



ELEVATED GOLD AND COPPER RESULTS FROM THE MALBON REGION DEFINE THREE MINERALISED TRENDS

8 May 2019

ASX Code: HMX

CAPITAL STRUCTURE:

Share Price (7/5/2019)	\$0.028
Shares on Issue	314m
Market Cap	\$8.7m
Options Listed	183m
Options Unlisted	32m

Significant Shareholders	
Deutsche Rohstoff	13%
Resource Capital Fund VI	9.3%
Management	8.8%
Zenith Pacific	6.5%

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- Rock chip sampling has defined the Speculation, Pioneer Prince and Alice-Kings trends in the Malbon region.
- The first phase of rock chip sampling indicated that these zones had a high gold-copper ratio with elevated cobalt and bismuth. (Refer to ASX release dated 16 April 2019.)
- The results of the second tranche of follow-up rock chip sampling reported herewith contain individual maximum grades of up to 12.9g/t Au and 15.8% Cu.
- Results to date are considered highly encouraging although outcrop in the area is sparse and further mapping and sampling will be required to understand the extent and structural controls of mineralization.
- Anomaly reviews over the Mt Philp IOCG Breccia Project continue and further results from this ongoing sampling program are expected shortly.

Hammer's Chairman, Russell Davis said: "Whilst the Malbon region has not been a high priority for Hammer Metals the high gold values being outlined along these trends are considered encouraging and warrant further investigation. We also look forward to reporting additional results from the ongoing sampling at the Mt Philp IOCG Breccia project shortly."



Gossan sample from the Deadlock Prospect (ZL480, 9.91g/t Au and 1.79g/t Au)

Table 1 – Significant results from rock chip sampling (with a full listing located in Table 2). Bismuth over grade results to be reported soon.

PROJECT	DATASET	SAMPLE	E_GDA94	N_GDA94	Au (g/t)	Cu (%)	Bi (g/t)	Co (ppm)
Malbon	Alice-Kings	MJB137	428503	7674747	3.60	15.80	657	42
		MJB138	428503	7674747	2.56	9.54	>10000	171
		MJB141	428530	7674750	12.95	10.90	3420	1445
		MJB144	428907	7675101	0.54	15.10	26.4	1110
		MJB145	428906	7675104	1.10	3.94	27.6	3400
		MJB146	428910	7675102	0.34	7.41	28.3	666
		MJB179	428101	7675542	2.45	6.15	547	1330
		MJB180	427952	7675450	9.60	7.99	35.2	724
		MJB181	428009	7675090	0.67	0.00	44	826
		MJB182	428022	7675044	9.49	6.10	>10000	21
		ZL465	428801	7675893	3.12	4.94	13.45	297
		ZL468	428801	7675893	12.30	0.64	9.3	2220
		ZL469	428801	7675893	3.30	0.01	5.66	76
		ZL471	428789	7675916	0.97	0.03	4.75	73
		ZL472	428801	7675929	4.70	0.06	49.3	1670
		ZL473	428793	7675964	0.53	7.30	11.2	328
		ZL474	428793	7675964	4.86	0.84	31.2	1225
	Deadlock	ZL479	426961	7675671	5.48	2.06	5.69	892
		ZL480	426981	7675686	9.91	1.79	18.2	513

MALBON PROJECT

The Kings, Alice and Deadlock prospects are located approximately 40km east of Kalman. The second tranche of surface samples reported herein are dominantly from the Speculation, Pioneer Prince and Alice-Kings trends. Individual maximum grades of 12.9g/t Au, 15.8% Cu and 0.39% Co.

These three parallel prospective trends are up to 1.8km in length. Notably outcrop is sparse in the area with a thin veneer of colluvial cover masking bedrock. Mapping and additional sampling will be conducted in due course. Its worthy to note that gossan zones develop on the intersections of north-south and east-west trending structures. The intersection between the Kings and Charlotte trends is shown in figure 1.

MOUNT PHILP BRECCIA PROJECT

Field work has resumed with examination of multiple soil geochemical anomalies. Further results from Mt Philp are expected shortly. This work is to be augmented by a planned gravity survey.

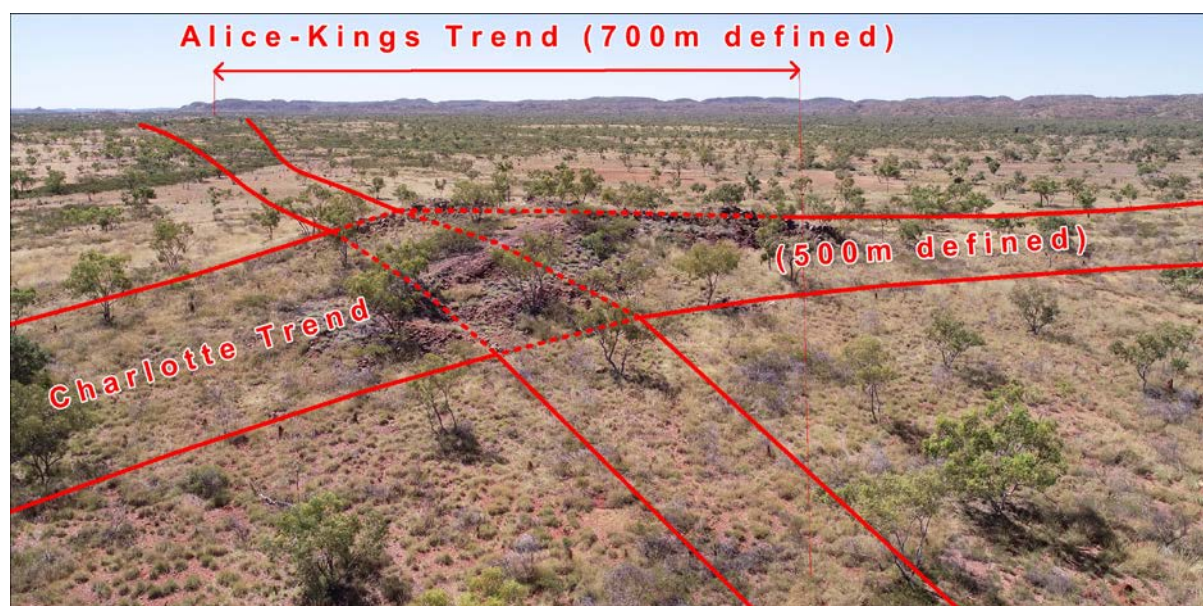


Figure 1 – Oblique view looking north showing the gossan development at the intersection of the Kings-Alice and Charlotte trends. This gossan has not previously been drilled.

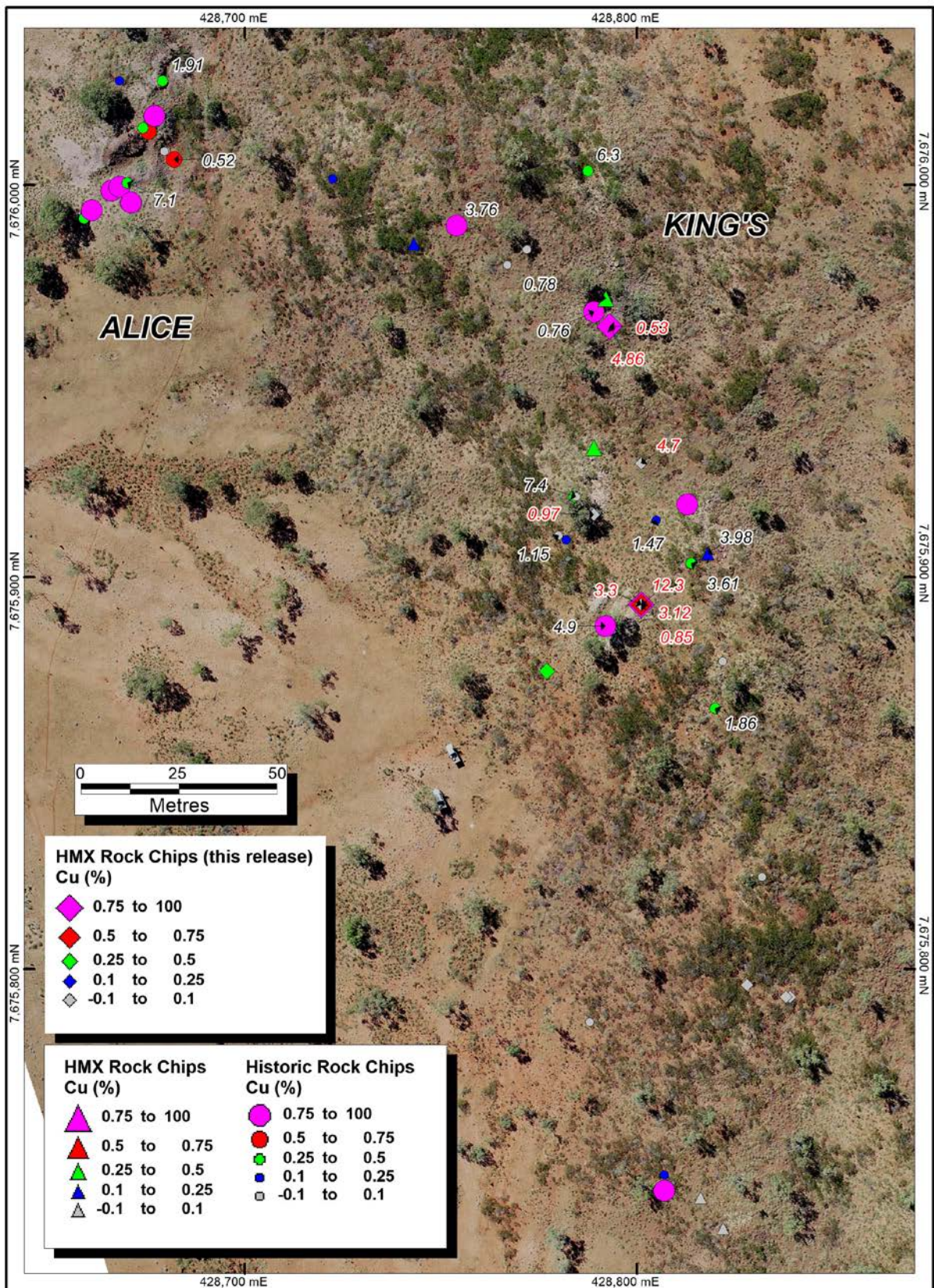


Figure 2 – Detailed view of the Kings and Alice trend sampling. Note that the prospect has not yet been geologically mapped. The figure shows HMX current and previous rock chip samples and historic rock chips. The rock chips reported herein are colored by Cu with Au grades above 0.5g/t annotated.

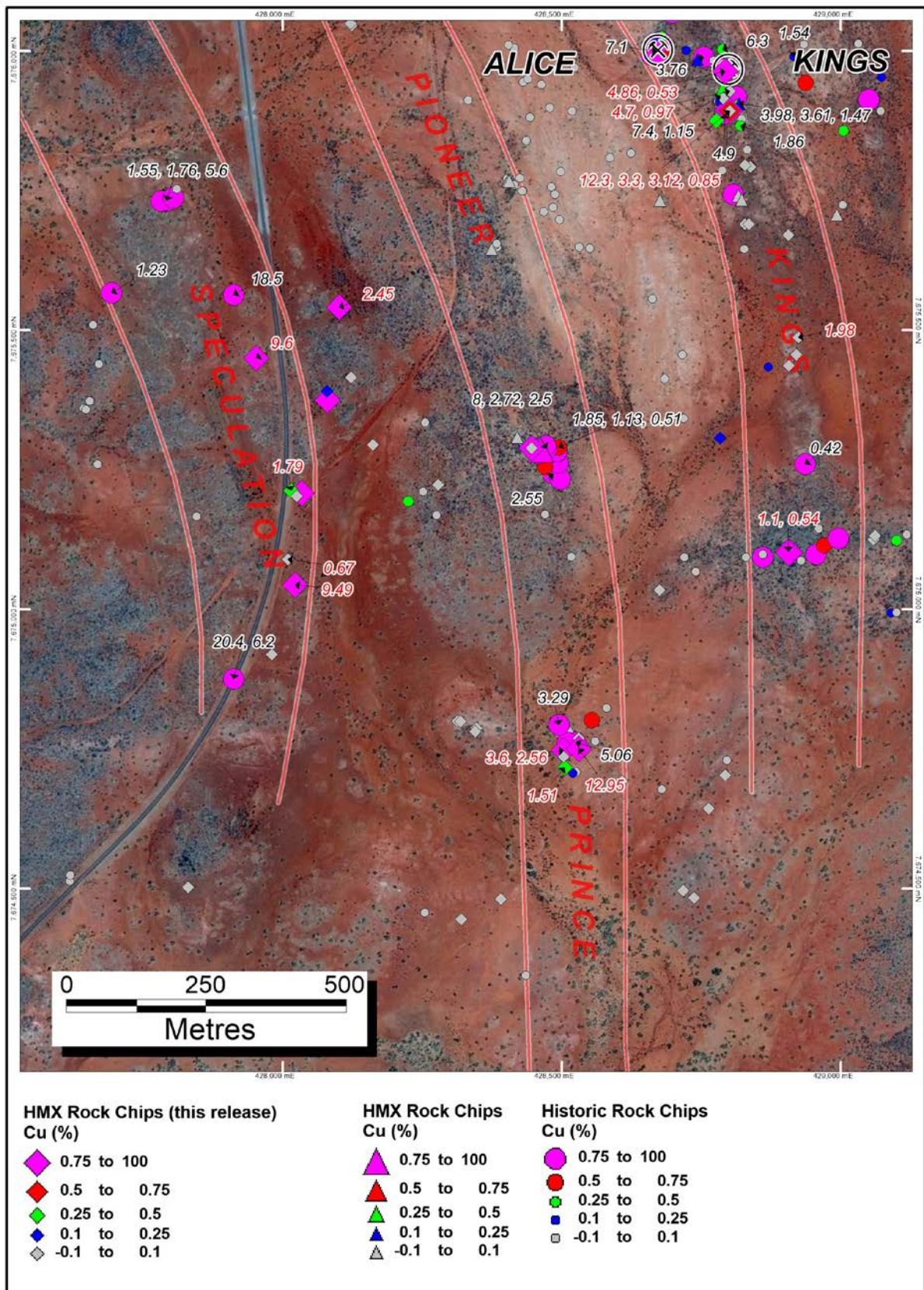


Figure 3 – Malbon Project with current and previous Hammer rock chip samples and historic rock chips. The rock chips reported herein are colored by Cu with Au grades above 0.5g/t annotated.

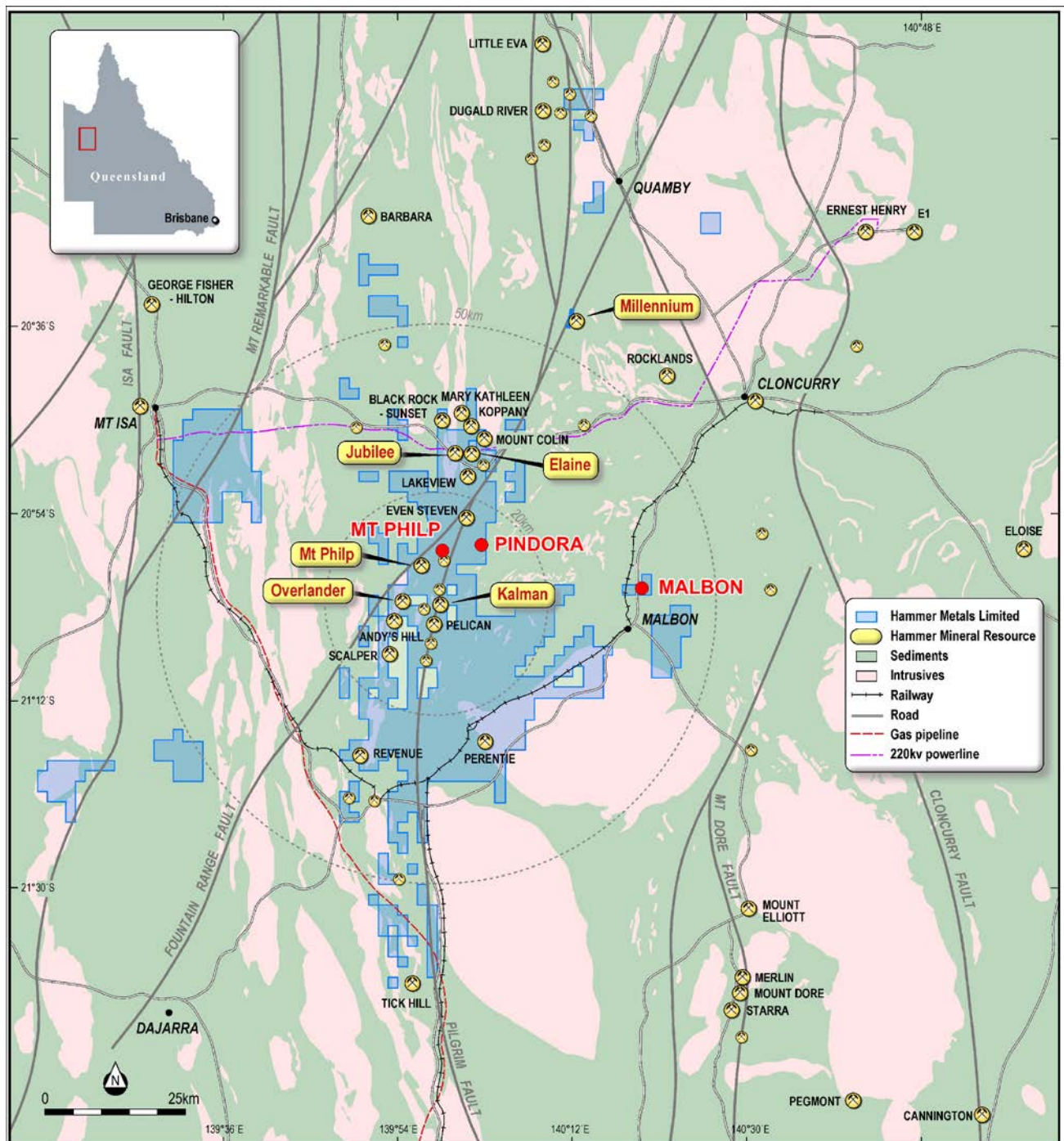


Figure 4 - Hammer Metals Mount Isa Project Tenements showing the location of the Malbon Project area

Table 2 – Second tranche of rock chip sample results from the Malbon Region

PROJECT	DATASET	SAMPLE	E_GDA94	N_GDA94	Au (g/t)	Cu (%)	Bi (g/t)	Co (ppm)
Malbon	Alice-Kings	MJB128	428034	7675208	0.03	1.82	6.02	39
		MJB129	428015	7675213	1.79	0.29	5.63	198
		MJB130	428025	7675203	-0.01	0.01	0.95	23
		MJB131	428080	7675375	0.06	0.75	3.75	39
		MJB132	428079	7675391	0.02	0.23	1.19	59
		MJB133	428122	7675416	0.03	0.01	0.23	44
		MJB134	428161	7675295	-0.01	0.01	0.22	19
		MJB135	428278	7675223	-0.01	0.05	0.16	62
		MJB136	428530	7674769	-0.01	0.02	5.83	60
		MJB137	428503	7674747	3.60	15.80	657	42
		MJB138	428503	7674747	2.56	9.54	>10000	171
		MJB139	428503	7674736	0.01	0.00	13.85	27.6
		MJB140	428505	7674716	1.51	0.35	>10000	127
		MJB141	428530	7674750	12.95	10.90	3420	1445
		MJB142	428608	7674692	0.02	0.08	59.1	979
		MJB143	428793	7674703	0.02	0.02	101	58
		MJB144	428907	7675101	0.54	15.10	26.4	1110
		MJB145	428906	7675104	1.10	3.94	27.6	3400
		MJB146	428910	7675102	0.34	7.41	28.3	666
		MJB158	428839	7675793	-0.01	0.02	3.34	71
		MJB159	428838	7675793	-0.01	0.00	0.26	96
		MJB160	428828	7675796	-0.01	0.02	0.57	46
		MJB161	428828	7675690	-0.01	0.00	1.08	19
		MJB162	428906	7675671	0.03	0.02	0.69	9
		MJB163	428835	7675690	-0.01	0.00	0.42	23
		MJB164	428924	7675487	1.98	0.07	23.9	3910
		MJB165	428920	7675456	-0.01	0.00	0.84	9
		MJB166	428907	7675437	0.05	0.05	0.52	71
		MJB167	428784	7675307	0.06	0.10	8.26	2350
		MJB168	429058	7675125	0.05	0.00	18.15	449
		MJB169	429061	7675132	0.07	0.00	29	426
		MJB170	429251	7675170	-0.01	0.00	5.01	216
		MJB171	428675	7675035	0.05	0.04	4.84	61
		MJB172	429500	7675195	0.01	0.03	0.83	37
		MJB173	429628	7675231	0.05	0.00	6.34	7
		MJB174	428391	7674481	0.10	0.01	411	9
		MJB175	428320	7674445	-0.01	0.01	1.94	34
		MJB179	428101	7675542	2.45	6.15	547	1330
		MJB180	427952	7675450	9.60	7.99	35.2	724
		MJB181	428009	7675090	0.67	0.00	44	826
		MJB182	428022	7675044	9.49	6.10	>10000	21.2
		MJB183	427980	7674919	0.06	0.00	9.62	9.6
		MJB184	428347	7674787	-0.01	0.00	8.1	55
		MJB185	428345	7674781	-0.01	0.01	10.85	58
		MJB186	428313	7674800	-0.01	0.00	1.88	26
		MJB187	428318	7674799	-0.01	0.00	0.55	16
		MJB188	428763	7674643	0.12	0.07	27.4	1050
		MJB189	428737	7674483	-0.01	0.00	0.39	73
		MJB190	428717	7674496	-0.01	0.00	2.06	17
		ZL464	428777	7675876	0.06	0.28	2.78	82
		ZL465	428801	7675893	3.12	4.94	13.45	297
		ZL466	428801	7675893	0.85	0.38	2.2	1125
		ZL467	428801	7675893	0.18	0.25	0.09	315
		ZL468	428801	7675893	12.30	0.64	9.3	2220
		ZL469	428801	7675893	3.30	0.01	5.66	76
		ZL470	428789	7675916	0.05	0.17	0.16	510
		ZL471	428789	7675916	0.97	0.03	4.75	73
		ZL472	428801	7675929	4.70	0.06	49.3	1670
		ZL473	428793	7675964	0.53	7.30	11.2	328
		ZL474	428793	7675964	4.86	0.84	31.2	1225
		ZL475	428793	7675964	0.09	3.46	1.39	199
		ZL476	428446	7675289	0.27	4.96	20.4	309
		ZL477	428446	7675289	-0.01	0.03	0.14	5
	Deadlock	ZL478	426954	7675674	0.01	0.27	0.11	52
		ZL479	426961	7675671	5.48	2.06	5.69	892
		ZL480	426981	7675686	9.91	1.79	18.2	513

Competent Person Statements

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 an employee of 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.

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About Hammer Metals

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 (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) 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.

JORC Code, 2012 Edition

Table 1 report – Mt Philp Breccia Exploration Update

- This table is to accompany an ASX release updating the market with regional rock chip results from a number of prospects within the Mount Isa Project area.
- The areas depicted in the release are located on multiple Exploration Licences, all held 100% by subsidiaries of Hammer Metals Limited.

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	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • No drilling has been conducted on any of the prospects depicted in this release.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> 	<ul style="list-style-type: none"> • No drilling has been conducted on any of the prospects depicted in this

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	release
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No drilling has been conducted on any of the prospects depicted in this release.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Samples were analysed by ALS for a range of elements by ICP (OES and MS) after a four-acid digest. Gold was analysed via flame AAS. The analytical method is appropriate for reconnaissance rock chip sampling.
Verification of sampling	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	<ul style="list-style-type: none"> All assays have been verified by alternate company personnel.

Criteria	JORC Code explanation	Commentary
<i>and assaying</i>	<ul style="list-style-type: none"> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Assay files were received electronically from the laboratory.
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • 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.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Samples were not collected on a regularised grid. • The assay response of reconnaissance rock chips cannot be utilised to infer grade continuity. • No compositing has been applied to the assay results.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Sampling is typically conducted at right angles to the strike of the host structure.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Pre-numbered bags were used, and samples were transported to ALS laboratory in Mt Isa by company personnel.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Mt Philp Project is located on granted licences held by Mt Dockerell Mining Pty Ltd (EPM's 26776, 26775, 26474 & 26694). The Malbon region (including the Kings Prospect) is located on granted licence EPM26130 held by Mulga Minerals Pty Ltd (a 100% subsidiary of Hammer Metals Limited).
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> In the Kings Area on historic tenement EPM9113, Mount Isa Mines Limited and Hunter Resources Limited conducted rock chip and soil sampling during the period 1994-2000. The rock chip sampling is depicted in Figures 2 and 3 of this release.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Mt Philp project covers a large intrusive complex collectively termed the Mt Philp Breccia. The Kings and Alice Prospects are hosted by the Timberoo Member (fine grained variably calcareous metasediments) and the Cone Creek Metabasalt Member. Within these lithologies mineralisation is associated with quartz-carbonate beings within north-south and east-west trending shears.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth 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. 	<ul style="list-style-type: none"> No drilling has been conducted on any of the prospects depicted in this release.

Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No drilling has been conducted on any of the prospects depicted in this release.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> 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.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> See attached figures
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> All sampling conducted by Hammer Metals Limited is depicted on the attached figures and tables.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> In the Kings Area, Mount Isa Mines Limited and Hunter Resources Limited on EPM9113 conducted rock chip and soil sampling during the period 1994-2000.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions,</i> 	<ul style="list-style-type: none"> At the Mt Philp Project further reconnaissance sampling is planned in addition to ground based gravity. At the Kings Prospect, geological mapping will occur in the near future.

Criteria	JORC Code explanation	Commentary
	<i>including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	