UP TO 31% Cu, 19g/t Au AND 240g/t Ag IN ROCK CHIPS DEFINE NEW PARALLEL STRUCTURE AT PERENTIE

28 September 2018

ASX Code: HMX

CAPITAL STRUCTURE:

Share Price (27/9/18)	**$0.027**
Shares on Issue	**278m**
Market Cap	**$7.5m**
Options Listed	**165m**
Options Unlisted	**21m**

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

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Mark Pitts
Company Secretary

Mark Whittle
Exploration Manager

- Reconnaissance rock chip sampling has continued over multiple target zones in the Perentie area with positive results.
- A parallel structure, termed the Rainbow Ridge – Trackside trend has now been defined over a 5km strike length. Recent mapping has delineated multiple mineralised structures within the trend which have the potential to host copper-gold mineralisation.
- The sampling has also located additional mineralised zones over a 5.5km strike length on the Paddy B-Judith-Copper Ridge trend.
- Individual maximum grades of up to 31% Cu, 19g/t Au and 240g/t Ag are reported from the rock chip samples located on the Rainbow Ridge – Trackside trend.
- Reconnaissance mapping and heritage clearances are complete. Planning is underway for detailed geophysics leading towards drill testing of the higher ranked targets.

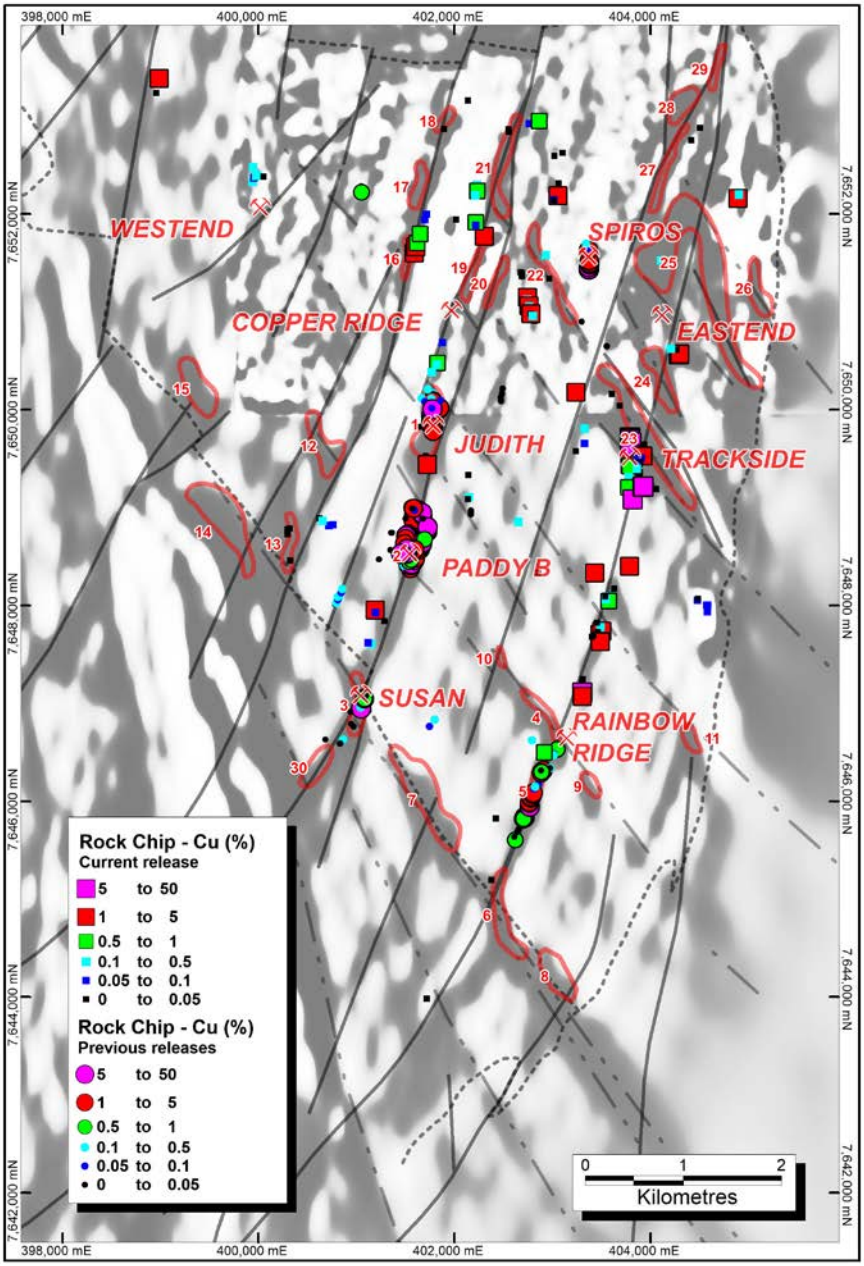
Gossan (left) and red-rock altered and quartz-carbonate veined granite (right) which occur central and marginal to the Rainbow Ridge – Trackside mineralised trend

PERENTIE PROJECT

The Perentie Project incorporates an area of approximately 50km^2 centred on the north-western corner of the highly magnetic Wimberu Granite, a Williams-aged granite that is considered to be associated with the development of iron oxide copper-gold (IOCG) mineralisation within the Mount Isa Inlier. Perentie forms part of the Dronfield Joint Venture on EPM 18084 between Hammer Metals (80%) and Kabiri Pty Ltd (20%). Previous exploration by Hammer in this area has focussed on strong magnetic and gravity features along the northern margin of the granite.

Grassroots prospecting has identified multiple mineralised trends with multi-kilometre strike lengths. These trends are located within zones of demagnetisation. Three of these prospects Judith, Paddy B and Susan are located along one of these north-south structures where they intersect north-westerly faults. The demagnetisation is caused by alteration of magnetite to hematite and is often accompanied by quartz-carbonate veining, brecciation and red-rock alteration.

Twenty-five targets have now been reviewed. Once the review of all targets is finalised, surface geophysics and drilling will be conducted on higher ranked targets.



Perentie overview showing the location of current and previously reported rock chip samples

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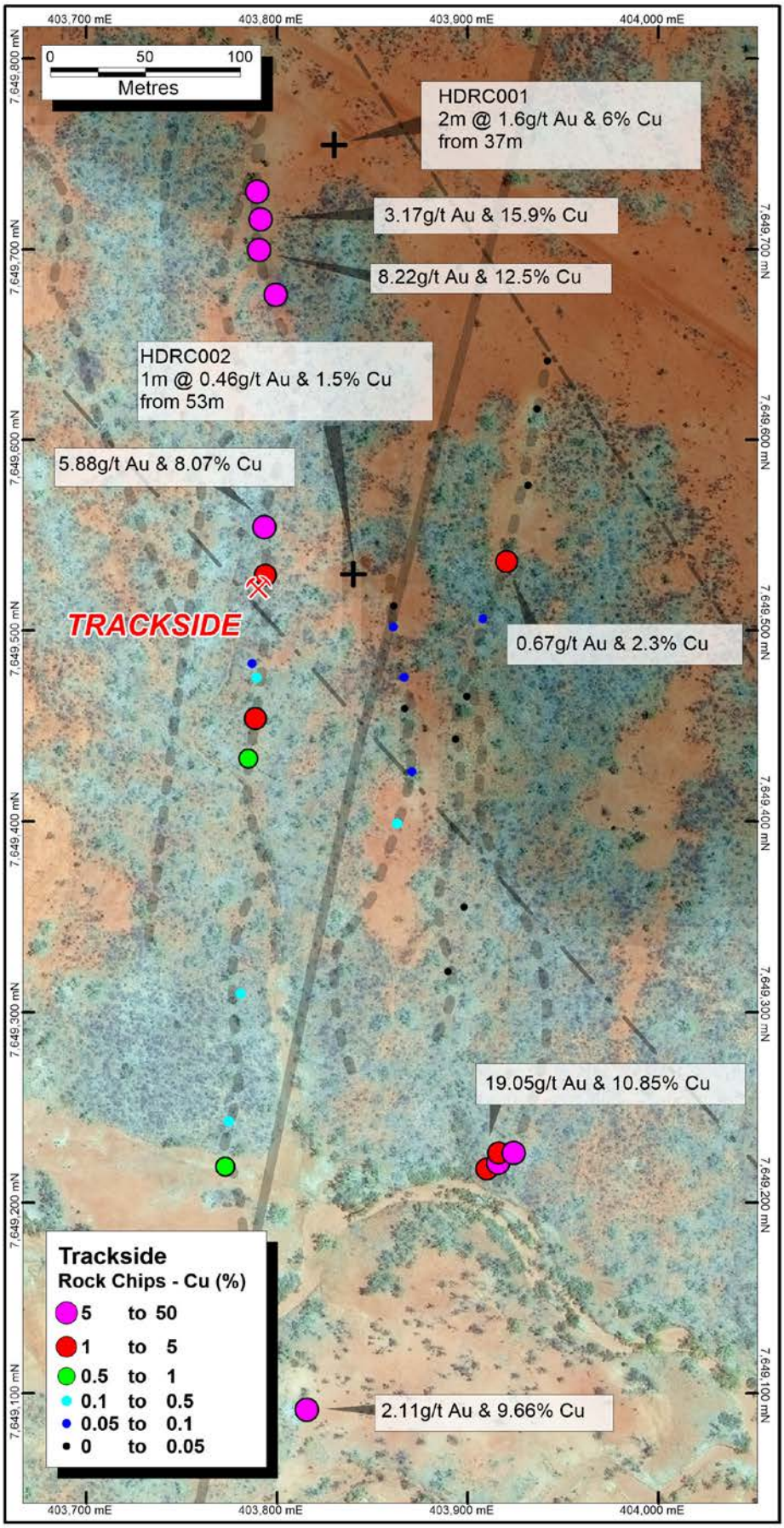
Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 3000km^2 within the Mount Isa mining district, with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits and the Elaine-Dorothy (Cu-Au) deposit. Hammer also has a 75% interest in the Millennium (Cu-Co-Au) deposit and a 51% interest in the emerging Jubilee (Cu-Au) project. 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.



Trackside prospect showing the presence of multiple mineralised trends

Table 1 – Rock chips from Perentie (Samples taken from both mineralised and unmineralised zones)

Prospect	Sample	E_GDA (1)	N_GDA (1)	RL (2)	Au (g/t)	Ag (g/t)	Cu (%)
Bright Eye	ZL424	397,789	7,659,317	358	<0.01	<0.2	0.20
	ZL425	397,742	7,659,298	360	0.01	<0.2	0.04
	ZL426	397,755	7,659,294	359	<0.01	<0.2	0.10
	ZL427	398,468	7,659,148	357	<0.01	<0.2	0.05
	ZL428	398,462	7,659,103	359	<0.01	<0.2	0.05
	ZL429	398,474	7,659,027	359	<0.01	<0.2	0.12
	ZL430	398,488	7,658,879	358	<0.01	<0.2	0.00
	ZL431	398,468	7,658,816	359	<0.01	<0.2	**1.60**
	ZL432	398,468	7,658,816	359	<0.01	<0.2	0.15
	ZL433	397,635	7,659,322	359	<0.01	<0.2	0.07
	ZL434	397,626	7,659,295	359	0.01	<0.2	0.13
	ZL435	397,626	7,659,295	359	<0.01	<0.2	0.02
	ZL436	397,644	7,659,300	360	0.01	<0.2	0.33
	ZL437	397,644	7,659,300	360	<0.01	<0.2	0.04
	ZL438	397,653	7,659,297	361	<0.01	<0.2	0.03
	ZL439	398,546	7,659,037	363	<0.01	<0.2	0.10
	ZL440	398,550	7,659,055	364	<0.01	<0.2	0.09
	ZL441	398,509	7,658,994	360	<0.01	<0.2	0.01
	ZL442	398,489	7,658,956	358	0.01	<0.2	0.04
	ZL443	398,462	7,658,923	357	<0.01	<0.2	0.01
	ZL444	398,437	7,658,906	358	0.01	<0.2	0.00
	ZL445	398,424	7,658,859	359	<0.01	<0.2	0.05
	ZL446	398,448	7,658,858	360	<0.01	<0.2	0.00
	ZL447	398,469	7,658,850	362	<0.01	<0.2	0.00
	ZL448	398,475	7,658,838	361	<0.01	<0.2	0.00
	ZL449	398,468	7,658,812	361	0.01	<0.2	0.85
	ZL450	398,472	7,658,800	360	<0.01	<0.2	**24.00**
	ZL451	398,451	7,658,784	359	0.09	<0.2	**13.30**
	ZL452	398,465	7,658,736	356	0.05	<0.2	0.06
Copper Ridge	ZL419	402,215	7,651,925	336	0.01	<0.2	0.50
	ZL420	402,220	7,651,881	336	0.01	<0.2	0.09
	ZL421	402,019	7,651,938	337	0.03	<0.2	0.02
Judith	E37034	401,706	7,649,521	335	<0.01	<0.2	0.02
	E37035	401,718	7,649,449	333	**0.21**	4.6	**4.52**
	E37036	401,658	7,649,819	348	<0.01	<0.2	0.03
	E37037	401,825	7,650,486	330	0.07	0.4	0.83
	E37038	401,825	7,650,459	344	0.02	<0.2	0.12
	E37039	401,773	7,650,386	330	0.02	<0.2	0.16
	E37040	401,880	7,650,683	346	0.04	<0.2	0.05
	ZL325	402,142	7,649,329	337	0.01	<0.2	0.00
	ZL326	402,153	7,649,106	342	<0.01	0.4	0.13
	ZL327	402,140	7,649,083	343	<0.01	<0.2	0.04
	ZL328	402,653	7,648,855	340	<0.01	<0.2	0.13
Unassigned	E37041	404,587	7,647,998	314	0.01	1.8	0.08
	E37042	404,574	7,647,998	317	0.04	<0.2	0.09
	ZL311	398,962	7,653,232	347	<0.01	<0.2	0.00
	ZL312	398,985	7,653,397	339	**0.13**	<0.2	**3.71**
	ZL334	404,587	7,647,930	318	<0.01	<0.2	0.01
	ZL335	404,582	7,647,930	319	0.02	<0.2	0.06
	ZL336	404,483	7,648,053	325	0.01	<0.2	0.05
	ZL337	404,487	7,648,065	325	0.01	<0.2	0.01
P13	ZL302	400,762	7,648,823	356	<0.01	0.3	0.05
	ZL303	400,721	7,648,814	357	<0.01	<0.2	0.05
	ZL304	400,322	7,648,782	363	0.01	1	0.02
	ZL305	400,299	7,648,773	364	0.01	<0.2	0.02
	ZL306	400,299	7,648,721	364	0.01	<0.2	0.00
	ZL307	400,325	7,648,453	359	<0.01	<0.2	0.00
	ZL308	400,325	7,648,453	359	<0.01	<0.2	0.01
	ZL309	400,627	7,648,885	359	0.01	0.2	0.04
	ZL310	400,659	7,648,863	358	<0.01	0.5	0.16
Note							
(1) - Locations relative to GDA94 Zone 54							
(2) - RL Assigned from GPS							

Table 2 – Rock chips from Perentie (Samples taken from both mineralised and unmineralised zones)

Prospect	Sample	E_GDA (1)	N_GDA (1)	RL (2)	Au (g/t)	Ag (g/t)	Cu (%)
P16	ZL293	401,588	7,651,609	327	0.03	0.5	**4.77**
	ZL294	401,604	7,651,673	328	0.01	<0.2	**1.18**
	ZL295	401,614	7,651,707	331	<0.01	<0.2	0.01
	ZL296	401,617	7,651,715	331	0.02	0.6	0.90
	ZL297	401,647	7,651,807	330	<0.01	0.2	0.77
	ZL298	401,702	7,651,939	332	<0.01	<0.2	0.06
	ZL299	401,715	7,651,995	331	<0.01	<0.2	0.05
P18	ZL300	401,895	7,652,863	332	0.01	<0.2	0.01
	ZL301	402,141	7,653,154	331	<0.01	<0.2	0.00
P19	ZL360	402,303	7,651,783	328	**0.24**	<0.2	**4.39**
P21	ZL321	402,558	7,652,833	333	0.08	<0.2	0.02
	ZL322	402,553	7,652,861	332	0.01	<0.2	0.01
	ZL323	402,766	7,652,921	331	<0.01	<0.2	0.06
	ZL324	402,864	7,652,961	329	0.03	0.3	0.59
	ZL416	402,230	7,652,297	335	<0.01	<0.2	0.42
	ZL417	402,232	7,652,244	335	<0.01	<0.2	0.84
	ZL418	402,216	7,652,189	336	<0.01	<0.2	0.37
P22	ZL280	402,679	7,651,400	312	0.01	0.2	0.01
	ZL281	402,690	7,651,389	336	<0.01	<0.2	0.00
	ZL282	402,690	7,651,357	336	<0.01	<0.2	0.02
	ZL283	402,744	7,651,158	335	0.02	<0.2	**3.30**
	ZL284	402,747	7,651,122	338	<0.01	0.4	0.10
	ZL285	402,752	7,651,093	338	0.02	<0.2	0.22
	ZL286	402,757	7,651,069	338	0.08	0.7	**1.94**
	ZL287	402,766	7,651,054	337	0.05	0.2	0.13
	ZL288	402,775	7,651,014	338	<0.01	<0.2	0.07
	ZL289	402,780	7,650,992	337	**0.31**	1	**2.83**
	ZL290	402,779	7,650,976	338	<0.01	<0.2	0.00
	ZL291	402,802	7,650,955	336	0.01	<0.2	0.46
	ZL292	402,822	7,650,902	336	<0.01	<0.2	0.04
	ZL361	403,054	7,652,197	326	**1.6**	0.4	**1.76**
	ZL362	403,067	7,652,309	329	0.02	<0.2	0.04
	ZL363	403,106	7,652,621	325	<0.01	<0.2	0.01
	ZL364	403,021	7,652,590	325	<0.01	<0.2	0.01
	ZL414	403,018	7,652,146	329	0.03	0.2	0.07
	ZL415	403,018	7,652,133	329	0.06	<0.2	0.02
	ZL422	402,934	7,651,579	334	0.01	<0.2	0.17
	ZL423	402,970	7,651,336	333	<0.01	0.3	0.01
P24	ZL356	404,289	7,650,577	340	**0.95**	**240**	**31.00**
	ZL357	404,295	7,650,580	341	**0.48**	10.7	**4.58**
	ZL358	404,272	7,650,607	341	0.01	<0.2	0.01
	ZL359	404,211	7,650,625	340	0.02	1.1	0.21
P25	ZL354	404,112	7,651,526	331	0.01	0.5	0.29
P26	ZL411	404,893	7,652,169	333	**2.6**	1.6	**2.11**
	ZL412	404,909	7,652,198	331	**1.04**	5.9	0.44
P27	ZL413	404,419	7,652,748	327	0.01	<0.2	0.02
P28	ZL355	404,508	7,652,877	329	0.01	<0.2	0.01
P6	ZL352	402,377	7,645,191	347	0.01	<0.2	0.03
	ZL353	401,720	7,643,977	349	<0.01	<0.2	0.01
Paddy B	E37028	401,196	7,647,985	332	0.01	<0.2	0.03
	E37029	401,187	7,647,964	329	**0.11**	0.4	**2.23**
	E37030	401,195	7,647,924	329	0.01	<0.2	0.08
	E37031	401,154	7,647,609	342	<0.01	<0.2	0.11
	E37032	401,120	7,647,614	335	<0.01	<0.2	0.06
	E37033	401,287	7,647,837	336	<0.01	<0.2	0.01
Rainbow Ridge	ZL338	403,481	7,647,717	334	<0.01	<0.2	**3.68**
	ZL339	403,502	7,647,749	334	0.01	<0.2	**2.33**
	ZL340	403,491	7,647,774	335	0.04	<0.2	0.31
	ZL341	403,467	7,647,724	336	<0.01	<0.2	0.01
	ZL342	403,485	7,647,642	333	**1.25**	0.8	**2.88**
	ZL343	403,421	7,647,691	336	0.01	<0.2	0.01
	ZL344	403,407	7,647,678	336	0.01	<0.2	0.01
	ZL345	403,315	7,647,244	339	<0.01	<0.2	0.01
	ZL346	403,307	7,647,211	339	<0.01	<0.2	0.00

Note

(1) - Locations relative to GDA94 Zone 54

(2) - RL Assigned from GPS

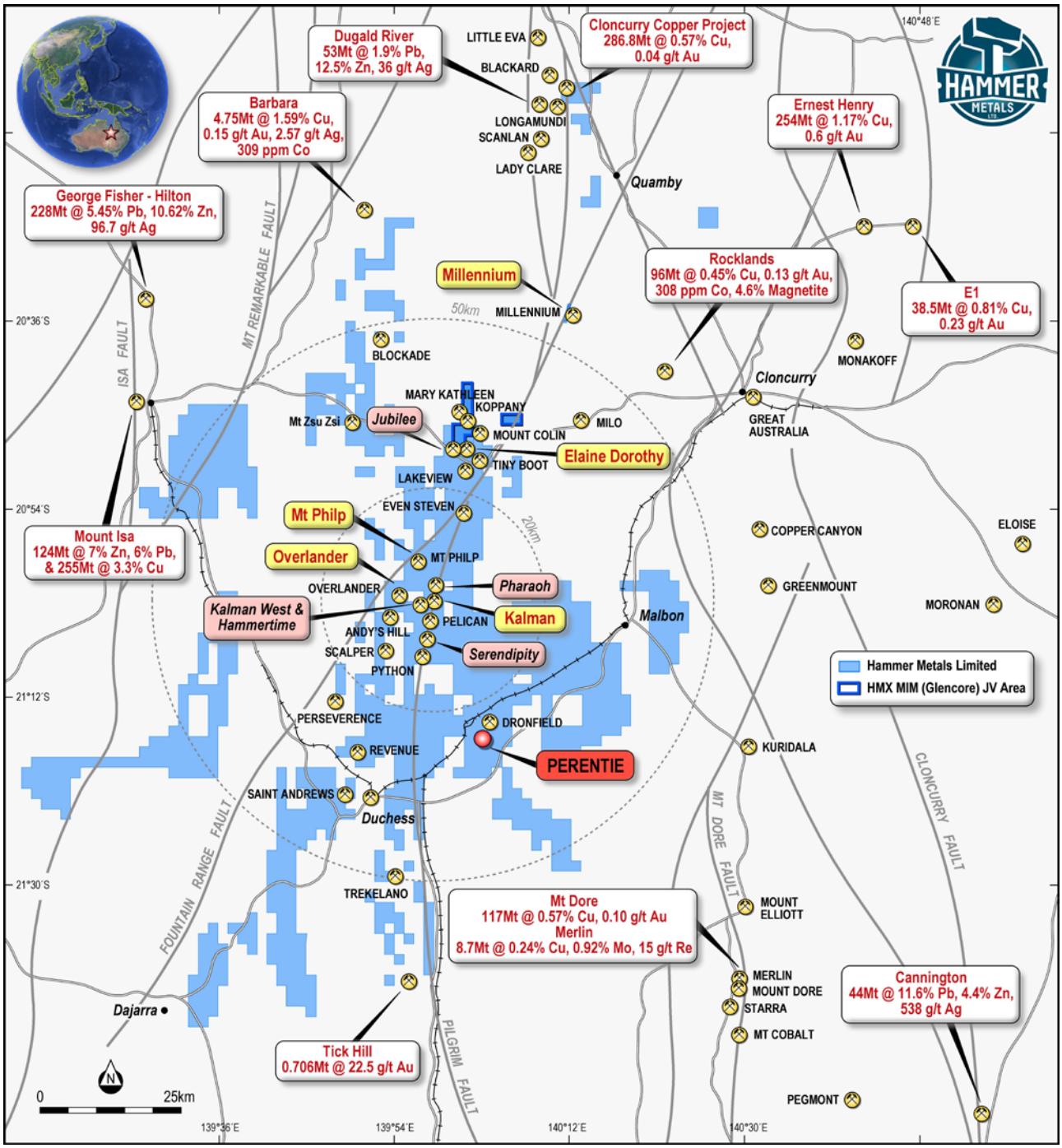
Table 3 – Rock chips from Perentie (Samples taken from both mineralised and unmineralised zones)

Prospect	Sample	E_GDA (1)	N_GDA (1)	RL (2)	Au (g/t)	Ag (g/t)	Cu (%)
Rainbow Ridge	ZL347	403,301	7,647,153	340	<0.01	<0.2	0.05
	ZL348	403,300	7,647,123	341	**0.4**	<0.2	**5.39**
	ZL349	403,303	7,647,081	341	**3.19**	1.1	**2.63**
	ZL350	402,913	7,646,509	343	**3.81**	1.6	0.92
	ZL351	402,429	7,645,820	345	0.04	<0.2	0.02
	ZL400	403,783	7,648,411	335	**5.45**	1	**1.72**
	ZL401	403,785	7,648,448	334	<0.01	<0.2	0.00
	ZL402	403,634	7,648,166	337	<0.01	<0.2	0.01
	ZL403	403,599	7,648,104	338	<0.01	<0.2	0.01
	ZL404	403,594	7,648,091	338	0.03	1.1	0.15
	ZL405	403,573	7,648,057	338	0.01	0.6	0.93
	ZL406	403,550	7,648,064	339	0.03	<0.2	0.31
	ZL407	403,540	7,648,087	338	<0.01	<0.2	0.03
	ZL408	403,459	7,647,820	336	<0.01	<0.2	0.01
	ZL409	402,856	7,648,325	338	<0.01	<0.2	0.03
	ZL410	403,429	7,648,343	332	**0.14**	<0.2	**1.12**
Trackside	ZL329	403,331	7,649,653	338	<0.01	<0.2	0.05
	ZL330	403,241	7,649,572	337	<0.01	<0.2	0.01
	ZL331	403,331	7,649,804	337	<0.01	<0.2	0.17
	ZL332	403,610	7,650,154	338	<0.01	<0.2	0.03
	ZL333	403,689	7,650,035	337	**0.22**	0.3	0.03
	ZL365	403,239	7,650,189	338	0.01	<0.2	**1.19**
	ZL366	403,789	7,649,731	336	**1.96**	3.4	**12.25**
	ZL367	403,791	7,649,716	333	**3.17**	3.5	**15.90**
	ZL368	403,791	7,649,700	333	**8.22**	<0.2	**12.50**
	ZL369	403,799	7,649,677	335	**0.95**	0.2	**7.42**
	ZL370	403,794	7,649,530	331	**0.78**	1.1	**3.39**
	ZL371	403,793	7,649,555	330	**5.88**	1.3	**8.07**
	ZL372	403,787	7,649,483	331	0.03	<0.2	0.06
	ZL373	403,789	7,649,475	331	**0.16**	<0.2	0.30
	ZL374	403,788	7,649,455	330	0.06	<0.2	**2.60**
	ZL375	403,785	7,649,434	329	0.02	<0.2	0.55
	ZL376	403,781	7,649,309	328	0.01	0.6	0.29
	ZL377	403,775	7,649,243	328	0.07	0.2	0.37
	ZL378	403,773	7,649,220	328	<0.01	<0.2	0.77
	ZL379	403,815	7,649,092	329	**2.11**	7.5	**9.66**
	ZL380	403,942	7,649,641	338	0.01	<0.2	0.04
	ZL381	403,936	7,649,616	337	<0.01	<0.2	0.00
	ZL382	403,932	7,649,576	336	<0.01	<0.2	0.01
	ZL383	403,920	7,649,537	335	**0.67**	1.6	**2.30**
	ZL384	403,908	7,649,506	335	<0.01	<0.2	0.06
	ZL385	403,900	7,649,465	334	<0.01	<0.2	0.01
	ZL386	403,894	7,649,443	335	0.01	<0.2	0.01
	ZL387	403,898	7,649,355	331	0.01	<0.2	0.01
	ZL388	403,890	7,649,321	332	0.02	<0.2	0.01
	ZL389	403,916	7,649,222	329	**3.31**	2.1	**11.70**
	ZL390	403,916	7,649,227	329	**1.67**	0.7	**2.00**
	ZL391	403,910	7,649,218	327	**0.53**	0.6	**4.77**
	ZL392	403,924	7,649,227	328	**19.05**	3.9	**10.85**
	ZL393	403,861	7,649,513	333	<0.01	<0.2	0.03
	ZL394	403,861	7,649,502	334	0.01	0.2	0.05
	ZL395	403,867	7,649,475	333	0.04	0.3	0.08
	ZL396	403,867	7,649,459	333	<0.01	0.3	0.03
	ZL397	403,871	7,649,426	333	0.01	<0.2	0.07
	ZL398	403,863	7,649,399	332	0.03	<0.2	0.21
	ZL399	404,062	7,649,184	330	0.01	<0.2	0.01
Westend	ZL313	399,996	7,652,394	337	<0.01	<0.2	0.18
	ZL314	399,943	7,652,324	341	0.05	0.3	0.27
	ZL315	399,954	7,652,365	338	0.03	<0.2	0.06
	ZL316	399,959	7,652,368	339	0.01	<0.2	0.09
	ZL317	399,961	7,652,376	338	<0.01	<0.2	0.00
	ZL318	399,978	7,652,388	339	0.01	<0.2	0.14
	ZL319	399,947	7,652,478	341	0.1	<0.2	0.18
	ZL320	400,055	7,652,377	338	<0.01	<0.2	0.00

Note

(1) - Locations relative to GDA94 Zone 54

(2) - RL Assigned from GPS



Mt Isa Project showing the location of Perentie

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 exploration activities conducted by Hammer Metals Limited over a range of work areas.
- This release reports results of reconnaissance sampling conducted on the Perentie Project, at multiple target zones.

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.*	• Reconnaissance rock chip sampling is reported in this release. The nature of sampling is termed grab sampling. Samples are collected across the strike of the zone of mineralisation, but sampling is not via the continuous chip method. • This style of sampling enables general grade and metal content to be established however it is not as representative as continuous chip sampling, costean sampling or drilling to establish grade continuity across a structure. • Samples tabulated in this release have been taken from both mineralised and unmineralised material. This is a common practice to determine background element concentrations in an area and for use in alteration characterisation. .
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).*	• The details of HDRC001 & HDRC002 as shown on the Trackside figure were reported to the market on October 16th, 2014
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*	• The details of HDRC001 & HDRC002 were reported to the market on October 16th, 2014

Criteria	JORC Code explanation	Commentary
	sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
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.*	• The details of HDRC001 & HDRC002 were reported to the market on October 16th, 2014
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.*	• Rock chip sample weight was between 3 and 5kg per site. • No standard samples were submitted with the rock chip samples.
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.*	• Samples were analysed by ALS for a range of elements by ICP (OES) after an aqua regia digest. Gold was analysed via flame AAS. • The analytical method is appropriate for reconnaissance rock chip sampling.
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)*	• All assays have been verified by alternate company personnel.

Criteria	JORC Code explanation	Commentary
	protocols. • *Discuss any adjustment to assay data.*	• Assay files were received electronically from the laboratory.
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.*	• Datum used is UTM GDA 94 Zone 54. • Rock chip sample locations are captured via GPS. • RL information will merged at a later date utilising the most accurately available elevation 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.*	• Sample spacing is around 50-100 metres along strike. The sample spacing and sampling methodology is not sufficient to establish grade continuity. • The sampling was conducted to define structure locations and relative metal tenor of key elements such as gold, copper, cobalt and silver. • No compositing has been applied to the assay results.
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.*	• Sampling was conducted at right angles to the strike of the host structure.
Sample security	• *The measures taken to ensure sample security.*	• Pre-numbered bags were used, and samples 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 sampling 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.*	• Perentie is located on EPM18084, held by Mt Dockerell Mining Pty Ltd (80%) and Kabiri Resources Pty Ltd (20%).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Perentie area has not been appraised by other parties.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Prospects mentioned in this release are all shear zone hosted quartz-carbonate vein breccia with unusual amounts of hematite and lesser magnetite. • The host rock is granite, granodiorite and microgranite of the Williams-aged Wimberu Granite. Proximal to the shear, the intrusive rocks are strongly red rock altered.
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 understanding of the report, the Competent Person should clearly explain why this is the case.*	• The details of HDRC001 & HDRC002 were reported to the market on October 16th, 2014.
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*	• The details of HDRC001 & HDRC002 were reported to the market on October 16th, 2014.

Criteria	JORC Code explanation	Commentary
	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.*	
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').*	• Surface grab sampling cannot be utilised to determine the geometry of any possible mineralisation at depth. • The sampling methodology can only be used to determine a range of possible grades and is commonly used at a reconnaissance stage.
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.*	• All sampling conducted by Hammer Metals Limited is depicted on the attached figures and tables.
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.*	• Ground based electrical geophysics and drilling is planned in the area in the next three months.