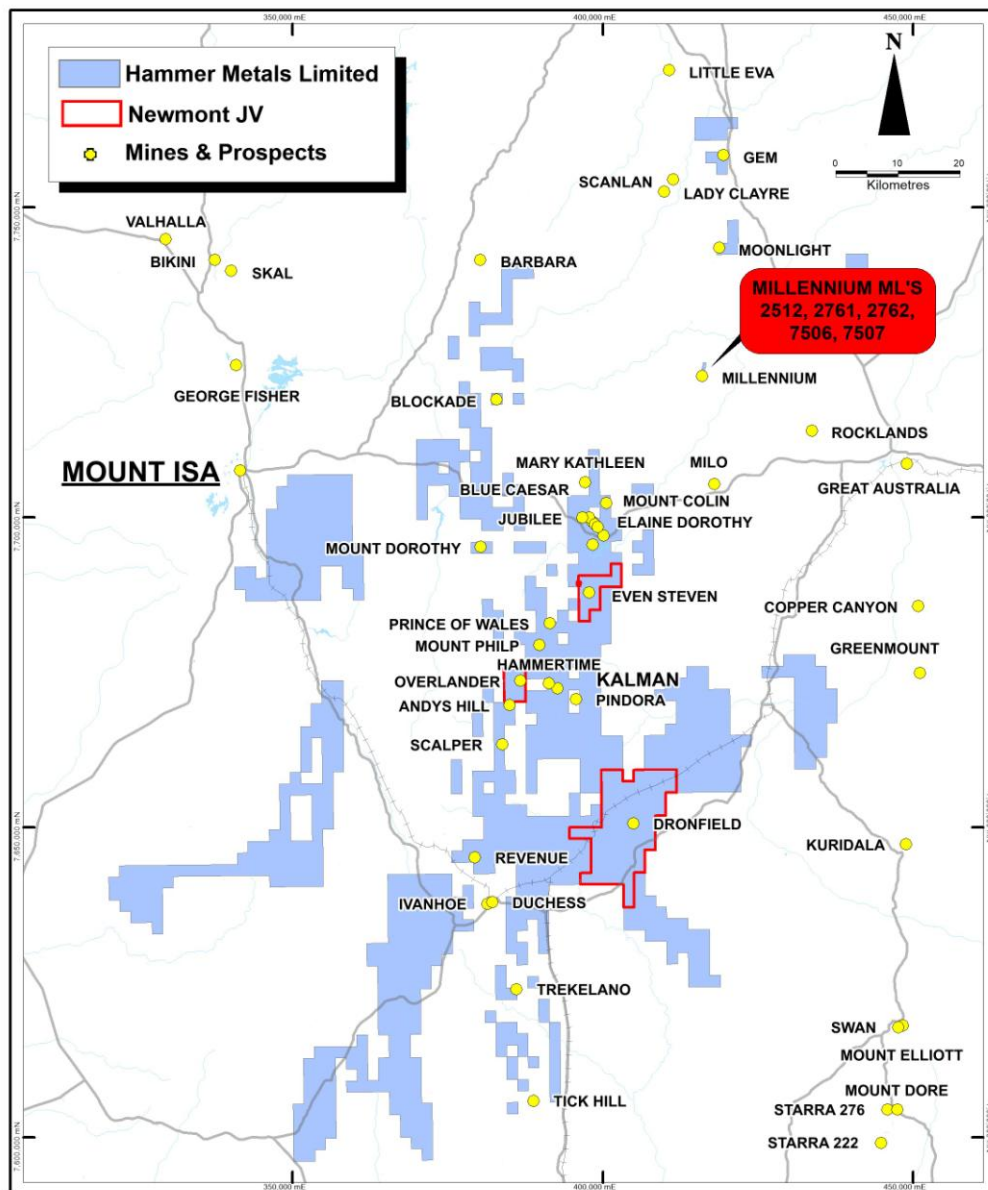
Alex Hewlett

Executive Director & CEO

Hammer Metals

Tel: +61 8 9271 0149

alex@hammermetals.com.au



Hammer's Mount Isa Project and Joint Venture Area

Competent Person's Statement:

Exploration Results

The information in this report as it relates to exploration results and geology was compiled by Mr Mark Whittle, who is a Member of the AusIMM and a consultant to the Company. Mr Mark Whittle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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.