



2 August 2018

Terms Agreed for Shareholder Loyalty Entitlement Issue to raise approximately \$800,000

Hammer Metals Limited ("**Hammer**" or "**the Company**") (ASX: HMX), is pleased to advise that it has finalised terms for a fully underwritten entitlement issue to raise approximately \$806,776 ("**the Offer**").

Hammer is pleased to announce the appointment of DJ Carmichael Pty Limited ("**DJC**") to assist it with the capital raising.

Shareholder Loyalty Entitlement Issue

Hammer confirms that it plans to undertake a non-renounceable entitlement offer to recognise shareholder loyalty, which is expected to raise up to approximately \$806,776 before costs ("**the Entitlement Offer**").

The Entitlement Offer will be for up to 161,335,205 listed Options to acquire ordinary shares ("**Options**") at an issue price of \$0.005 per Option with an exercise price of \$0.03 and a two-year life. Eligibility for the options will be on the basis of 3 Options for every 5 Shares held on the record date to raise up to approximately \$806,776 before expenses. Further details including the timetable, the key risks and how to accept the Entitlement Offer, will be set out in a prospectus to be lodged with the ASIC as soon as practicable ("**Prospectus**").

The Entitlement Offer is proposed to be fully underwritten by DJC, subject to execution of an Underwriting Agreement, and will provide funding principally for the planned exploration programs on the Company's extensive tenement portfolio.

In accordance with the ASX Listing Rules, eligible shareholders have been determined to comprise those shareholders with a registered address in Australia, New Zealand, Hong Kong and Germany.

Use of funds

The Company will use the net proceeds from the Offer to continue exploration on its tenements in the Mount Isa Mineral Province, as well as new project generation and acquisition, general working capital and expenses associated with the Offer.

These additional funds will allow Hammer to continue with its planned programs on its copper-gold targets with a focus on drilling at the Company's **Jubilee** project and target generation at the **Mount Philp Breccia** project. Further joint ventures on several of Hammer's IOCG targets will be pursued.

This work will provide Hammer with a strong level of news flow over coming months.

Prospectus and timetable

The Prospectus is currently being prepared; once received, eligible shareholders should carefully read the Prospectus and accompanying entitlement and acceptance form. Hammer expects to despatch the Prospectus on 23 August 2018 in accordance with the timetable outlined below.



Event	Date*
Announcement of Offer	2 August 2018
Lodgement of Appendix 3B with ASX	14 August 2018
Prospectus lodged at ASIC and ASX	14 August 2018
Notice sent to Shareholders	16 August 2018
"Ex" Date (date Shares are quoted ex-rights)	17 August 2018
Record Date to determine Entitlements	5.00pm (WST) 20 August 2018
Prospectus (together with Entitlement and Acceptance Form) despatched to Shareholders	23 August 2018
Opening Date	23 August 2018
Closing Date**	7 September 2018
Shares quoted on a deferred settlement basis	10 September 2018
Notification to ASX of under subscriptions	12 September 2018
Allotment date with respect to Shares and Options	14 September 2018

* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

** The Directors may extend the Closing Date by giving at least three Business Day's notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

Terms of the Underwriting

DJC will be Lead Manager and Underwriter to the Offer and the Company has agreed the following terms in respect of the Offer:

- Commission of 5% of the gross amount raised under the Offer;
- Underwriting fee of 1% on the total amount of the Offer; and
- Issue of up to 806,776 unlisted options to acquire ordinary shares exercisable at \$0.07 on or before 31 August 2020 (Broker Options).

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For further information, please contact:

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Hammer Metals Limited (ASX:HMX): Hammer Metals holds a strategic tenement position covering approximately 3,200km² 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.