ASX Code: HMX

CAPITAL STRUCTURE:

Share Price (29-May-18)	**$0.033**
Shares on Issue	**269m**
Market Cap	**$8.8m**
Options Unlisted	**21.7m**

Significant Shareholders	
Deutsche Rohstoff	**13.1%**
Resource Capital Fund VI	**9.3%**
Management	**8.8%**

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Exploration Manager

EXPLORATION UPDATE

HIGHLIGHTS

- Hammer Metals Limited and Newmont Exploration Australia Pty Ltd have reached a negotiated conclusion to the Mt Isa Farm-In and Joint Venture Agreement that commenced in December 2015.
- Hammer will retain a 100% unencumbered interest in the three former farm-in areas at Overlander, Dronfield and Even Steven on termination and will take the opportunity to test several of the targets identified during the joint venture period that did not meet Newmont's target-size criteria.
- Amongst these opportunities are the partially tested IOCG potential at Overlander North, the Overlander cobalt potential and the copper-gold potential of the Tourist Zone.
- Additional copper-gold drilling targets generated at Even Steven and Dronfield also warrant drill testing.
- New partners will be sought to assist with advancing exploration of these targets and the Mount Isa project as a whole.

SUMMARY

In December 2015, Hammer announced a joint venture with Newmont Exploration Australia Pty Ltd (Newmont) over three specific target areas covering approximately 10% of Hammer's 3200km^2 tenement holding at Mount Isa. Over the past two years Newmont and Hammer have conducted an active exploration program culminating in the drilling of two large IOCG targets at Overlander North and Dronfield, intercepting highly encouraging IOCG alteration and low-grade copper mineralisation in both areas. Newmont has however elected not to continue funding exploration of the targets and the projects will revert to Hammer's ownership.

Mr Alex Hewlett, Executive Director of Hammer noted; *"Newmont has been an excellent partner throughout this undertaking, allowing Hammer to significantly advance our understanding of the JV targets – particularly the large mineralised system at Overlander.*

"The negotiated conclusion of the joint venture will leave Hammer with unfettered rights to pursue several untested exploration opportunities in the former farm-in areas as well as continue with the exploration of our large portfolio of prospects at Mount Isa."

"Infill and extensional drilling is set to recommence in early June at the Jubilee copper-gold deposit in joint venture with MIM Limited, and results are expected shortly from the recently completed diamond drilling program on the Millennium cobalt-copper deposit."

OVERLANDER COBALT AND COPPER POTENTIAL

The Overlander prospect is an extensive area of alteration and mineralisation which includes the Overlander North and Overlander South copper deposits, the Overlander North IOCG target and the Overlander Central rhyolite breccia target. The project is located only 6 kilometres west of Hammer's Kalman deposit.

The IOCG target (Overlander North) and rhyolite breccia targets (Overlander Central) are considered to have substantial untested potential for large mineralised bodies based on the drilling to date, their extent as indicated by mapping and drilling, and the large gaps in the drilling patterns.

The two diamond drill holes drilled at Overlander North by the joint venture identified features consistent with an IOCG alteration system along with low grade copper values. Hammer considers that a substantial part of the Overlander North geophysical and geochemical anomaly remains to be tested, particularly where the alteration and brecciation increases towards the Overlander shear.

Significant copper results from the IOCG body at Overlander North include 97.3 metres at 0.54% Cu from 359.5 metres in OVD001 including 21 metres @ 1.7% Cu from 435 metres.

The brecciated rhyolite mineralisation at Overlander Central that is situated in the footwall of the Overlander shear zone over a strike length of over 1600 metres has returned encouraging broad low-grade copper intersections where drilled. This prospect is considered a prime target for bulk tonnage copper-gold deposits such as the Aitik deposit in Sweden. (1161Mt @ 0.22% Cu, 0.15g/t Au and 1.27g/t Ag – Proven and Probable Reserve)[1].

Significant results at Overlander Central include:

- 117 metres at 0.35% Cu from 43 metres in OVRC024 and
- 71 metres at 0.31% Cu from 61 metres in OVRC032 and
- 137 metres at 0.27% Cu from 105 metres in K-11.

The rise in the cobalt price from approximately US$28,000/t in August 2015 when the Overlander resources were last estimated to current levels of around US$89,000/t has encouraged Hammer to re-evaluate the potential of the Overlander area for cobalt as well as copper. The Overlander Mineral Resources for Overlander North and Overlander South were last estimated in 2015. Cobalt was included in this estimate however was not specifically evaluated at the time. *(Refer to ASX release dated August 26th, 2015)*.

Significant cobalt intercepts from previous drilling include:

- **11 metres at 0.17% Co** from 143 metres including 1 metre at **0.96% Co** from 148 metres in K-11
- **5 metres at 0.16% Co and 2.45% Cu** from 157 metres in OVRC013 with a maximum downhole Co assay of **0.39%**
- **10 metres at 0.14% Co** from 73 metres including 3 metres at 0.31% in OVRC020 with a maximum downhole Co assay of **0.59%**
- **7 metres at 0.14% Co and 1.76% Cu** from 31 metres in OVRC022 with a maximum downhole Co assay of 0.27%
- 30 metres at 0.08% Co and 1.08% Cu from 176 metres and **11 metres at 0.12% Co and 2.05% Cu** from 226 metres in OVRC029 with a maximum downhole Co assay of 0.24%
- **6 metres at 0.11% Co and 2.78% Cu** from 201 metres in OVRC031 with a maximum downhole Co assay of 0.18%

[1] Boliden 2017 Annual Report

OVRC024 at Overlander Central returned a very broad low-grade intersection of 50 metres at 0.03% Co and 0.39% Cu highlighting the potential for a large copper-cobalt resource.

(Details of previous drilling were released by HMX to the ASX on 17/12/2013, 17/1/2014, 11/5/2015 and 5/6/2015).

Hammer is preparing a drilling program to further test these opportunities.

TOURIST ZONE

Geological mapping, rock chip sampling and gravity and magnetic geophysical surveys were completed at the Tourist Zone, located 2 kilometres to the west of Overlander in a corresponding geological position on the western edge of the Overlander Granite.

Shallow RC drilling by a previous explorer at the Tourist Zone returned results including:

- 26 metres at 1.04% Cu and 0.24g/t Au from 22 metres including **10 metres at 1.73% Cu and 0.36g/t Au from 38 metres** in TRC-11 and
- 37 metres at 0.96% Cu and 0.18g/t Au from 68 metres including 16 **metres at 1.58% Cu and 0.31g/t Au from 78 metres** in TRC-19.

(Details of this historic work were previously released by HMX to the ASX on 31/10/2016).

EVEN STEVEN

Even Steven is considered to be a high priority target for medium tonnage copper-gold deposits. The prospect is in a similar structural setting to the Kalman Cu-Au-Mo-Re deposit located approximately 15 kilometres to the south. Exploration has identified a 5.2 kilometre long copper-gold soil anomaly co-incident with undrilled breccia zones, strong red-rock and magnetite alteration and radiometric (uranium) signatures. Several drill targets have been identified.

CURRENT EXPLORATION ACTIVITY

Following encouraging results from the recent drilling at the Jubilee copper-gold deposit Hammer Metals and MIM Limited have approved the commencement of the Stage 2 program and budget. An infill and extensional RC and diamond drilling program is scheduled to commence in early June.

The 10-hole diamond drilling program at the Millennium cobalt-copper deposit has recently been completed. All drill core has now been cut and samples sent to the laboratory. Assay results will be reported when received.

Following receipt of the high resolution magnetic and radiometric data from the recent airborne survey a program of geological mapping and soil sampling has commenced over the Mount Philp breccia target which covers an area of approximately 20km^2. It is anticipated that the program will be completed and results compiled early in the third quarter.

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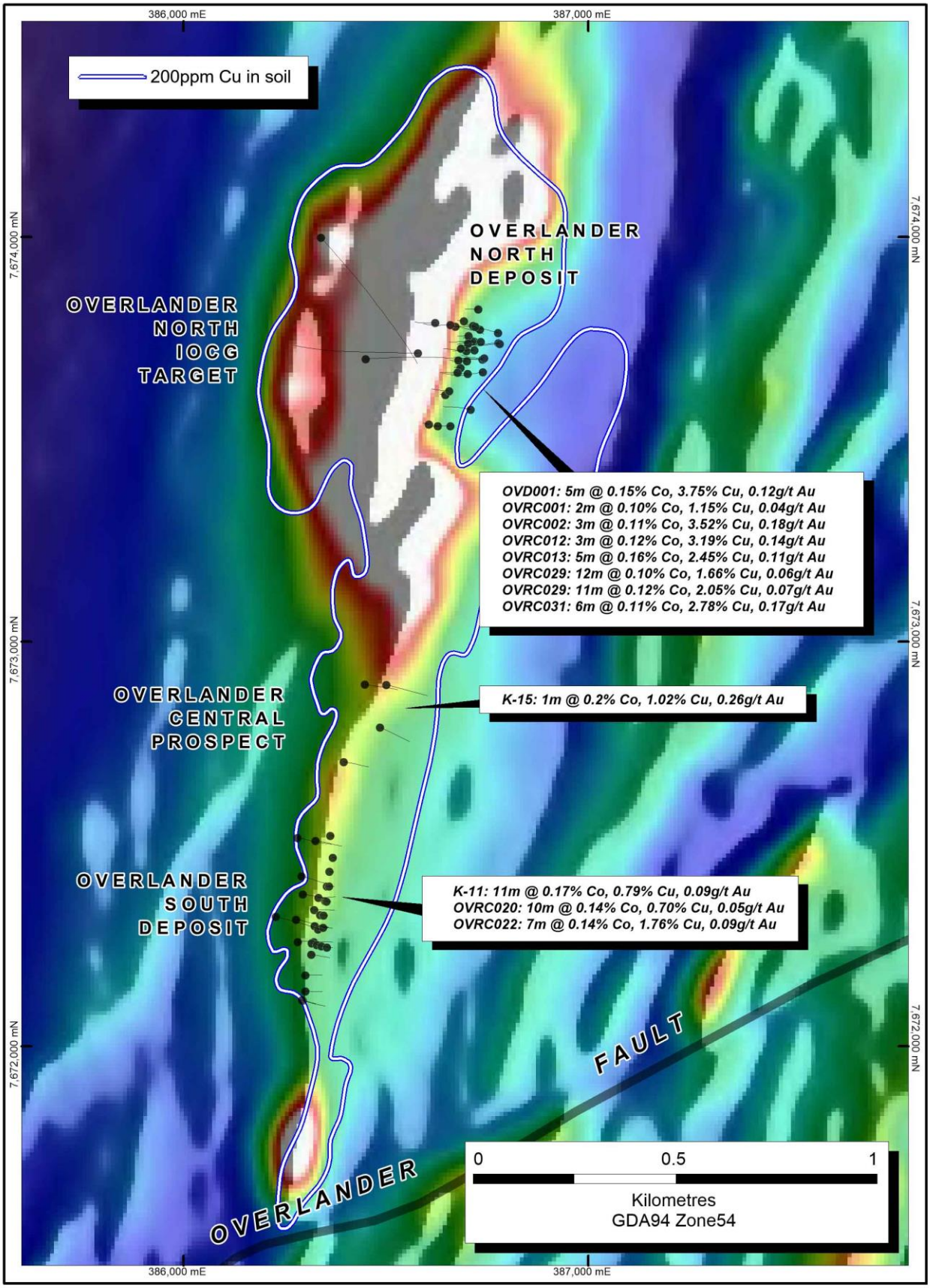


Drill hole location map of Overlander with select cobalt intercepts annotated. See Tables 1 and 2 for a full intercept listing

Table 1 – Overlander North intercept listing at 0.05% Co cut-off

OVERLANDER NORTH - COBALT INTERSECTION EXTRACTION AT 500PPM COBALT CUT-OFF																	
Area	COLLAR_ID	East (1)	North (1)	RL (2)	Dip	Az_Grid (1)	TD		From	To	Interval	Co (ppm)	Cu (%)	Au (g/t)	Max DH Co (ppm)	Max DH Cu (%)	Max DH Au (g/t)
OVERLANDER NORTH	K-07	386776.4	7673764.4	380.2	-59.2	103	153		Co levels below intercept threshold						160	0.23	0.08
	K-10	386708.7	7673574.0	386.8	-54.3	104.9	141.0		Co levels below intercept threshold						139	1.24	0.09
	OVD001	386449.2	7673699.2	392.9	-62.2	271	522		437	453	16	773	2.06	0.06	2370	7.65	0.27
								incl.	447	452	5	1530	3.75	0.12			
	OVD002	386579.0	7673714.0	386.4	-61	103	468		Co levels below intercept threshold						322	0.45	0.02
	OVD003	386339.0	7673999.0	394.6	-60	106	586		Co levels below intercept threshold						451	0.90	0.07
	OVRC001	386718.8	7673721.1	380.0	-59.3	105	106		67	72	5	658	1.20	0.06	1405	2.91	0.48
								incl.	70	72	2	1026	1.15	0.04			
	OVRC002	386734.5	7673741.7	379.7	-58.2	105	112		77	86	9	737	3.22	0.14	1390	5.51	0.39
								incl.	83	86	3	1052	3.52	0.18			
	OVRC003	386671.5	7673779.6	382.5	-62.3	107	142		Co levels below intercept threshold						318	0.85	0.07
	OVRC004	386713.0	7673743.0	379.0	-64.1	107	118		52	57	5	511	3.06	0.31	725	5.31	0.87
	OVRC005	386699.9	7673694.1	380.5	-64.1	106	82		55	59	4	608	1.12	0.04	702	1.21	0.11
	OVRC006	386676.6	7673665.6	380.2	-62	107	88		Co levels below intercept threshold						395	1.35	0.17
	OVRC007	386656.2	7673620.6	380.2	-62	107	94		Co levels below intercept threshold						444	1.38	0.02
	OVRC008	386702.2	7673663.2	382.5	-63.5	103	130		97	98	1	559	0.18	0.07	559	0.53	0.10
	OVRC011	386621.6	7673788.8	386.2	-59.1	100	106		No Signficant Co Intercepts						353	0.45	0.03
	OVRC012	386738.1	7673698.6	381.8	-60.4	108	160		125	128	3	1150	3.19	0.14	1740	3.77	0.16
	OVRC013	386777.5	7673738.5	381.7	-60.2	98	184		157	162	5	1611	2.45	0.11	3940	4.05	0.20
								incl.	159	161	2	2980	1.44	0.09			
	OVRC014	386658.8	7673783.9	383.3	-60.5	99	154		36	37	1	920	0.30	0.02	920	1.28	0.06
	OVRC015	386703.6	7673756.4	378.6	-60	98	52		9	10	1	1000	0.45	0.00	1000	3.71	0.33
									35	39	4	560	2.48	0.22			
	OVRC016	386678.5	7673696.7	379.9	-61.4	100	40		Co levels below intercept threshold						461	3.43	0.21
	OVRC025	386658.6	7673533.7	382.0	-67.9	95	106		Co levels below intercept threshold						287	0.36	0.01
	OVRC026	386720.6	7673779.5	377.8	-50	276	106		47	48	1	508	1.13	0.01	516	1.45	0.10
									50	51	1	516	1.08	0.10			
	OVRC027	386702.4	7673738.2	378.4	-50	276	46		5	6	1	819	1.73	0.05	819	3.12	0.18
									11	12	1	563	1.51	0.02			
	OVRC028	386728.0	7673822.0	378.5	-50	276	64		Co levels below intercept threshold						359	0.46	0.01
	OVRC029	386742.9	7673702.0	381.8	-50	276	268		167	168	1	509	0.26	0.01	2410	3.62	0.23
									176	249	73	674	1.35	0.04			
								incl.	176	206	30	801	1.08	0.04			
								incl.	182	185	3	1137	0.52	0.02			
								incl.	194	206	12	1017	1.66	0.06			
								&	213	217	4	534	2.61	0.11			
								&	226	249	23	836	1.54	0.04			
								incl.	226	237	11	1199	2.05	0.07			
								&	226	227	1	1040	1.73	0.04			
								&	230	237	7	1588	2.24	0.09			
								incl.	243	249	6	607	0.68	0.00			
	OVRC030	386739.8	7673666.9	382.7	-50	276	347		214	215	1	639	0.90	0.02	875	3.29	0.44
									232	233	1	568	1.62	0.03			
									238	241	3	506	1.44	0.10			
									247	248	1	683	3.29	0.44			
									256	268	12	538	0.98	0.06			
									289	292	3	827	0.78	0.00			
	OVRC031	386739.8	7673666.9	382.7	-50	276	347		197	215	18	773	1.94	0.09	1750	4.47	0.30
								incl.	201	207	6	1063	2.78	0.17			
								incl.	213	214	1	1000	2.32	0.11			
									222	231	9	886	2.57	0.10			
								incl.	222	226	4	1078	2.21	0.09			
								incl.	227	228	1	1030	2.65	0.10			
									239	241	2	616	3.14	0.12			
									253	257	4	1162	3.02	0.07			

Note:

(1) - Positions relative to GDA94, Zone 54 and derived from a DGPS Survey

(2) - RL Dervied from a DGPS Survey

(3) - Intercepts derived using a 500ppm Co threshold, 500ppm Co cut-off with a maximum of 5m internal waste.

(4) - Higher grade intercepts derived utilising a 1000ppm Co cut-off

(5) - Areas OVN, OVC and PVS - Overlander North, Central and South

Table 2 – Overlander South and Central intercept listing at 0.05% Co cut-off

OVERLANDER CENTRAL AND SOUTH - COBALT INTERSECTION EXTRACTION AT 500PPM COBALT CUT-OFF																	
Area	COLLAR_ID	East (1)	North (1)	RL (2)	Dip	Az_Grid (1)	TD		From	To	Interval	Co (ppm)	Cu (%)	Au (g/t)	Max DH Co (ppm)	Max DH Cu (%)	Max DH Au (g/t)
OVERLANDER CENTRAL	K-14	386395.4	7672703.5	390.8	-61.5	106	124		65	66	1	588	0.55	0.29	588	0.82	0.89
	K-15	386447.5	7672895.1	389.0	-61.1	105	160		135	141	6	714	0.57	0.07	1950	1.02	0.26
								incl.	**140**	**141**	**1**	**1950**	**1.02**	**0.26**			
	K-16	386832.5	7673280.2	394.3	-60	284	100		Co levels below intercept threshold						250	1.54	0.19
	OVRC024	386485.6	7672788.9	393.3	-61.3	100	160		53	54	1	519	0.48	0.01	726	1.12	0.03
									59	60	1	527	0.91	0.02			
									65	66	1	726	0.66	0.02			
	OVRC032	386500.7	7672894.6	389.8	-50	276	183		59	61	2	709	0.02	0.00	869	3.80	0.22
									68	69	1	869	0.32	0.02			
									130	131	1	536	1.31	0.03			
OVERLANDER SOUTH	K-05	386277.5	7672314.1	395.1	-60	102	154		78	87	9	517	0.84	0.10	837	1.78	0.52
								incl.	85	86	1	837	1.02	0.07			
	K-06	386291.2	7672421.0	392.2	-54.3	105	130		89	91	2	517	0.43	0.04	520	0.58	0.05
	K-08	386326.1	7672509.1	396.2	-60	102	136		95	96	1	667	0.60	-0.01	667	0.88	1.08
	K-11	386227.9	7672321.0	392.8	-59.2	103	249		132	133	1	915	0.19	-0.01			
									143	**154**	**11**	**1654**	**0.79**	**0.09**			
								incl.	**148**	**149**	**1**	**9620**	**0.73**	**0.05**	9620	2.11	0.37
	K-12A	386292.2	7672114.6	392.8	-60	104	129		74	75	1	912	0.28	0.01	1370	1.40	0.12
									102	**105**	**3**	**1023**	**0.21**	**0.01**			
	K-13	386281.3	7672515.9	393.1	-57.6	110	172		137	138	1	524	1.26	0.05	524	1.26	0.13
	OVRC009	386323.9	7672298.1	391.8	-63.3	102	88		28	39	11	550	0.87	0.06	1430	2.66	0.19
								incl.	**35**	**36**	**1**	**1430**	**2.66**	**0.187**			
	OVRC010	386333.1	7672368.1	390.5	-60	98	82		29	41	12	557	0.94	0.07	1345	3.05	0.25
								incl.	**35**	**36**	**1**	**1345**	**0.77**	**0.05**			
	OVRC017	386322.5	7672337.5	391.2	-57.9	102	88		38	49	11	597	1.09	0.09	1110	3.95	0.29
								incl.	**43**	**44**	**1**	**1110**	**3.95**	**0.29**			
	OVRC018	386321.5	7672258.8	392.1	-59.3	103	82		24	31	7	846	1.52	0.10	1195	1.94	0.20
								incl.	**25**	**27**	**2**	**1033**	**1.49**	**0.08**			
								incl.	**30**	**31**	**1**	**1195**	**1.82**	**0.2**			
	OVRC019	386300.8	7672175.8	392.9	-59.2	103	82		41	42	1	778	0.42	0.01	1390	1.30	0.14
									50	62	12	570	0.70	0.04			
								incl.	**51**	**53**	**2**	**1064**	**0.44**	**-0.01**			
	OVRC020	386294.5	7672376.2	392.0	-60	98	118		**73**	**83**	**10**	**1406**	**0.70**	**0.05**	5870	1.82	0.19
								incl.	73	74	1	1530	0.63	0.03			
								incl.	**78**	**81**	**3**	**3057**	**0.56**	**0.04**			
	OVRC021	386300.9	7672136.4	392.0	-59.7	99	82		54	55	1	593	1.29	0.03	593	1.29	0.05
	OVRC022	386315.6	7672227.1	392.2	-58.5	100	82		**27**	**45**	**18**	**840**	**1.08**	**0.05**	2690	2.38	0.16
								incl.	**31**	**38**	**7**	**1410**	**1.76**	**0.09**			
	OVRC023	386281.6	7672259.0	394.7	-60	99	136		75	78	3	537	0.81	0.08	549	1.01	0.11
									88	89	1	504	0.15	0.01			

Note:

(1) - Positions relative to GDA94, Zone 54 and derived from a DGPS Survey

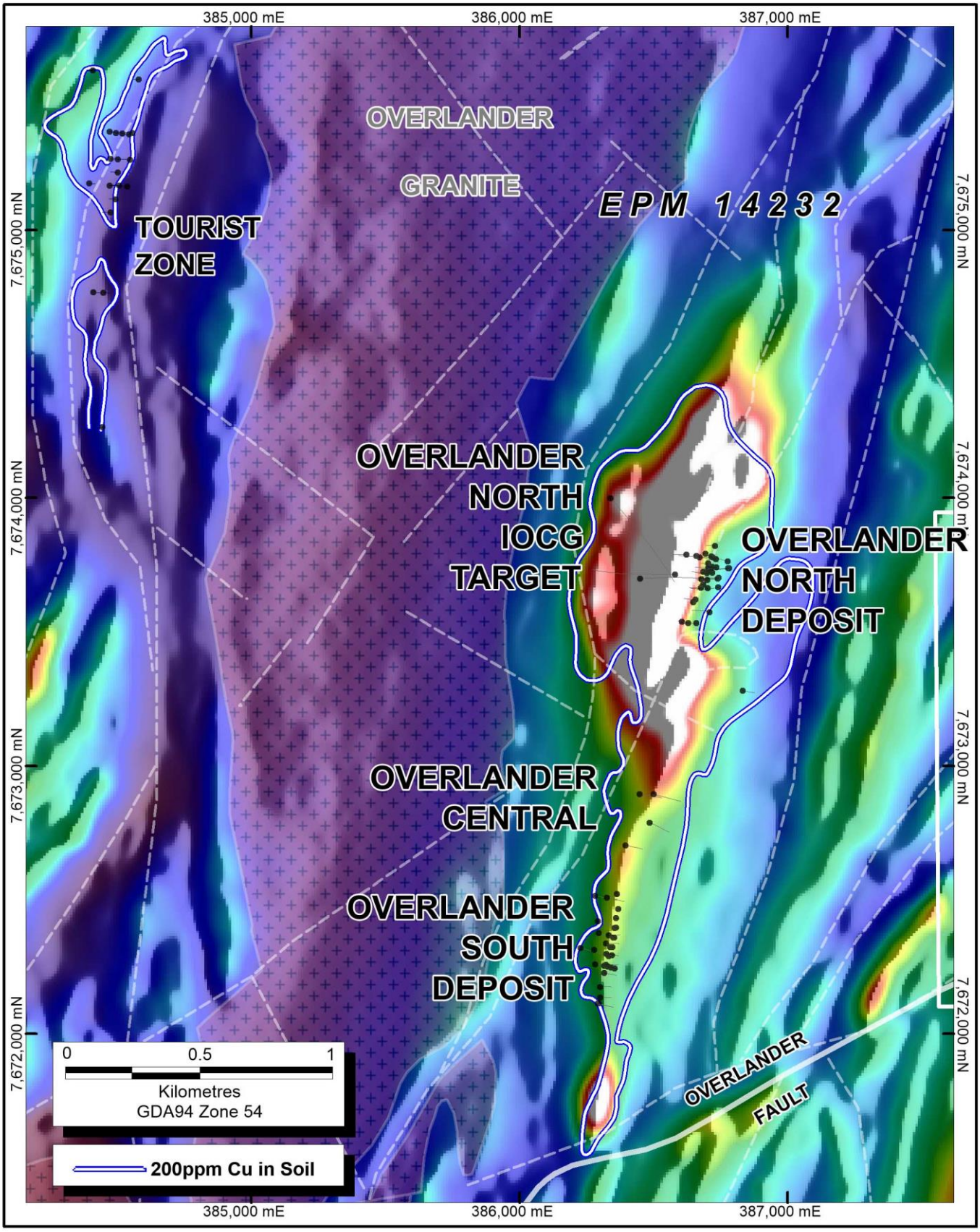
(2) - RL Dervied from a DGPS Survey

(3) - Intercepts derived using a 500ppm Co threshold, 500ppm Co cut-off with a maximum of 5m internal waste.

(4) - Higher grade intercepts derived utilising a 1000ppm Co cut-off

(5) - Areas OVN, OVC and PVS - Overlander North, Central and South

Annotated oblique photo of the Overlander area showing the location of the major targets



Location of the Tourist Zone in relation to the Overlander IOCG Target

Table 3 – Tourist Zone intercept listing at 0.2% Cu cut-off

TOURIST ZONE - COPPER-GOLD INTERSECTION EXTRACTION AT 0.2% COPPER CUT-OFF													
Area	**COLLAR_ID**	**East (1)**	**North (1)**	**RL (2)**	**Dip**	**Az_Grid (1)**	**TD**	**(3)**	**From**	**To**	**Interval**	**Au_ppm**	**Cu_pct**
TOURIST ZONE	TRC-001	384411	7674768	500	-65	93	60		26	28	2	0.06	0.24
	TRC-002	384444	7674264	500	-65	273	50		**8**	**32**	**24**	**0.09**	**0.40**
								incl.	14	16	2	0.19	1.03
	TRC-003	384396	7675174	500	-65	93	50	Grades below cut-off					
	TRC-004	384472	7675166	500	-65	93	50		0	2	2	0.03	0.24
									8	**50**	**42**	**0.18**	**0.59**
								incl.	20	22	2	0.09	1.05
								incl.	34	36	2	0.50	1.92
	TRC-005	384502	7675264	500	-65	93	50	Grades below cut-off					
	TRC-006	384475	7675266	500	-65	93	50	Grades below cut-off					
	TRC-007	384471	7675367	500	-65	93	50		36	40	4	0.12	0.41
	TRC-008	384496	7675362	500	-65	93	50	Grades below cut-off					
	TRC-009	384519	7675360	500	-65	93	50		4	6	2	0.08	0.46
									18	26	8	0.09	0.31
	TRC-010	384544	7675357	500	-65	93	50	Grades below cut-off					
	TRC-011	384506	7675165	500	-60	273	48		**22**	**48**	**26**	**0.23**	**1.04**
								incl.	38	48	10	0.36	**1.73**
	TRC-012	384548	7675262	500	-60	273	54		6	8	2	0.25	0.80
									36	**50**	**14**	**0.11**	**0.49**
	TRC-013	384557	7675362	500	-60	273	52		46	48	2	0.12	0.49
	TRC-014	384448	7674766	500	-60	93	54		24	26	2	0.07	0.28
	TRC-015	384579	7675561	500	-60	273	48		12	14	2	0.08	0.38
	TRC-016	384475	7675066	500	-60	273	60		4	16	12	0.02	0.50
									30	32	2	0.03	0.20
									36	50	14	0.04	0.30
	TRC-017	384409	7675596	500	-60	273	46		4	6	2	0.08	0.21
									14	28	14	0.20	0.53
								incl.	16	18	2	0.35	1.06
	TRC-018	384502	7675215	500	-60	273	54		**20**	**50**	**30**	**0.10**	**0.58**
								incl.	22	24	2	0.00	1.02
	TRC-019	384537	7675162	500	-60	273	106		**68**	**105**	**37**	**0.18**	**0.96**
								incl.	70	72	2	0.00	1.45
								incl.	**78**	**94**	**16**	**0.31**	**1.58**
	TRC-020	384494	7675115	500	-60	273	48		**16**	**48**	**32**	**0.19**	**0.64**
								incl.	22	28	6	0.64	**1.39**

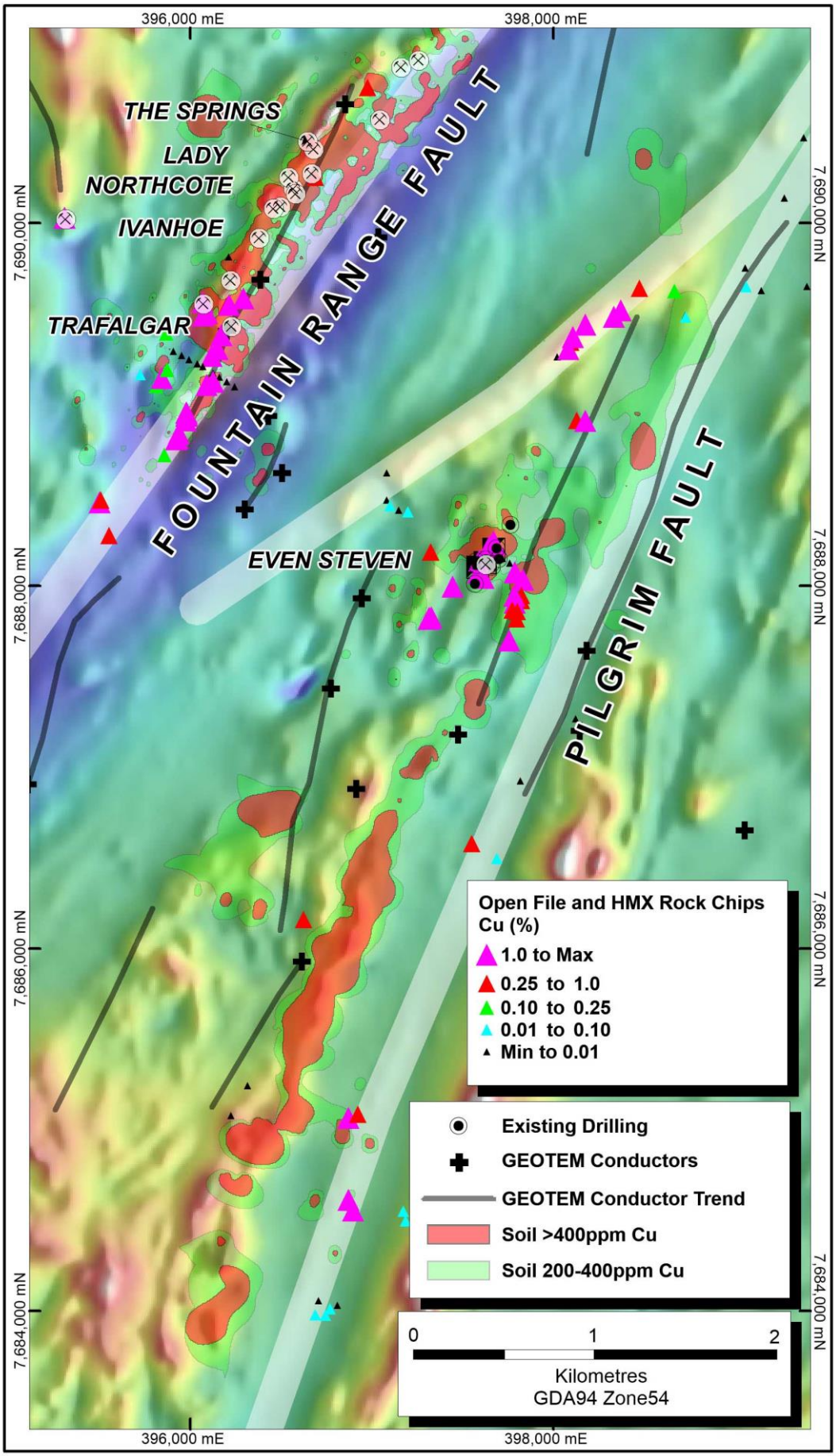
Note

(1) - Positions relative to GDA94, Zone 54 and derived from gps

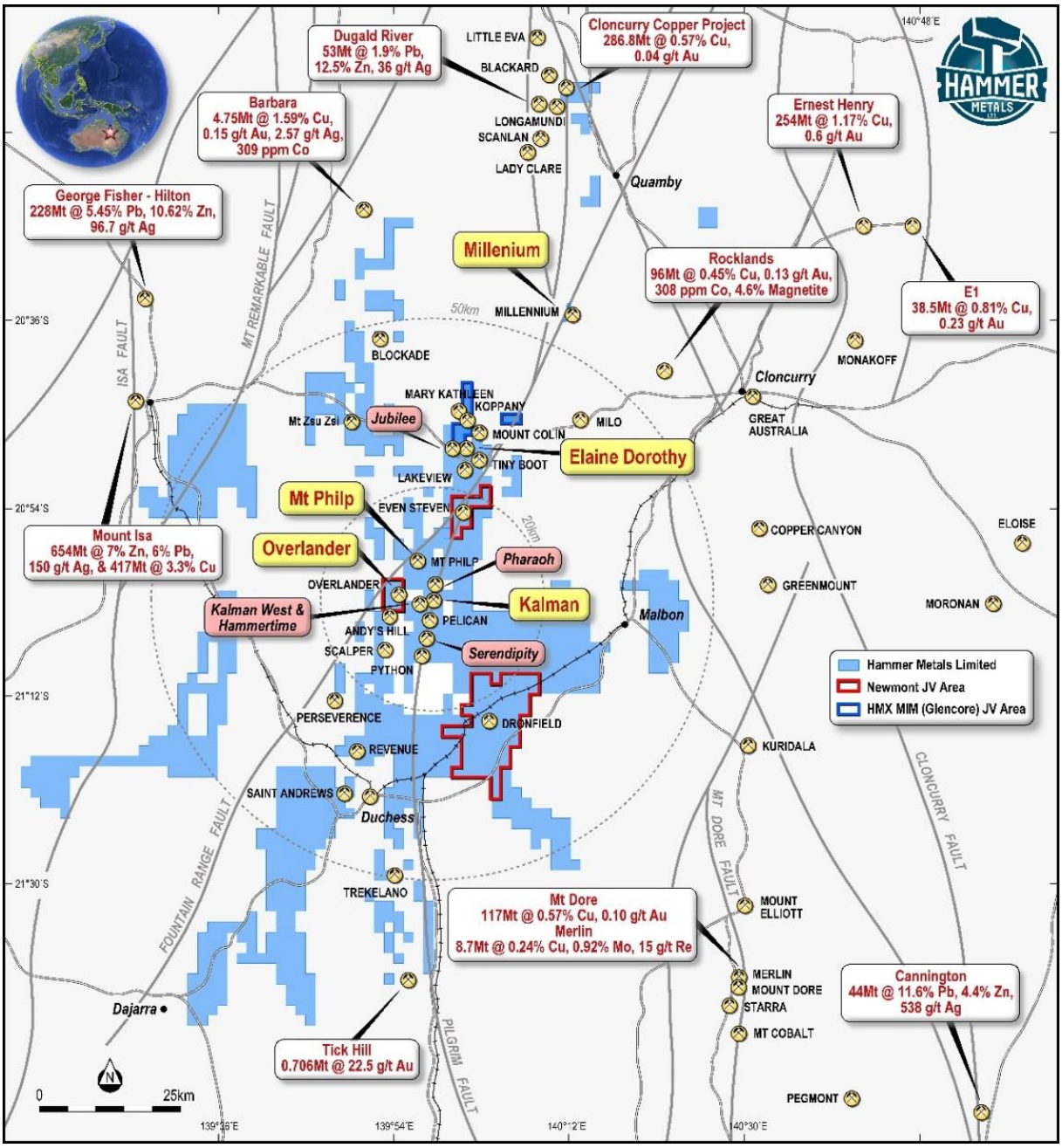
(2) - RL Default of 500 used

(3) - Intersection calculated at 0.2% Cu trigger with Maximum total length of waste 8m and maximum internal gap 5m

Information derived from reports documenting work conducted by Summit Gold on EPM9300 (CR25870 and 26461)



Even Steven Prospect



Mt Isa Project

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. Whittle who is a shareholder and option-holder, 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.

Where reference is made to previous releases of exploration results in this announcement, the Company 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 exploration results included in those announcements continue to apply and have not materially changed.

JORC Code, 2012 Edition

Table 1 report – Exploration Update

This table is to accompany an ASX release updating the market in relation to the cessation of the Newmont farm-in and joint venture agreement.

Relevant information within the Overlander and Even-Steven areas of the former joint venture are highlighted. This includes:

- The Cobalt potential of Overlander.
- The Copper-Gold potential of the Tourist Zone
- The IOCG potential of the Even-Steven area

No new drilling has been conducted to derive this information. The details of all drilling have been previously reported to the market.

New information presented in this release includes Cobalt specific intercepts which have been derived from assay data previously reported to the market.

Information relating to the Tourist Zone was conducted by the holder of a historic tenement (EPM9300M). Reports pertaining to this work can be accessed via QLD DNRM, QDEX Reports, CR25870, CR26461 and CR30180.

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 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.*	<u>Overlander Drilling</u> • RC samples were obtained by rig-mounted riffle-splitting of 1 metre sample return. Duplicate samples were taken at 25 metre intervals by riffle-splitting the remaining bulk sample return. Multi-element standard reference samples and blanks were each inserted into laboratory submissions at 25-sample intervals. Sample collection equipment was regularly inspected for function, cleanliness and appropriate operation. Wet or poor sample return was logged. • Diamond drill samples comprised half-cut core. • All sample intervals were selected using geological criteria (visual inspection) and niton XRF analysis. • All samples submitted for assay underwent a fine crush with 1kg riffled off for pulverising to 75 micron. • Both RC and Diamond samples were submitted for 4 acid digest followed by fire assay for gold and ICP analysis for a range of elements including copper, silver, cobalt and molybdenum. • Diamond drilling half-core samples were submitted for 4-acid digest followed by

Criteria	JORC Code explanation	Commentary
		fire assay for gold and ICP analysis for a range of elements including Copper, Silver, Cobalt, Molybdenum and Arsenic. <u>Tourist Zone Drilling</u> • RC samples were obtained by rig-mounted 50/50 riffle splitter. • Samples were then composited, so each sample represented 2 metres of drill penetration. • Samples were analysed for Ag, Cu, Pb, Zn, Mo, Bi and Co using a "mixed" acid digest followed by ICPOES analysis to detection limits of Ag (0.55ppm), Cu (5ppm), Pb (50ppm), Zn (5ppm), Mo(10ppm), Bi(10ppm) and Co(10ppm). • Gold was analysed using a 50-gram charge fire assay fusion with a carbon rod finish to a detection limit of 1ppb. • Hammer Metals Limited Even-Steven Rock Chip Samples were submitted for 4-acid digest followed by Multielement ICP analysis and gold assays conducted by 50-gram charge fire assay fusion with a carbon rod finish to a detection limit of 1ppb. <u>Even Steven</u> • Drilling was undertaken by Hammer Metals in August 2014. The reader is advised to access the ASX announcement dated September 16th, 2014. However results of this drilling is not relevant to this exploration update.
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).*	<u>Overlander Drilling</u> • Reverse circulation (RC) drilling utilising a 5.5" bit (relevant to any holes with RC or K in hole id). • Diamond drilling utilising HQ precollar and NQ diamond tails (relevant to any holes with OVD in hole id). <u>Tourist Zone Drilling</u> • Holes were drilled by Rockdril Contractors using a versatile RC/Diamond drill rig with a 5.5" hammer. <u>Even Steven</u> • The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement

Criteria	JORC Code explanation	Commentary
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.*	<u>Overlander Drilling</u> • Recovery of RC samples were visually estimated. Average recovery of the samples was estimated to be in the range of 90%. Recovery of core samples was determined by measuring recovered core and comparing with drilled intervals. • The RC was drilled dry using a booster and auxiliary compressor. Care was taken to avoid sample contamination. Core was washed immediately. • No sample recovery bias was observed through mineralised zones. <u>Tourist Zone Drilling</u> • No documentation of sample recoveries is available from examination of historic reports. <u>Even Steven</u> • The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement
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.*	<u>Overlander Drilling</u> • All drill chips and core were geologically logged in detail by Hammer Metals geologists recording lithology, alteration and mineralisation, weathering, colour and structure, and any other features of the sample to a level of detail to support appropriate studies. • With reverse circulation chips, small washed samples from each one metre RC interval were collected and stored in a chip tray. Full core was collected and logged prior to half-core sampling. • With diamond holes (OVD prefix), the hole was logged in full. Samples consisted of half cut core, the remainder of the core is stored in core trays within a refrigerated container for future metallurgical studies. • Both core and reverse circulation chips was qualitatively logged and quantitatively examined using an Olympus Vanta portable XRF instrument and magnetic susceptibility meter. <u>Tourist Zone Drilling</u> • No information is available from examination of historic reports. <u>Even Steven</u>

Criteria	JORC Code explanation	Commentary
		• The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement
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.*	<u>Overlander Drilling</u> • Samples consist of half NQ and half HQ core. Half-core samples were cut by diamond saw. RC samples were riffle split. All samples were submitted to ALS Mount Isa for analysis. With diamond core, at least two duplicate samples consisting of quarter core were taken from each drillhole and inserted at the end of the drillhole sample sequence. • RC Field duplicates were collected by riffle-splitting on-site 1 metre sample return. Standard reference samples and blanks were each inserted into the laboratory submissions at 25 sample intervals. ALS applied industry-standard QAQC procedures throughout the sample stream. • Sample collection and size is considered appropriate to the target-style and analysis. <u>Tourist Zone</u> • The sample consisted of a riffle split subsample of a 50-50split of the original sample from each metre. <u>Even Steven</u> • The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement.
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.*	<u>Overlander Drilling</u> • Four Acid digest, ICP multielement analysis and Gold by fire assay are appropriate analytical methods for the style of mineralisation sought. • With drill samples standard reference samples and blanks were inserted at 25 sample intervals. ALS also maintained a comprehensive QAQC regime, including check samples, duplicates, standard reference samples, blanks and calibration standards. <u>Tourist Zone Drilling</u> • Mixed Acid digest, ICP multielement analysis and Gold by fire assay are appropriate analytical methods for the style of mineralisation sought. • Historical documents indicate that no standard reference samples were

Criteria	JORC Code explanation	Commentary
		inserted into normal assays. <u>Even Steven Rock Chip Sampling</u> • Four Acid digest, ICP multielement analysis and Gold by fire assay are appropriate analytical methods for the style of mineralisation sought. • No standard samples were inserted into the sample stream for surface rock chip samples.
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.*	<u>Overlander Drilling</u> • All intercepts have been verified by alternate company personnel • Holes have not been twinned. • All field logging is validated and entered into the company database. • Assay files were received electronically from the laboratory. • Intercepts which contain an analysis below the detection limit are calculated using an adjusted value which is half the listed detection. <u>Tourist Zone Drilling</u> • All documented assays and intercepts calculated from these assay receipts have been verified by two company personnel. • Intercepts which contain an analysis below the detection limit are calculated using an adjusted value which is half the listed detection. <u>Even Steven Rock Chip Sampling</u> • Assay files were received electronically from the laboratory. • Assays were verified by two company personnel.
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.	<u>Overlander Drilling</u> • Drill hole collars were measured using a hand-held GPS unit with an estimated positional accuracy of approximately 5 metres. • Datum used is UTM GDA 94 Zone 54. • RL's for the drill hole collars are captured by DGPS. <u>Tourist Zone Drilling</u> • Locations were captured via GPS pick-ups of collars positions. • A default RL has been assigned until such time as more accurate elevation

Criteria	JORC Code explanation	Commentary
		data can be generated. Even Steven Rock Chip Sampling • Rock Chip sample locations are captured via GPS. RL information was to each rock chip location from the most accurate available DTM data.
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.*	Overlander Drilling • Within areas defined by the Overlander North and South resource areas the drill density is sufficient to establish grade continuity. • At Overlander Central the drill density is insufficient to establish grade continuity. Tourist Zone Drilling • The drill density is insufficient to establish grade continuity. Even Steven • The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement..
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.*	Overlander and Tourist Zone Drilling • Drill holes are orientated perpendicular to the interpreted strike of the mineralisation. • There is no indication that the hole angle has introduced a sampling bias. Even Steven • The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement.
Sample security	• *The measures taken to ensure sample security.*	Overlander Drilling and Even-Steven Surface Sampling • Pre-numbered bags were used, and sample were transported to ALS laboratory in Mt Isa by company personnel. Tourist Zone Drilling • Sample security measures were not documented in the historic report.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Overlander Drilling and Even-Steven Surface Sampling • The dataset associated with this drilling has been subject to data import validation. • All assay data has been reviewed by two company personnel.

Criteria	JORC Code explanation	Commentary
		• Drillholes within Overlander North and South areas have been subject to an audit associated with a resource estimation. <u>Tourist Zone Drilling</u> • The dataset associated with this drilling has been subject to data import validation. • All assay data (as reported) has been reviewed by two company personnel.

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.*	<u>Overlander, Tourist Zone and Even Steven</u> • These areas are located within EPM 14232, held 100% by Mt Dockerell Mining Pty Ltd (which is a 100% owned subsidiary of Hammer Metals Limited). No royalties are applicable on EPM14232. • The area is within the Kalkadoon claim area. • The tenement is in good standing with the Qld DME.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	<u>Overlander</u> • At Overlander previous exploration in the 1970's by CEC (including one diamond drill hole) and in the 2005-2006 period by Kings Minerals Limited. <u>Tourist Zone</u> • The Tourist Zone was investigated by Summit Gold (Aust) Pty Ltd in the mid 1990's through tenement EPM9300M. Work was documented in DNRM open file reports CR25870, CR26461 and CR30180. <u>Even Steven</u> • Exploration at Even Steven has primarily been conducted by CRA Exploration pty ltd and Kings Minerals NL in the period prior to the involvement of Hammer Metals. CRA drilled three holes at Even Steven and Kings Minerals drilled one. • Hammer drilled a further a further two holes in August 2014 (see ASX

Criteria	JORC Code explanation	Commentary
		announcement dated September 16th, 2014).
Geology	• *Deposit type, geological setting and style of mineralisation.*	<u>Overlander</u> • Proterozoic shear hosted and IOCG style copper-(gold-cobalt) mineralisation. <u>Tourist Zone</u> • Proterozoic shear hosted copper-(gold-cobalt) mineralisation. <u>Even Steven</u> • Proterozoic shear hosted and IOCG style copper-(gold-cobalt) mineralisation.

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 attached tables.
		• The reader should note that the location data is subject to change as a result of a higher accuracy surveys which would be conducted prior to any resource estimates.

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.*	<u>Overlander</u> • Intercepts are calculated using a 0.05% Co cut-off. • Included intercepts are designed to highlight zones of increased Gold, Copper or Cobalt grades. <u>Tourist Zone</u>. • Intercepts are calculated using a 0.2% Cu cut-off. • Included intercepts are designed to highlight zones of increased Gold, Copper or Cobalt grades. <u>Even Steven</u> • The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement.

Criteria	JORC Code explanation	Commentary
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 clear statement to this effect (eg 'down hole length, true width not known').*	<u>Overlander Drilling in area of estimated Resources</u> • Drilling was conducted at between angles of -55 and -65 degrees. Mineralisation dips were approximately vertical. Estimated true width of reported intercepts is therefore between 70 and 80% of the down hole thickness. • In plan, drill-holes are oriented perpendicular to the interpreted attitude of the modelled structural or mineralisation features. • The drilling is sufficient to enable some level of grade continuity to be established. <u>Overlander Drilling outside of area of estimated resources</u> • Drilling was conducted at between angles of -55 and -65 degrees. Mineralisation dips were approximately vertical. Estimated true width of reported intercepts is therefore between 70 and 80% of the down hole thickness. • In plan, drill-holes are oriented perpendicular to the interpreted attitude of the modelled structural or mineralisation features. • The drilling is insufficient to enable some level of grade continuity to be established. <u>Tourist Zone Drilling</u> • The true width of mineralised intersections cannot be accurately determined until a thorough geological interpretation is conducted. • The drilling is insufficient to enable some level of grade continuity to be established. <u>Even Steven</u> • The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement.
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

Criteria	JORC Code explanation	Commentary
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 to avoid misleading reporting of Exploration Results.*	<u>Overlander Drilling</u> • Intercepts are depicted primarily utilising Co grades as the main determining element. • The reader can therefore assume that any portions of a drillhole that are not quoted in the intercept tables contain Cobalt grades less that the quoted cut-off. • The reader should refer to the published Copper resource for Overlander. <u>Tourist Zone Drilling</u> • Intercepts are depicted primarily utilising Cu grades as the main determining element. • The reader can therefore assume that any portions of a drillhole that are not quoted in the intercept tables contain Copper grades less that the quoted cut-off. <u>Even Steven</u> • The HMX drilling undertaken at Even Steven has been reported previously (16/9/2014) and is not relevant to this announcement.
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.*	• Refer to the release.
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.*	<u>Overlander Drilling</u> • Further drilling is being planned to further delineate the Cu-Co potential of the area. <u>Tourist Zone Drilling</u> • Drilling is planned to verify previous exploration and extend the current known extent of mineralisation. <u>Even Steven</u> • The extensive zone of surface soil copper and gold anomalism will be subject to further review to delineate drilling targets.