

ASX RELEASE

30 JULY 2019

DIRECTORS / MANAGEMENT

Russell Davis

Chairman

Nader El Sayed

Non-Executive Director

Ziggy Lubieniecki

Non-Executive Director

Mark Pitts

Company Secretary

Mark Whittle

Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (25/7/2019) \$0.023

Shares on Issue 351m

Market Cap \$8.1m

Options Listed 190m

Options Unlisted 32m

Significant Shareholders

| | |
|-----------------------|-------|
| Directors | 13.4% |
| Deutsche Rohstoff | 12.5% |
| Resource Capital Fund | 7.1% |
| Zenith Pacific | 6.8% |

HAMMER RAISES \$1.76 MILLION TO ACCELERATE EXPLORATION AT BRONZEWING SOUTH

- Placement to raise \$1.76 million at an issue price of \$0.020 per share
- Demand for the capital raising was in excess of the amount Hammer sought to raise and was well supported by a number of existing shareholders and new sophisticated and institutional investors representing a strong endorsement of Hammer's recent acquisition of the Bronzewing South project and planned exploration strategy
- The placement will position Hammer with a strong cash balance to complete the current geophysical survey and undertake the maiden drilling program at Hammer's Bronzewing South Gold Project
- Management's track record for gold exploration in Western Australia and the recent acquisition of the Bronzewing South Gold Project has attracted support from the original founders and early supporters of Gold Road Resources (ASX:GOR)

Hammer's Chairman, Russell Davis said: "We are delighted with the outcome of the placement that generated demand from existing shareholders and a number of new institutional investors exceeding the amount sought. With the IP survey well underway at the Bronzewing South Gold Project and drilling planned for the second week of August on top of the promising results from low-cost exploration at the Mt Isa Project, we are anticipating an exciting period for the company for the remainder of 2019."

Overview

Hammer Metals Limited (ASX: HMX) ("Hammer" or the "Company") is pleased to announce that it has successfully undertaken a placement to both new and existing institutional and sophisticated investors.

The placement will raise a total of \$1.756 million from the issuance of approximately 87.8 million new shares ("New Shares") at an issue price of \$0.020 per share ("Placement"). The Placement was strongly supported by existing shareholders and introduced a number of new, high quality domestic and international investors to Hammer's share register.

The Placement ensures Hammer will be well funded to undertake its planned 2019 exploration programme on its 100% owned tenements with its focus on the current geophysical survey and maiden drilling program at the Company's recently acquired Bronzewing South Gold Project. Previous exploration has outlined unexplained gold anomalies coincidental with a gravity low, similar to that observed at the 4 Moz Bronzewing deposit immediately along strike to the north. The IP survey is expected to further refine these targets prior to the drilling program scheduled to commence in the second week of August. Hammer will also continue the low-cost exploration and strategic rationalisation of the Mt Isa portfolio in Queensland.

Details

The issue price represents a discount of 13.0% to Hammer's last close of \$0.023 per share on 25 July 2019 and a 16.6% discount to the 15-day volume weighted average price ("VWAP") of \$0.024 per share.

New Shares issued under the Placement will rank equally with existing shares on issue and are expected to be allotted on Tuesday, 6 August 2019. Trading of the New Shares will commence on a normal settlement basis on the ASX on the same day.

The Placement has been conducted pursuant to the Company's existing placement capacity, with 52,682,062 New Shares to be issued under ASX Listing Rule 7.1 and 35,121,375 New Shares to be issued under ASX Listing Rule 7.1A.

Discovery Capital Partners acted as Lead Manager to the Placement.

For further information please contact:

Russell Davis
Chairman

Mark Whittle
Chief Operating Officer

T +61 8 6369 1195

E info@hammermetals.com.au

About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2200km² 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 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. Hammer has recently acquired a 100% interest in the Bronzewing South Gold Project located adjacent to the 2.3 million-ounce Bronzewing gold deposit in the highly endowed Yandal Belt of Western Australia.

- END -