EXPLORATION UPDATE

BEST INTERCEPT TO DATE FROM MILLENNIUM COBALT PROJECT
41 metres at 0.18% Co, 0.23% Cu and 0.11g/t Au

- Final results from a 10-hole diamond drilling program at Millennium received
- Significant results from the final four holes include:
  - **15 metres at 0.22% Co, 0.21% Cu and 0.18g/t Au** from 40 metres within a mineralised envelope of 41 metres at 0.18% Co, 0.11g/t Au and 0.23% Cu from 14m in MIDD010**. This zone includes a one metre interval of 1.85% Co (40-41m).**
  - 7 metres at 0.11% Co and 0.15% Cu from 24 metres in MIDD009 and 2 metres at 0.29% Co, 0.67% Cu and 0.24g/t Au from 70 metres in MIDD009.
- Peak values over any one metre interval include 1.85% Co, 1.17% Cu and 2.78g/t Au. A full intercept listing is presented in Table 1.
- The results will now be fully assessed and interpreted followed by planning of any additional drilling required and undertaking preliminary metallurgical studies.

MIDD010 at 40.2m, within a 1m interval of 1.85% Co and 0.42g/t Au

DIAMOND DRILLING

Hammer Metals Limited (Hammer) and joint venture partner TSX listed Global Energy Metals Corporation (GEMC) have recently completed a 10-hole, 1141-metre diamond drilling program (MIDD001 – MIDD010), at the Millennium Co-Cu-Au project near Cloncurry in northwest Queensland.

Under an agreement signed in May 2017 GEMC can earn up to a 75% interest by spending up to CAD2.5 million on exploration over 36 months. Hammer will operate the joint venture until GEMC has earned a 65% interest.

Assays from MIDD007 to MIDD010 have now been received. Results from holes MIDD001-MIDD003 and MIDD004-MIDD006 were reported to the ASX on April 20th and June 6th, 2018 respectively.

19 June 2018

ASX Code: HMX

CAPITAL STRUCTURE:

Share Price (June 15-18)	**$0.027**
Shares on Issue	**269m**
Market Cap	**$7.2m**
Options Unlisted	**21m**

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

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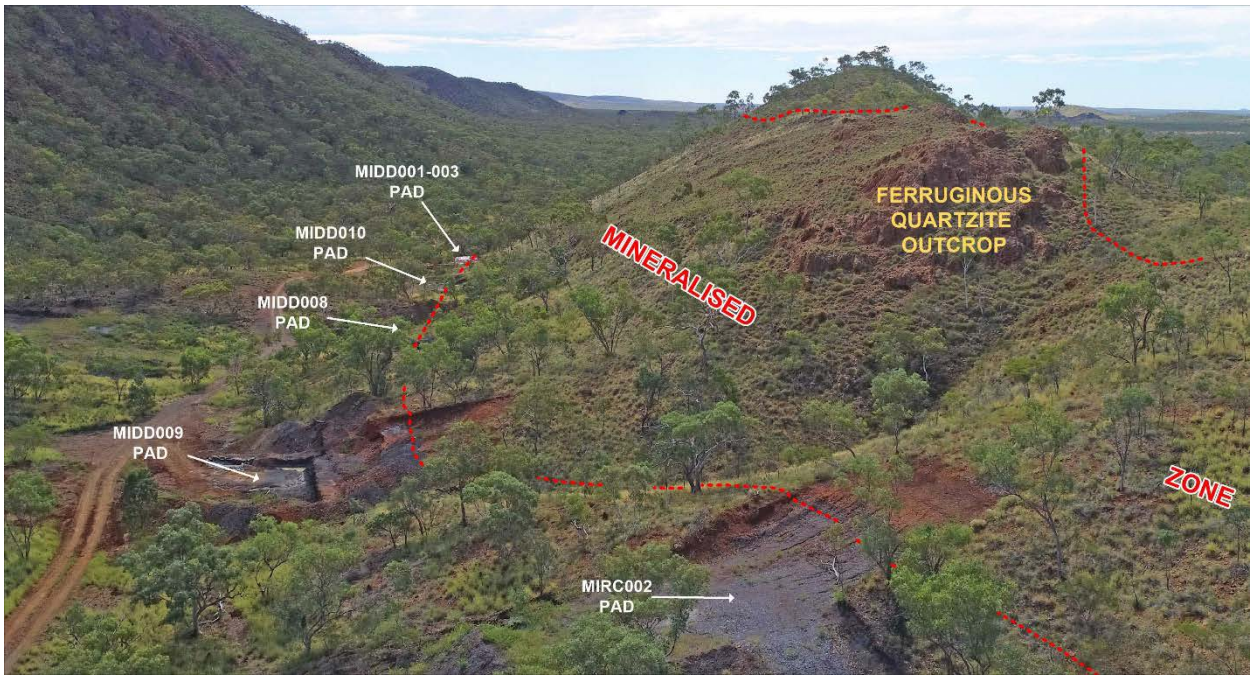
Mark Whittle
Exploration Manager

The drilling program was designed to test the near surface portion of the Millennium deposit and to provide samples for metallurgical test work. Encouragingly one of the best cobalt intersections from the project to date was intersected in the upper part of the deposit. Refer to the attached table of results and drill hole plans and sections.

Following a review of the results of the program additional drilling on the generally higher grade southern portion of the resource will be planned.

The project is located to the northwest of Cloncurry less than 20 kilometres from the Rocklands Cu-Co-Au deposit.



Northern Zone at Millennium showing the mineralised Quartzite

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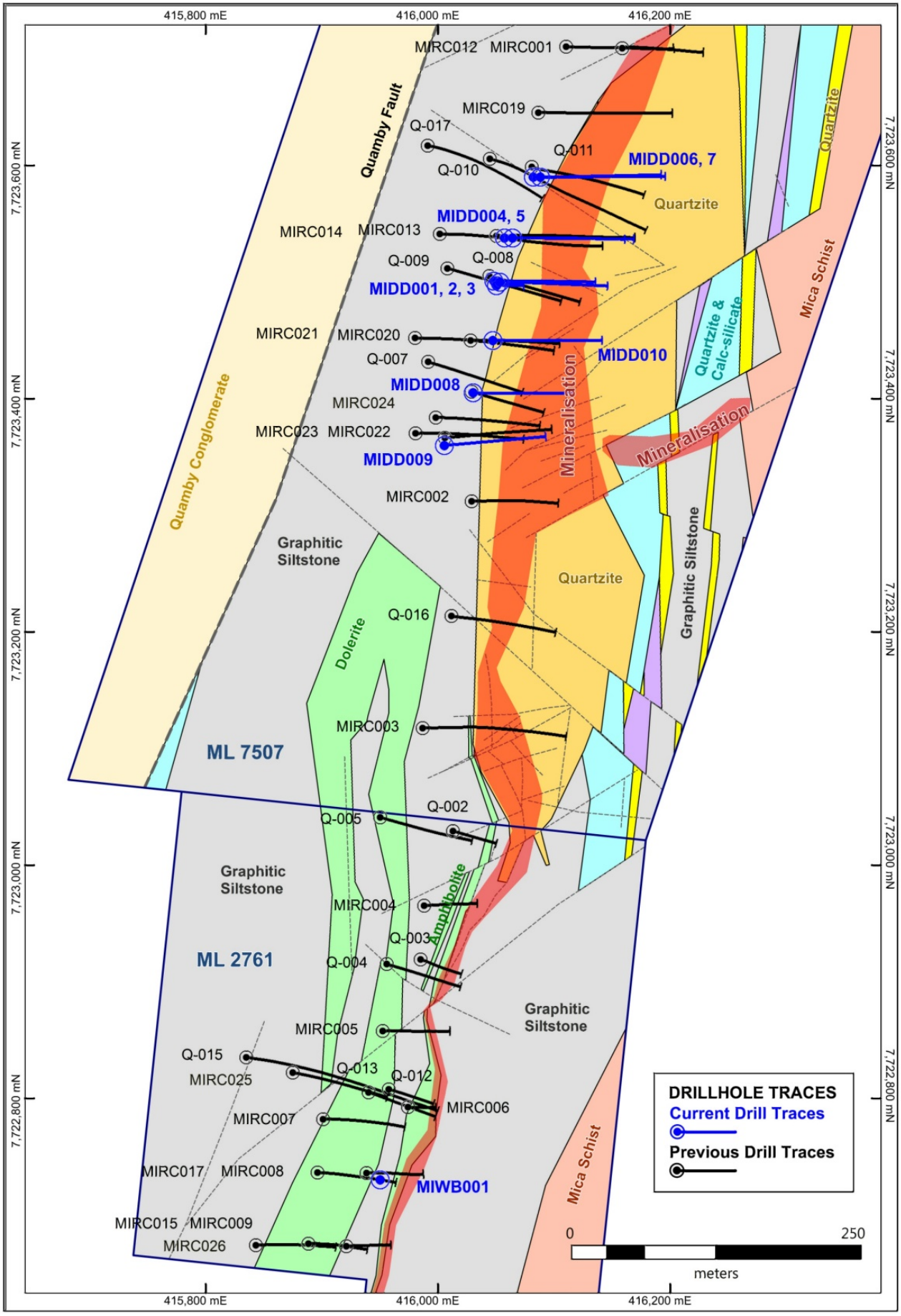
Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 3000km2 within the Mount Isa mining district, with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits, the Millennium (Cu-Co-Au) deposit as well as the 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.



Drill hole location map

Table 1 – Millennium Progressive Intercepts – MIDD007 – MIDD010

Millennium JV - 2018 Progressive Drilling Intersections																	
Hole_ID	East (1)	North (1)	RL (2)	Dip	Az_Grid (1)	TD		From	To	Int	Au (g/t)	Ag (g/t)	Co (ppm)	Cu (ppm)	Au_Max (g/t)	Ag_Max (g/t)	Co_Max (%)	Cu_Max (%)
MIDD007	416080	7723590	241	-25	90	120		8	9	1	0.11	0.3	34	664	2.78	0.9	0.11	0.77
								31	32	1	0.01	0.3	87	2240				
								37	46	9	0.48	0.3	343	1830				
							incl.	40	41	1	2.78	0.3	160	602				
							&	43	46	3	0.11	0.3	721	4680				
							incl.	44	45	1	0.12	0.3	1110	7730				
								50	52	2	0.05	0.3	1062	1600				
							incl.	50	51	1	0.08	0.25	1130	2870				
MIDD008	416032	7723404	252	-20	90	93.5		4	6	2	0.25	0.3	103	3110	0.88	2.7	0.18	1.17
								20	**63**	**43**	**0.11**	**0.5**	**529**	**3095**				
							incl.	21	22	1	0.02	0.3	1100	3270				
							incl.	27	35	8	0.13	0.4	448	3483				
							incl.	27	28	1	0.23	0.3	965	6580				
							incl.	40	49	9	0.13	0.3	593	3022				
							incl.	40	41	1	0.2	0.25	1760	6100				
							incl.	53	62	9	0.21	1.2	517	5390				
							incl.	55	56	1	0.88	0.8	586	8330				
							&	58	59	1	0.24	2.3	913	11700				
							&	61	62	1	0.10	0.8	1010	2500				
MIDD009	416008	7723364	250	-25	85	96.7		3	4	1	0.16	1.8	47	285	0.48	3.3	0.43	0.98
								15	16	1	0.32	0.3	426	1360				
								19.2	**72**	**52.8**	**0.10**	**0.5**	**556**	**2690**				
							incl.	19.2	31	11.8	0.08	0.2	797	1877				
							incl.	24	31	7	0.01	0.3	1055	1544				
							incl.	36	56	20	0.12	0.5	373	3461				
							incl.	60	72	12	0.15	0.8	757	3498				
								70	72	2	0.24	0.3	2850	6700				
MIDD010	416039	7723451	245	-20	90	100		9	12	3	0.12	0.5	201	1307	1.24	1.5	1.85	0.88
								14	**55**	**41**	**0.11**	**0.3**	**1773**	**2250**				
							incl.	14	27	13	0.07	0.4	2450	2835				
							&	31	36	5	0.12	0.5	1184	3543				
								40	55	15	0.18	0.3	2248	2120				
							incl.	40	41	1	0.42	0.7	18500	1890				
							&	50	51	1	1.24	0.25	1415	5290				

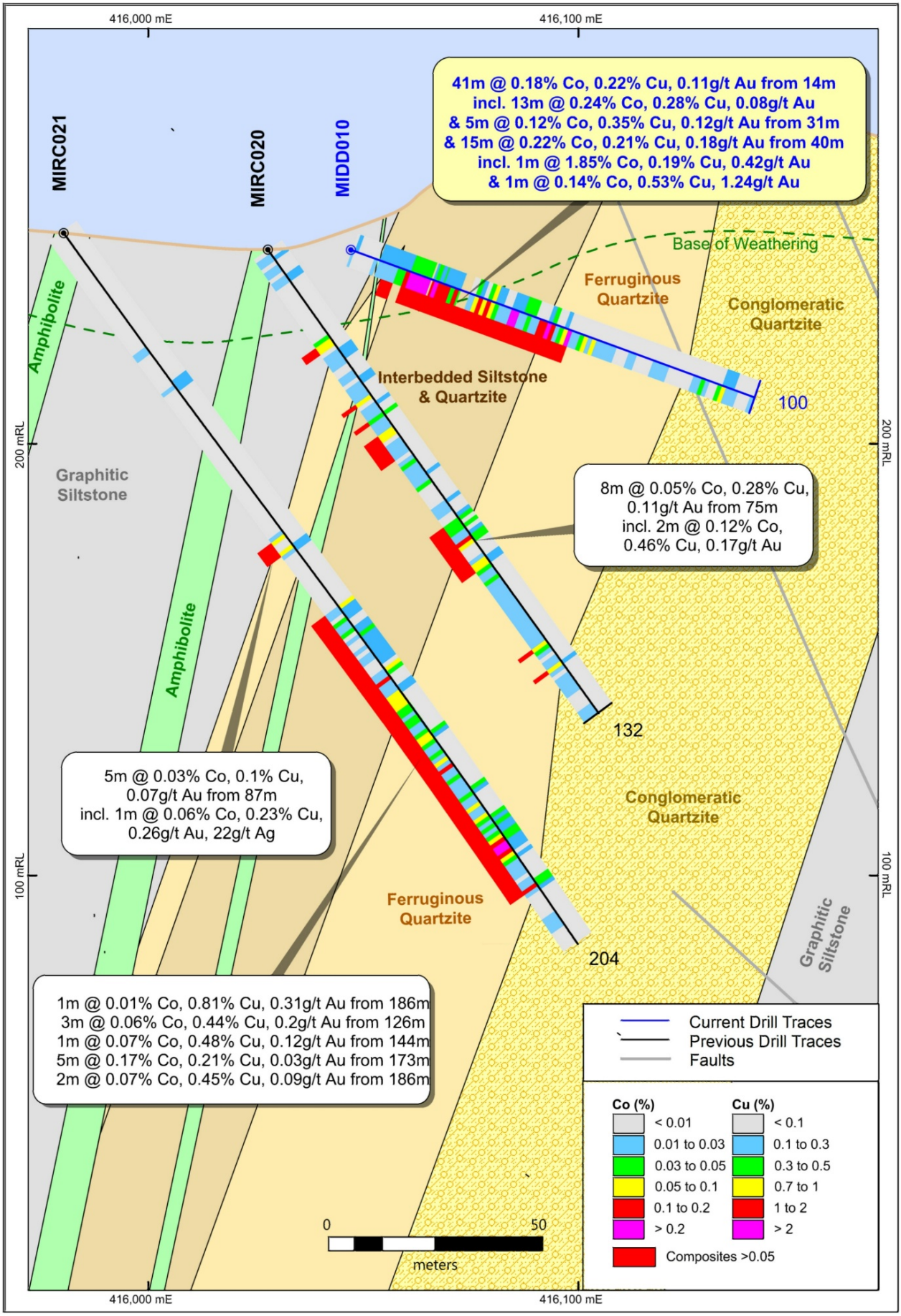
10 diamond holes and one water bore	1141 metres total

Note:

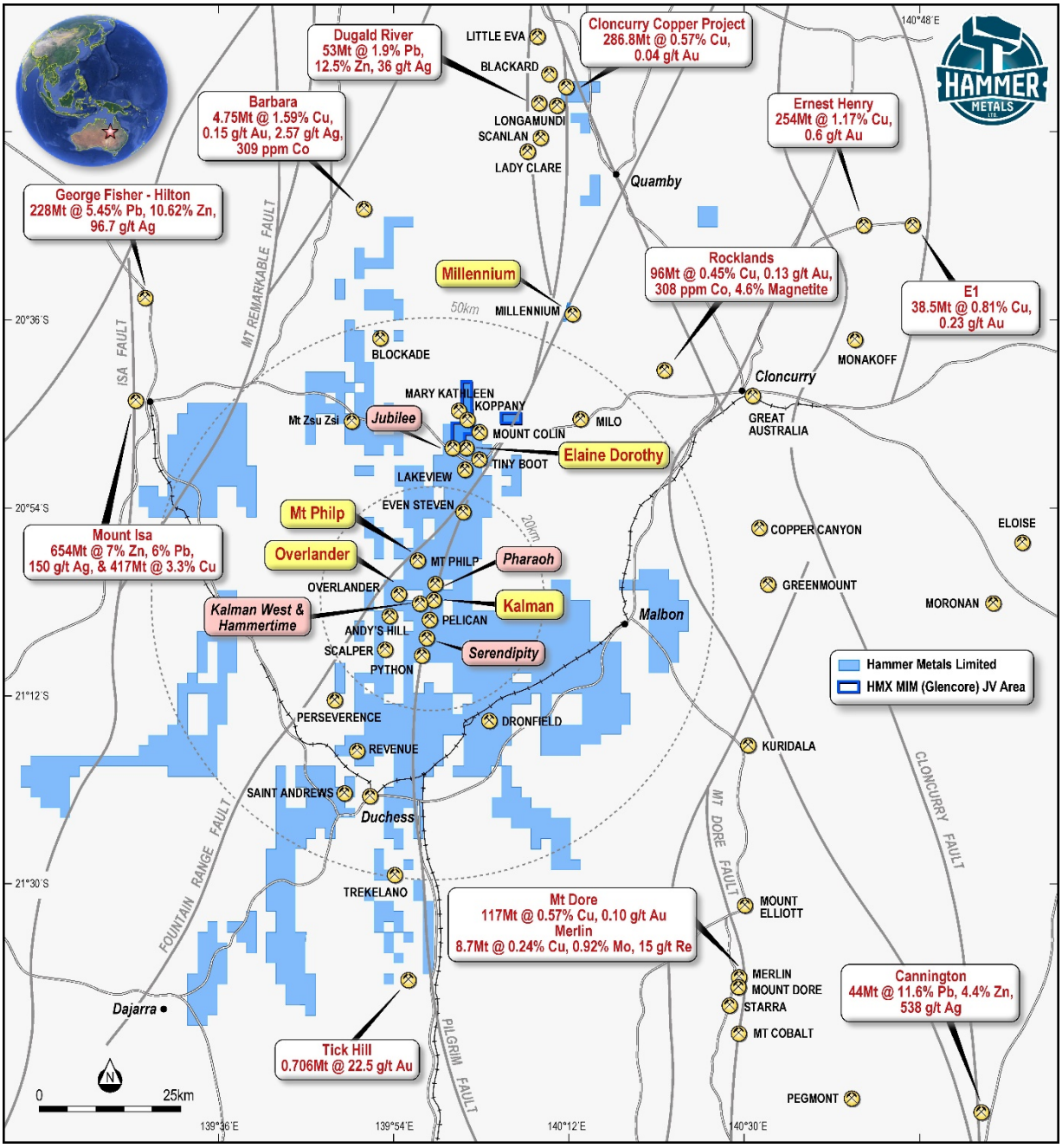
(1) - Positions relative to GDA94, Zone 54

(2) - RL Dervied from a laser scanner digitial terrain model

(3) - Intercepts primary dertived utilising a 0.2% Cu cut-off to illustrate mineralised envelope



Cross section 7723450mN (MIDD010)



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.

JORC Code, 2012 Edition

Table 1 report – Exploration Update

- This table is to accompany an ASX release updating the market with results as they are reported from the diamond drilling activities conducted by Hammer Metals Limited on behalf of the Millennium Joint Venture.
- This release pertains to results from MIDD007, MIDD008, MIDD009 and MIDD010.
- Results from MIDD01, MIDD002 and MIDD003 were reported to the market on April 20th, 2018.
- Results from MIDD004, MIDD005 and MIDD006 were reported to the market on June 6th, 2018.

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>Millennium Drilling</u> • Diamond drilling with samples taken at one or two metre intervals dependent on visual inspection of mineralisation. • All samples submitted for assay underwent a fine crush with 1kg riffled off for pulverising to 75 microns. • Samples were submitted for 4-acid digest followed by AAS assay for gold and ICP (OES) analysis for a multi-element suite including copper, silver, cobalt and molybdenum. .
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*	<u>Millennium Drilling</u> • Holes were drilled by Drill North Pty Ltd utilising a small footprint diamond drill-rig.

Criteria	JORC Code explanation	Commentary
	core is oriented and if so, by what method, etc).	
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>Millennium Drilling</u> • Averaged over the entire program (MIDD001-MIDD010) the recovery was 92%. Zones of core loss were encountered on the western contact between graphitic metasediment and quartzite. Commonly, this contact was mineralised and due to the fact that drilling was collared close to this contact the upper parts of holes were also quite shallow and weathered. • To avoid introducing a bias in the intercept calculations, zones of core loss were assigned 0 grade. • Drillers were able to adapt their drilling through changing mud mix and bit styles to maximise recovery and with successive holes the recovery increased. • As is discussed above there was a sample recovery bias in the upper portions of some of the earlier holes where friable weathered material was lost. However, for the purposes of grade calculations these zones of core loss were assigned zero grade.
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>Millennium Drilling</u> • Samples consisted of half cut core, the remainder of the core is stored in core trays within a refrigerated container for future metallurgical studies. • The core is qualitatively logged and quantitatively examined using an Olympus Vanta portable XRF instrument and magnetic susceptibility meter.
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*	<u>Millennium Drilling</u> • Samples consist of half NQ and half HQ core. • Sample collection methodology and core diameter is considered appropriate to the target-style, and appropriate laboratory analytical methods were employed. • Standard reference samples and blanks were inserted into the laboratory submissions at a rate of 1 per 25 samples. • At least two duplicate samples consisting of quarter core were taken from each drillhole and inserted at the

Criteria	JORC Code explanation	Commentary
	to the grain size of the material being sampled.	end of the drillhole sample sequence. • The sample sizes submitted for analysis are appropriate for the style of mineralisation sought.
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>Millennium Drilling</u> • All drilling samples were analysed by ALS for a range of elements by ICP (OES) after a 4-acid digest. Gold was analysed via flame AAS. • 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.
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>Millennium 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.
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>Millennium 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 initially captured by GPS and will subsequently be adjusted utilising the best available digital terrain data. For Millennium this is a sub-metre laser DEM survey.
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*	<u>Millennium Drilling</u> • The drill density relating to this program at Millennium is sufficient to establish grade continuity. • Samples were taken at 1 and 2 metre interval lengths. The interval length is

Criteria	JORC Code explanation	Commentary
	estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	dependent on visual estimation of mineralisation.
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.*	Millennium Drilling • Drill holes were oriented as close to perpendicular as possible to the interpreted orientation of the geophysical targets, surface and downhole geological features. • There is no indication that the hole angle has introduced a sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Pre-numbered bags were used, and sample were transported to ALS laboratory in Mt Isa by company personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The dataset associated with this drilling has been subject to data import validation. • All assay data 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.*	Millennium • Millennium drilling and surface sampling is located on ML's 2512, 2761, 2762, 7506 and 7507 held by Element Minerals Australia Pty Ltd – a 100% owned subsidiary of Hammer Metals Limited. • The Millennium Project is currently in a Joint Venture with Global Energy Metals Corporation ("GEMC") a TSX listed Canadian company.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Millennium • Between 1964 and 1990, a number of companies completed exploration activities over the mining leases (including Carpentaria Exploration Company, Tasman Minerals NL, Strategic Resources and Diversified Mineral Resources NL). • Diversified Mineral Resources NL conducted extensive trenching across the mineralised zone. • Limited Metallurgical testing was

Criteria	JORC Code explanation	Commentary
		done by these parties, however float test-work in 1980 indicated that concentrates could be produced. • In 2009, Elementos Limited conducted geological mapping and rock chip sampling. • In 2013, Chinalco Yunnan Copper Resources Limited (ASX:CYU). CYU drilled 16 reverse circulation drill-holes (Q-001 to Q-016) and conducted portable xrf soil sampling over the area.
Geology	• *Deposit type, geological setting and style of mineralisation.*	<u>Millennium</u> • Mineralisation is hosted by the Tommy Creek Beds on a structure related contact between metasediments (variably graphitic) and quartzite. This structure is likely to be associated with the Pilgrim Fault – a large regional structure which hosts the Kalman Cu-Mo-Re-Au deposit. • Mineralisation is controlled by the regional scale fault, a fractured limonitic quartzite to the east and cross-cutting northeast and northwest trending faults. • The mineralisation presents as disseminated bornite, chalcopyrite with cobaltiferous pyrite and cobaltite. These sulphide minerals are associated with elevated gold and silver. The metals are associated with zones of increased carbonate veining and fracture related limonite alteration. • Mineralisation is hosted within graphitic metasediments and ferruginous quartzite.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *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*	• 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.

Criteria	JORC Code explanation	Commentary
	understanding of the report, the Competent Person should clearly explain why this is the case.	
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.*	• Intercepts are depicted primarily utilising Cu grades however elevated Co and /or Au is noted in an "included" table entry. This would equate to a cut-off of both 500ppm Co and 1000ppm Cu to define mineralised envelopes. • Included intercepts are designed to highlight zones of increased Gold, Copper or Cobalt grades. .
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>Millennium Drilling</u> • In plan, drill-holes are oriented perpendicular to the interpreted attitude of the modelled structural or mineralisation features. • In section the current program intersects mineralised zones at between 10 and 30 degrees. The hole dips of MIDD001-MIDD010 are between 20 and 45 degrees. • The drilling is sufficient to enable some level of grade continuity to be established.
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 to avoid misleading reporting of Exploration Results.*	• Intercepts are depicted primarily utilising Cu grades however elevated Co and /or Au is noted in an "included" table entry. This would equate to a cut-off of both 500ppm Co and 1000ppm Cu to define mineralised envelopes. • The reader can therefore assume that any portions of a drillhole that are not quoted in the intercept tables contain grades less that the quoted cut-off.

Criteria	JORC Code explanation	Commentary
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>Millennium</u> • Metallurgical Testwork is planned using core collected during the MIDD001-MIDD010 program. • Further drilling is planned to increase the Millennium resource categorisation. • Drilling is planned at the Millennium north extension.