



SUB-AUDIO MAGNETICS (“SAM”) SURVEY AND RC DRILLING TO COMMENCE AT PERENTIE

11 October 2018

ASX Code: HMX

CAPITAL STRUCTURE:

Share Price (9/10/18)	\$0.025
Shares on Issue	278m
Market Cap	\$7.0m
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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DIRECTORS / MANAGEMENT:

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Non-Executive Director

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Non-Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Chief Operating Officer



Chalcocite-bearing carbonate from Paddy B

- Hammer Metals anticipates commencing a Sub Audio Magnetics (“SAM”) ground geophysical survey over the Paddy B, Judith and Trackside prospects at Perentie in two weeks.
- The SAM method, developed by Gap Geophysics, measures magnetic, conductivity and chargeability responses. This survey together with recently completed detailed mapping and rock chip sampling is expected to assist in delineating zones with greater sulphide content thereby aiding drill targeting.
- RC drilling will commence immediately following the SAM survey which is expected to take one week.
- Provided the SAM technique is effective in detecting the mineralisation the survey will be extended over other “demagnetised” mineralised trends, many of which are obscured by shallow cover and remain to be evaluated.

Executive Chairman Russell Davis said: “Hammer is keen to expedite exploration at Perentie and is planning to have the first pass drilling completed and reported by late November. It is still however early days at Perentie with many of the other targets and trends obscured by shallow cover to be tested in due course.”

About Perentie

Perentie is a new copper-gold discovery made in August 2018 by surface prospecting and rock chip sampling (refer ASX announcement 15 August 2018). The project incorporates an area of approximately 50km² 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.

Recent grassroots prospecting and rock chip sampling has identified multiple mineralised trends with multi-kilometre strike lengths. These trends are located within zones of demagnetisation of the granite. The demagnetisation is caused by alteration of magnetite to hematite and is often accompanied by quartz-carbonate veining, brecciation and red-rock alteration.

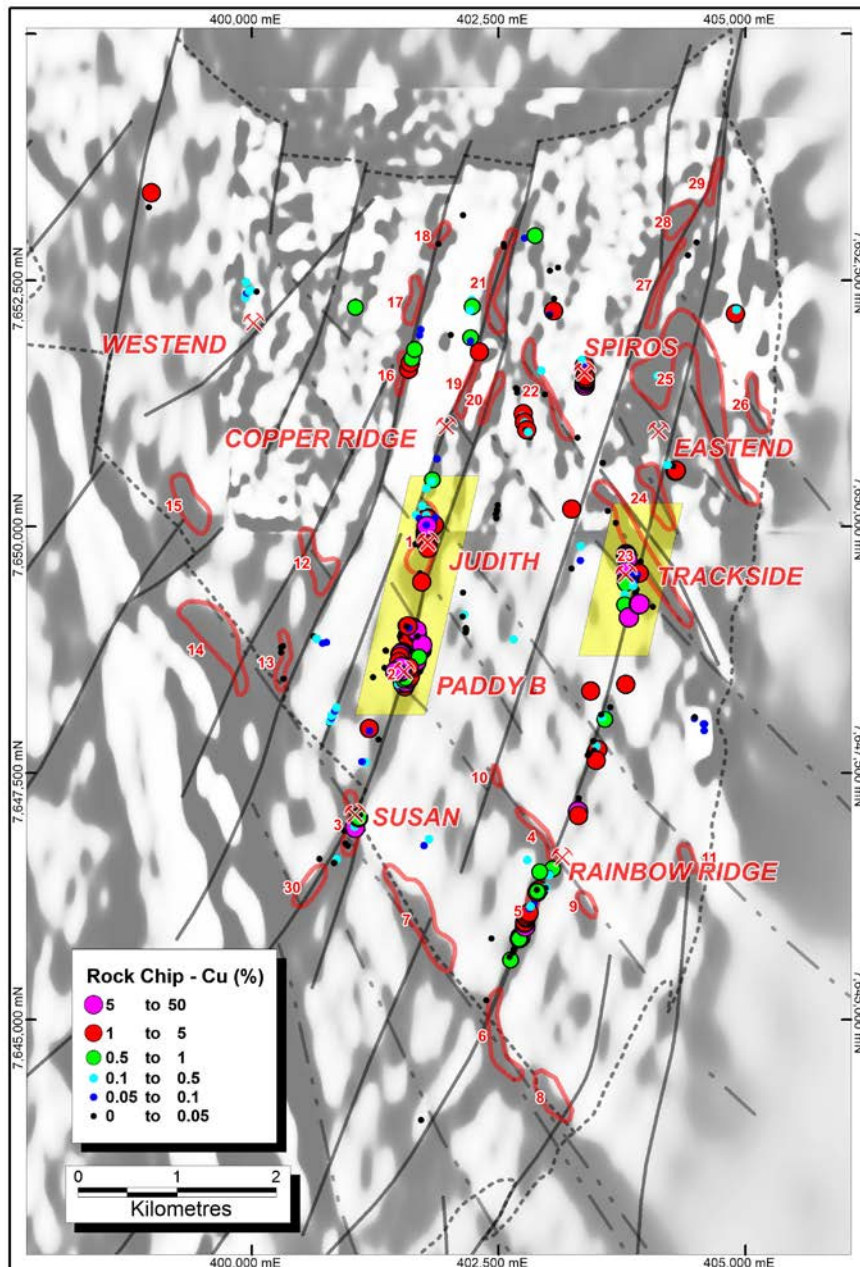
Three of these prospects Judith, Paddy B and Susan are located along one of these north-south structures where they intersect north-westerly faults. A parallel structure, termed the Rainbow Ridge – Trackside trend has now been defined over a 5km strike length.

Multiple samples with strongly anomalous copper and gold with individual maximum grades of up to 31% Cu, 19g/t Au and 240g/t Ag are reported (refer ASX announcements on 22 August and 3 September 2018).

Surface geophysics and drilling will commence shortly on the higher ranked targets at Judith, Paddy B and Trackside. A range of other similar demagnetised zones are concealed under thin cover and are still to be evaluated.



Hematite and Chalcocite bearing granite from Paddy B

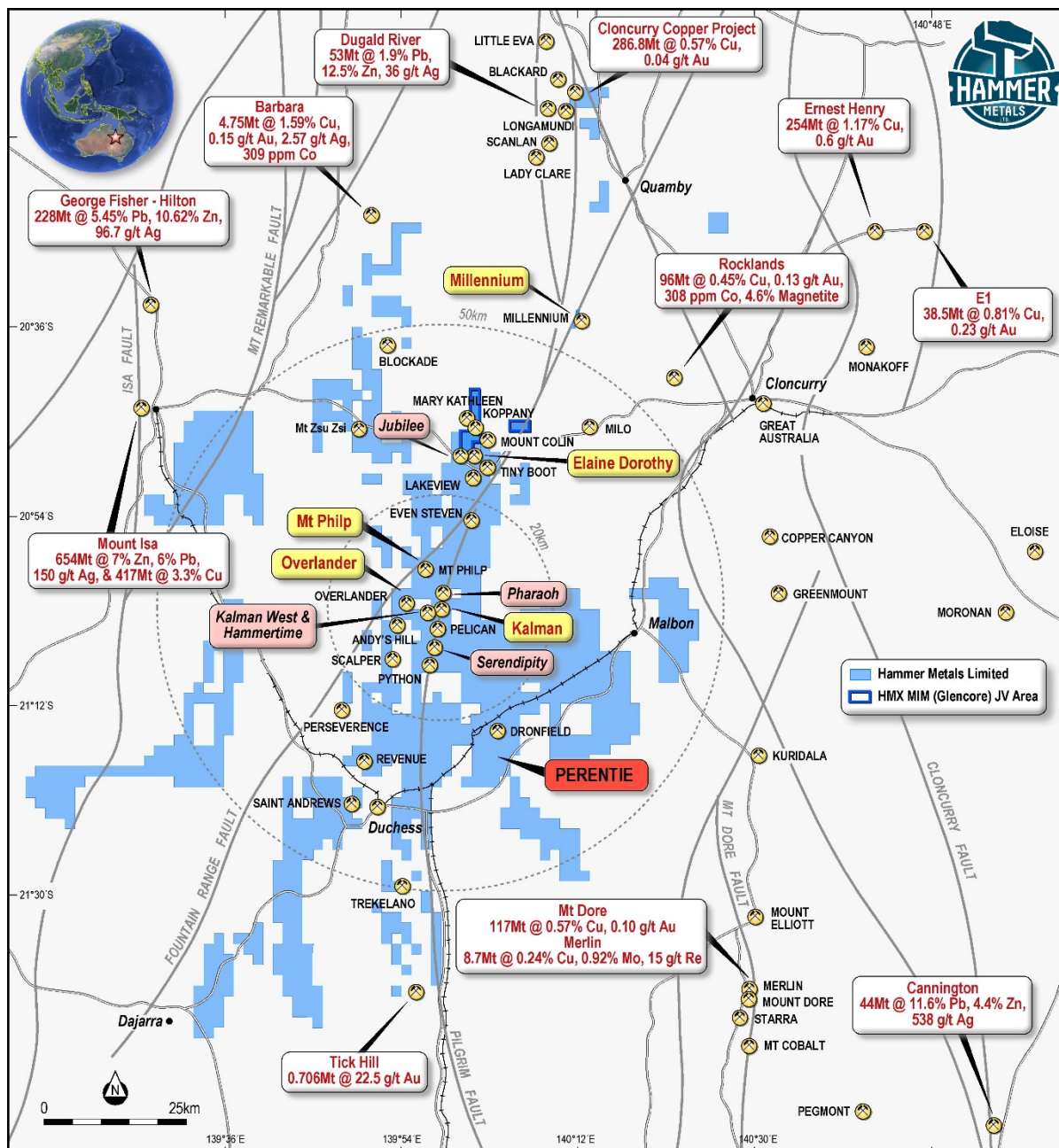


Perentie project area with SAM survey boundaries (yellow)

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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 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.



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.