



28 June 2018

ASX Code: HMX

CAPITAL STRUCTURE:

Share Price (25 June 18)	\$0.032
Shares on Issue	269m
Market Cap	\$8.6m
Options Unlisted	21m

Significant Shareholders

Deutsche Rohstoff	13.1%
Resource Capital Fund VI	9.3%
Management	8.8%

HAMMER METALS LTD:

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DIRECTORS / MANAGEMENT:

Russell Davis
Executive Chairman

Alex Hewlett
Managing Director

Nader El Sayed
Non-Executive Director

Simon Bodensteiner
Non-Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Exploration Manager

EXPLORATION AND DEVELOPMENT INCENTIVE SCHEME

Hammer Metals Limited (Hammer or the Company) (ASX: **HMX**) is pleased to announce exploration credits will be distributed to eligible shareholders through the Federal Government's Exploration Development Incentive Scheme ("EDI").

- The EDI is intended to encourage shareholder investment in exploration companies undertaking greenfields mineral exploration in Australia by allowing junior exploration companies to distribute a portion of their tax losses to shareholders as tax credits.
- The Australian Taxation Office ("ATO") has confirmed that a modulation factor of 1.0 is to apply for the purposes of calculating an entity's eligible exploration expenditure for the 2016-17 financial year, meaning that 100% of the 2017 EDI credits can be distributed by the Company to eligible shareholders.
- EDI credits totalling \$181,741 will be distributed to eligible shareholders as a tax credit for the 2017-18 tax year.
- The benefit received by eligible shareholders is based on the pro-rata number of shares held at the Record Date as a proportion of the total shares on issue. The Record date is 30 days prior to the date of issue.

The Company is pleased to announce that it has issued entitlement statements to eligible shareholders on 28th June 2018. The Record Date for entitlement is therefore 29th May 2018. All Australian resident shareholders recorded on the Company's register on the Record Date will receive an entitlement statement upon completion of the issue.

Based on the number of shares on record on the record date, the EDI credit amounts to 0.067 cents per share (\$0.0006). The Company's carried forward losses have been reduced proportionately to reflect the amount of exploration credits created.

Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset (for shareholders who are individuals or superannuation funds) or franking credits (for shareholders who are companies). Non-resident shareholders are not eligible to use the exploration credit. It is strongly recommended that each shareholder seek their own specific taxation advice.

This is the last year of the EDI scheme before transition to the Junior Mineral Exploration Incentive (JMEI).

Further information on the EDI can be located on the ATO's website:

<http://www.ato.gov.au/business/exploration-development-incentive/>

For further information contact:

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