

ASX RELEASE

15 AUGUST 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 (14/8/2019) | \$0.026 |
| Shares on Issue | 439m |
| Market Cap | \$11.4m |
| Options Listed | 190m |
| Options Unlisted | 27m |

Significant Shareholders

| | |
|-------------------|-------|
| Directors | 11.0% |
| Deutsche Rohstoff | 8.7% |
| Zenith Pacific | 5.9% |

HAMMER'S MAIDEN DRILL PROGRAM TO COMMENCE AT BRONZEWING SOUTH GOLD PROJECT

- The Reverse Circulation (RC) drilling rig is now mobilising to site to commence Hammer's maiden exploration drilling program at the Bronzewing South gold project.
- A preliminary program of 2,500m of RC drilling is planned to provide an initial assessment of several targets generated from Hammer's structural analysis and assessment of the historic geochemical data and new geophysical data.
- Targets located immediately along strike to the south of the Bronzewing mine will be the focus of this current program.
- The Induced Polarisation (IP) survey completed south of the historic Bronzewing mine has successfully identified conductive zones that are in most cases spatially associated with areas of higher gold accumulation anomalies in historical drilling (Figure 2).
- Assessment of the detailed gravity survey data acquired during the quarter has also aided in interpretation of the sub-surface structure, geology and alteration, and importantly a series of northeast trending structures which are believed to be one of the controls on the gold mineralisation at the neighbouring Bronzewing deposit (Figure 3). Positions where the conductive zones are displaced by northeast trending faults are considered prime targets.
- The Bronzewing South project comprises 110km² of prospective 100%-owned tenements that cover structural corridors to the south of the 2.3Moz Bronzewing gold mine and to the north of the 1.1Moz Lotus and Orelia gold deposits held by Echo Resources Limited (ASX:EAR).
- Additional conductivity and IP features have also been identified in positions peripheral to the main mineralised trends that will require further evaluation, potentially by RAB drilling, prior to additional RC or diamond drill testing being undertaken.
- Interpretation of the IP and gravity data along with data assessment and target generation activities along both the Orelia trend and at the Ken's Bore prospect is ongoing.

Hammer's Chairman, Russell Davis said: "The Company looks forward to commencing its maiden drilling program at Bronzewing South. This program represents Hammers first step towards testing a range of gold targets the Company has started to generate in what we consider a very prospective part of the Yandal Greenstone Belt. We look forward to reporting the results as they become available."

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 Fellow 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.

For further information please contact:

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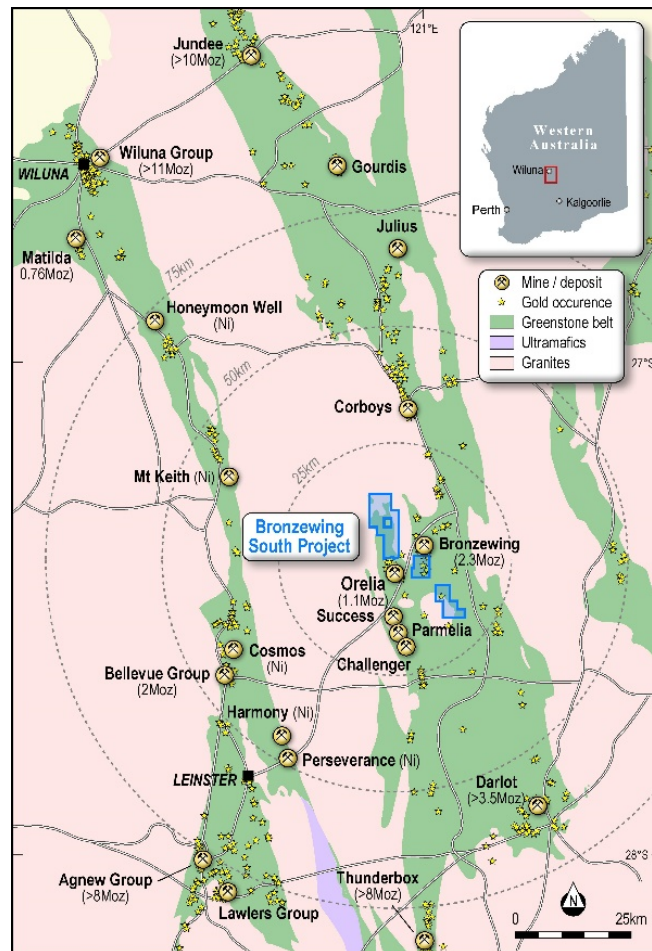


Figure 1 – Bronzewing South Project Location

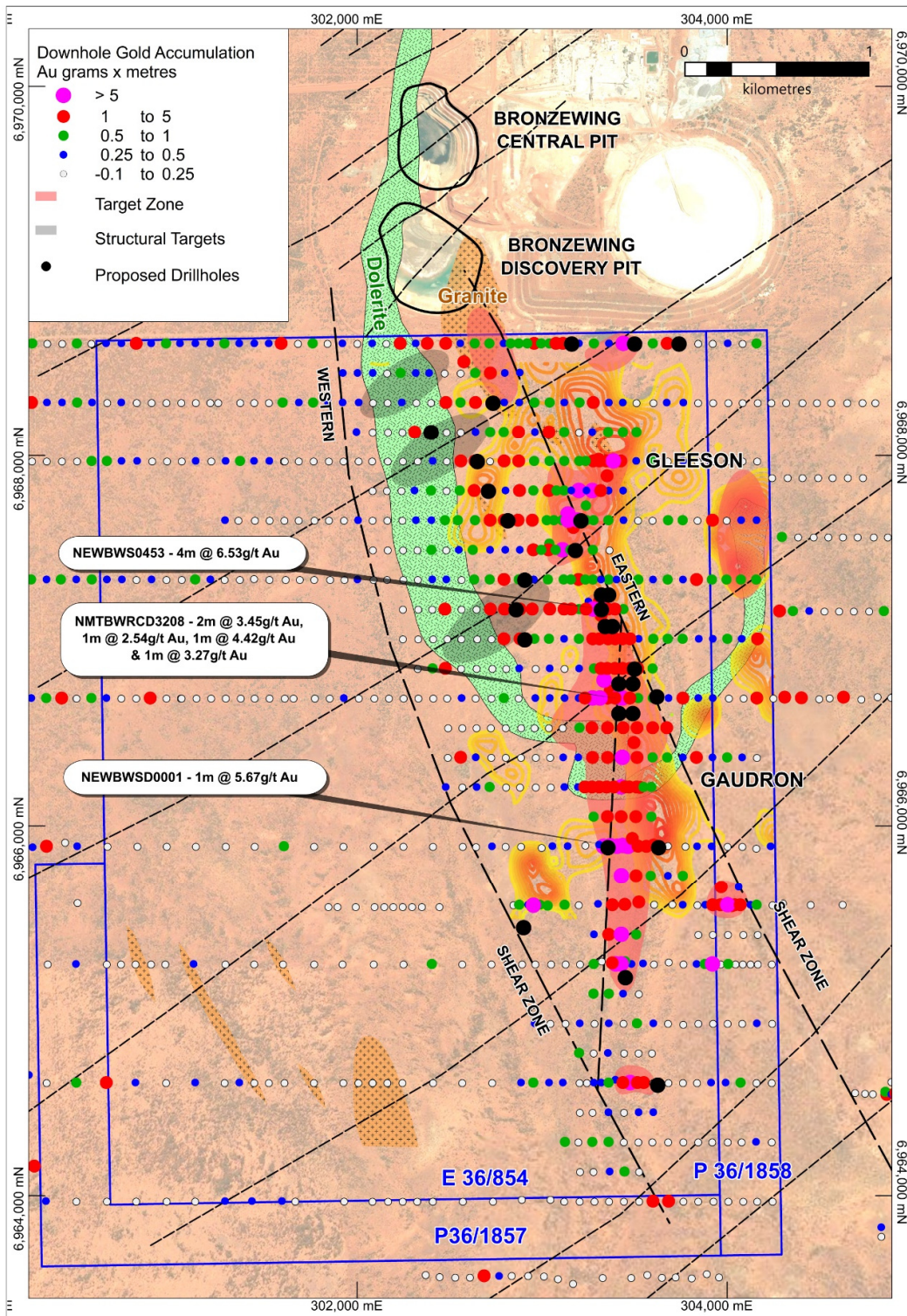


Figure 2 – Bronzewing South showing proposed phase one drill holes and zones of gold accumulation and a target conductivity feature (yellow 0.06 ohm-m through red +0.08 ohm-m) (refer ASX release 13/3/2019 in respect to previous gold intercepts)

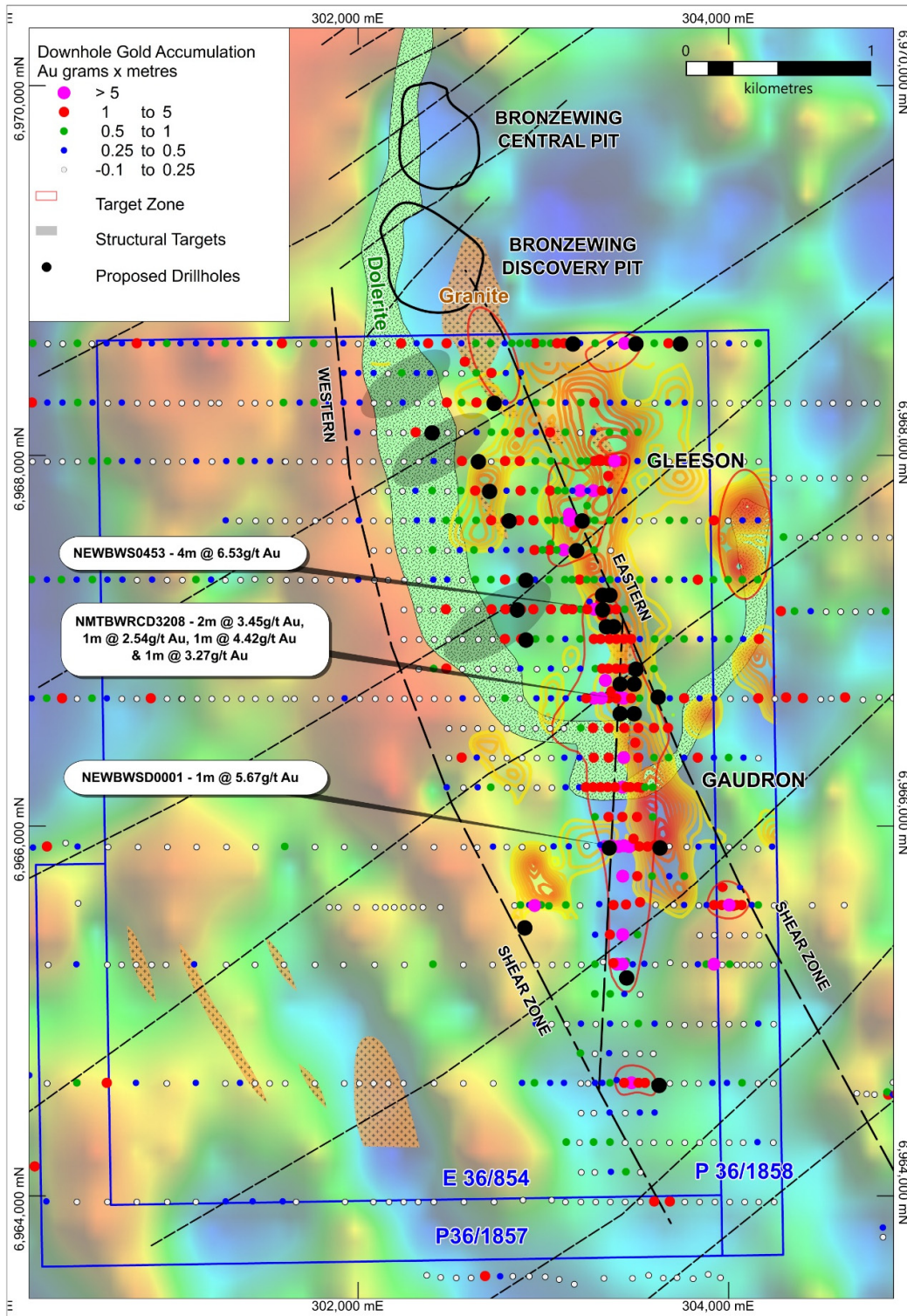


Figure 3 – Bronzewing South showing proposed phase one drill holes and zones of gold accumulation and a target conductivity feature (yellow 0.06 ohm-m through red +0.08 ohm-m) on gravity image (refer ASX release 13/3/2019 in respect to previous gold intercepts)

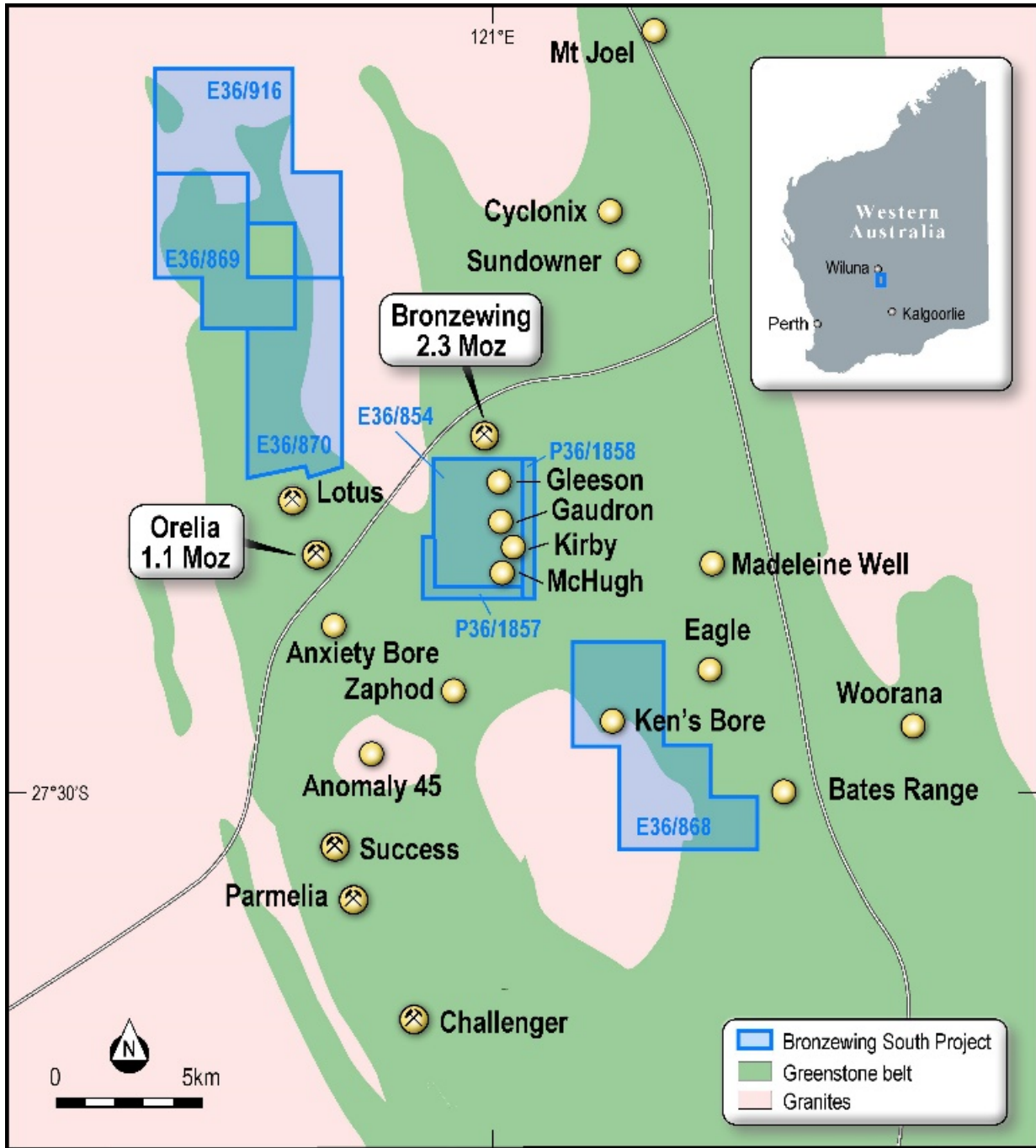


Figure 4 – Bronzewing South Gold Project relative to the former Bronzewing Mine and the Orelia Deposit

JORC Code, 2012 Edition

Table 1 report – Bronzewing South Geophysical Survey and start of Drilling

- This table is to accompany an ASX release updating the market with information relating to the completion of an induced polarisation geophysical program over E36/854, P36/1857 and P36/1858.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections in this information release.)

| Criteria | JORC Code explanation | Commentary |
|-----------------------------------|---|---|
| <p>Sampling techniques</p> | <p><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. 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.</i></p> | <ul style="list-style-type: none"> • The primary subject of this release is to report on interim results of an Induced Polarisation survey being conducted over the Bronzewing South Prospect. This survey builds on recently acquired Gravity data. • The Induced Polarisation survey was conducted by Vortex Geophysics. The oversight, audit and processing role was being conducted by Core Geophysics and is now being conducted by Southern Geoscience Consultants. • The geophysical survey type is Induced Polarisation and the layout of the survey (termed the “array type”) is termed Double Offset Dipole-Dipole. This configuration is one of many which are commonly referred to as 3D IP. • Specifically, the array is composed of two receiver lines and a central transmitter line. All lines are oriented East-West. The receiver lines are “offset” from the transmitter line by 160m to the north and south. • The transmitter lines are spaced 320m apart. These spacings were utilised to coincide with existing tracks in the survey area. • The transmitter used is a Vortex VIP-30 transmitter system rated at 1500V, 30A and 15kVA. The receiver was a Smart TEM 24 IP receiver. • The survey was designed to cover the potential target corridor south of the Bronzewing Gold Deposit for a distance of 3km. • Gravity data is also depicted in this release. The gravity survey was |

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| | | <p>conducted by Haines Surveys in 2017 and was composed of two tranches.</p> <ul style="list-style-type: none"> The first tranche was conducted at 400m station spacing on 1.6km lines. The second tranche was conducted at 400m line spacing with 200m spaced stations. The data has only recently been processed by Hammer Metals. |
| Drilling techniques | <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"> The reader is referred to HMX ASX release dated 13 March 2019 for details on historic drilling. |
| Drill sample recovery | <p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p> | <ul style="list-style-type: none"> The reader is referred to HMX ASX release dated 13 March 2019 for details on historic drilling. |
| Logging | <p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p> | <ul style="list-style-type: none"> The reader is referred to HMX ASX release dated 13 March 2019 for details on historic drilling. |
| Sub-sampling techniques and sample preparation | <p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p> | <ul style="list-style-type: none"> The reader is referred to HMX ASX release dated 13 March 2019 for details on historic drilling. |

| Criteria | JORC Code explanation | Commentary |
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| Quality of assay data and laboratory tests | <p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> | <ul style="list-style-type: none"> • The Induced Polarisation method is commonly used to determine the location of disseminated sulphides. • An external current is applied and charge separation can occur on sulphide grain boundaries. When the transmitter is turned off the charges decay away. The degree to which this current forms and the nature of its decay once the primary current is switched off can be measured. • Rock masses containing disseminated pyrite become more readily charged than barren ground. • The geophysical method used by Hammer Metals has not been conducted in the tenement area and to the knowledge of the CP the method has not been previously used over the Bronzewing Deposit. • As such there is much uncertainty as to whether the method will detect sulphide concentrations associated with gold mineralisation. • Gravity Surveys in this region are useful in discriminating both structure and lithology. They are commonly used for this purpose in the Yilgarn belt in gold exploration. |
| Verification of sampling and assaying | <p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p> | <ul style="list-style-type: none"> • IP - All data is reviewed on site by the Vortex Geophysics team leader before being transferred to the offices of Vortex Geophysics (for further Quality Assurance). The data is then transferred to the Perth office of geophysical consultancy Southern Geoscience for audit and processing • Gravity – Data was reviewed on site and transferred to offices of Haines Surveys. |
| Location of data points | <p><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></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p> | <ul style="list-style-type: none"> • IP - Transmitter and receiver electrode positions are located to GPS accuracy. Height data was derived from Gravity station data. • Gravity – Station locations are located by Kinematic GPS. • IP - The accuracy of horizontal positional data would be $\pm 5m$. |

| Criteria | JORC Code explanation | Commentary |
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| | | <ul style="list-style-type: none"> Gravity – Station location accuracy of +5cm. |
| Data spacing and distribution | <p><i>Data spacing for reporting of Exploration Results.</i></p> <p><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></p> <p><i>Whether sample compositing has been applied.</i></p> | <ul style="list-style-type: none"> Hammer is exploring the area for large tonnage Gold Deposits. The geophysical data density was tailored to discriminate large targets. Due to the method not being utilised in the immediate area previously there was some uncertainty if it was appropriate for the style of mineralisation being sought. |
| Orientation of data in relation to geological structure | <p><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></p> <p><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></p> | <ul style="list-style-type: none"> IP - The primary line direction is perpendicular to the general geological trends in the area. A secondary northeast control was interpreted from observation of historic reports on Bronzewing. Because the IP method collects three-dimensional data it could also test for northeast sub surface trends. Gravity – Line orientations were tailored to be perpendicular to major geological trends. |
| Sample security | <p><i>The measures taken to ensure sample security.</i></p> | <ul style="list-style-type: none"> IP - All data was reviewed on site by the Vortex Geophysics team leader before being transferred to the offices of Vortex Geophysics and then onto the office of Southern Geoscience Consultants. Gravity – All data was reviewed on site by Haines personnel prior to being forwarded digitally to the offices of Haines Geophysics. |
| Audits or reviews | <p><i>The results of any audits or reviews of sampling techniques and data.</i></p> | <ul style="list-style-type: none"> IP - As mentioned above data was collected and reviewed twice by personnel of the survey company then the consulting geophysical company. IP - The consulting geophysical company is tasked as an independent program manager. Interpretation of the program is not yet completed however no major issues with data quality have arisen at this stage Gravity – Data is currently being interpreted by Southern Geoscience Consultants. |

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 | <i>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.</i> | <ul style="list-style-type: none"> The Bronzewing South Project comprises granted tenements: E36/854, E36/868, E36/869, E36/870, E36/916, P36/1857 and P36/1858. These tenements are 100% held by Carnegie Exploration Pty Ltd. The tenements are in good standing. Carnegie Exploration Pty Ltd is a 100% owned subsidiary of Hammer Metals Limited. The geophysical survey was conducted across tenements E36/854, P36/1857 and P36/1858. |
| Exploration done by other parties | <i>Acknowledgment and appraisal of exploration by other parties.</i> | <ul style="list-style-type: none"> Previous holders held title either covering the tenement in part or entirely and previous results are contained in Mines Department records. In excess of 2200 holes and 99km of drilling has been conducted by Newmont Exploration Pty Ltd, Audax Resources NL and Australian Resources Ltd over the entire project area. This data has been compiled by Carnegie Exploration Pty Ltd Tabulation of this drilling according to trend, exploration licence, drill type and drill type was presented in an HMX release to the ASX dated 13 March 2019. |
| Geology | <i>Deposit type, geological setting and style of mineralisation.</i> | <ul style="list-style-type: none"> The Bronzewing South project is exploring for Bronzewing and/or Mt McClure analogues along strike from each mine. The project is located within the Yandal Greenstone Belt approximately 65km northeast of Leinster. The Yandal Belt is approximately 250km long by 50km wide and hosts the Jundee, Darlot, Thunderbox, Bronzewing and Mt McClure Group of gold deposits. In the Bronzewing area the greenstone succession is dominated by tholeiitic basalts and |

| Criteria | JORC Code explanation | Commentary |
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| | | <p>dolerite units with lesser ultramafic, felsic and sediment sequences.</p> <ul style="list-style-type: none"> Gold mineralisation at the Bronzewing mine occurs in quartz veins (sub-parallel vein arrays) in complex pipe-like lodes that plunge steeply to the south within a 400m wide structural corridor. The north-south corridor is roughly coincident with an antiformal structure and extends to the south through E36/854. Bedrock does not outcrop within E36/854 and drilling indicates that surficial cover ranges between 2m and 40m in thickness. |
| Drill hole Information | <p><i>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:</i></p> <p><i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i></p> <p><i>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.</i></p> | <ul style="list-style-type: none"> The reader is referred to HMX ASX release dated 13 March 2019 for details on historic drilling. |
| Data aggregation methods | <p><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></p> <p><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></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p> | <ul style="list-style-type: none"> The reader is referred to HMX ASX release dated 13 March 2019 for details on historic drilling. |
| Relationship between mineralisation widths and intercept lengths | <p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a</i></p> | <ul style="list-style-type: none"> The reader is referred to HMX ASX release dated 13 March 2019 for details on historic drilling. |

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| | <i>clear statement to this effect (eg 'down hole length, true width not known').</i> | |
| Diagrams | <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 |
| Balanced reporting | <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"> • IP and Gravity - Final interpretation of the induced polarisation data has not yet been conducted. It is thought this may occur in the next month. • There is no guarantee that features detected by these surveys will directly relate to gold mineralisation. |
| Other substantive exploration data | <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"> • The reader is referred to HMX ASX release dated 13 March 2019 for details on historic drilling. |
| Further work | <i>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.</i> | <ul style="list-style-type: none"> • Hammer will initially drill the Bronzewing South trend in August 2019. This will be the first program into the area. • Successive programs are in the planning stages with a view to thoroughly testing the Bronzewing target trend during the remainder of the year. |

