HAMMER PROVIDES EXPLORATION UPDATE FOR MT PHILP BRECCIA COMPLEX IOCG TARGET

- Follow-up rock chip sampling over copper-gold soil anomalies at the Mt Philp Breccia Complex has discovered a new zone of mineralisation called Shadow. Sampling has been conducted over a 200m strike length and up to 50m width.
- The prospect is at the northern end of a series of magnetic anomalies within a breccia zone that abuts the Mt Philp Hematite Deposit to the west and southwest. The magnetic anomaly at Shadow is due to magnetite alteration within the breccia.
- Preliminary sampling returned results in individual samples of up to a maximum of 4.64g/t Au and 27.7% Cu. Copper mineralisation is present as disseminations and blebs within an intensely altered breccia matrix.
- Further mapping and sampling of the Shadow zone is planned along with ongoing evaluation of the remaining soil geochemical anomalies at the Mt Philp Breccia Complex.
- In Western Australia, the first phase RC drilling program at Bronzewing South is now complete with all samples submitted for assay. Results are expected in two to three weeks. A second drill program is anticipated to begin later this month.

Hammer's Chairman, Russell Davis said: "The sampling of the Mt Philp Breccia Complex continues to generate new zones of copper and gold mineralisation and supports our contention that the 20 square kilometres of breccia is a favourable host for large tonnage IOCG deposits such as Glencore's Ernest Henry Deposit. Work will continue at both of Hammer's exciting Mount Isa and Bronzewing South Projects for the remainder of the 2019 field season with ongoing news flow from both areas."

Copper mineralisation at Shadow within strongly altered Mt Philp Breccia (MJB490)

ASX RELEASE
10 SEPTEMBER 2019

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CAPITAL STRUCTURE

ASX Code: HMX

Share Price (9/9/2019)	$0.035
Shares on Issue	439m
Market Cap	$15.37m
Options Listed	190m
Options Unlisted	27m

Significant Shareholders

Directors	11.0%
Deutsche Rohstoff	7.5%

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Table 1 – Results from rock chip sampling

PROJECT	DATASET	SAMPLE	E_GDA94	N_GDA94	Au (g/t)	Cu (%)	Co (ppm)
Mt Philp Breccia Complex	Shadow	MJB483	390,136	7,678,647	0.56	2.62	103
		MJB484	390,120	7,678,652	1.09	2.41	144
		MJB485	390,122	7,678,653	0.55	0.52	132
		MJB486	390,100	7,678,656	0.79	1.14	488
		MJB487	390,101	7,678,680	1.88	11.35	241
		MJB488	390,101	7,678,684	4.64	18.25	76
		MJB489	390,109	7,678,698	4.25	1.23	15
		MJB490	390,131	7,678,653	0.46	4.02	219
		MJB491	390,143	7,678,655	0.18	2.04	85
		MJB492	390,141	7,678,603	1.54	27.70	467
		MJB493	390,107	7,678,583	0.01	0.05	64
		MJB494	390,108	7,678,568	2.26	11.20	562
		MJB495	390,081	7,678,549	0.14	3.68	79
		MJB496	390,102	7,678,507	0.25	1.44	43
		MJB497	390,106	7,678,541	0.15	0.69	30
Note: All locations in GDA 94 Zone 54 projection							

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.

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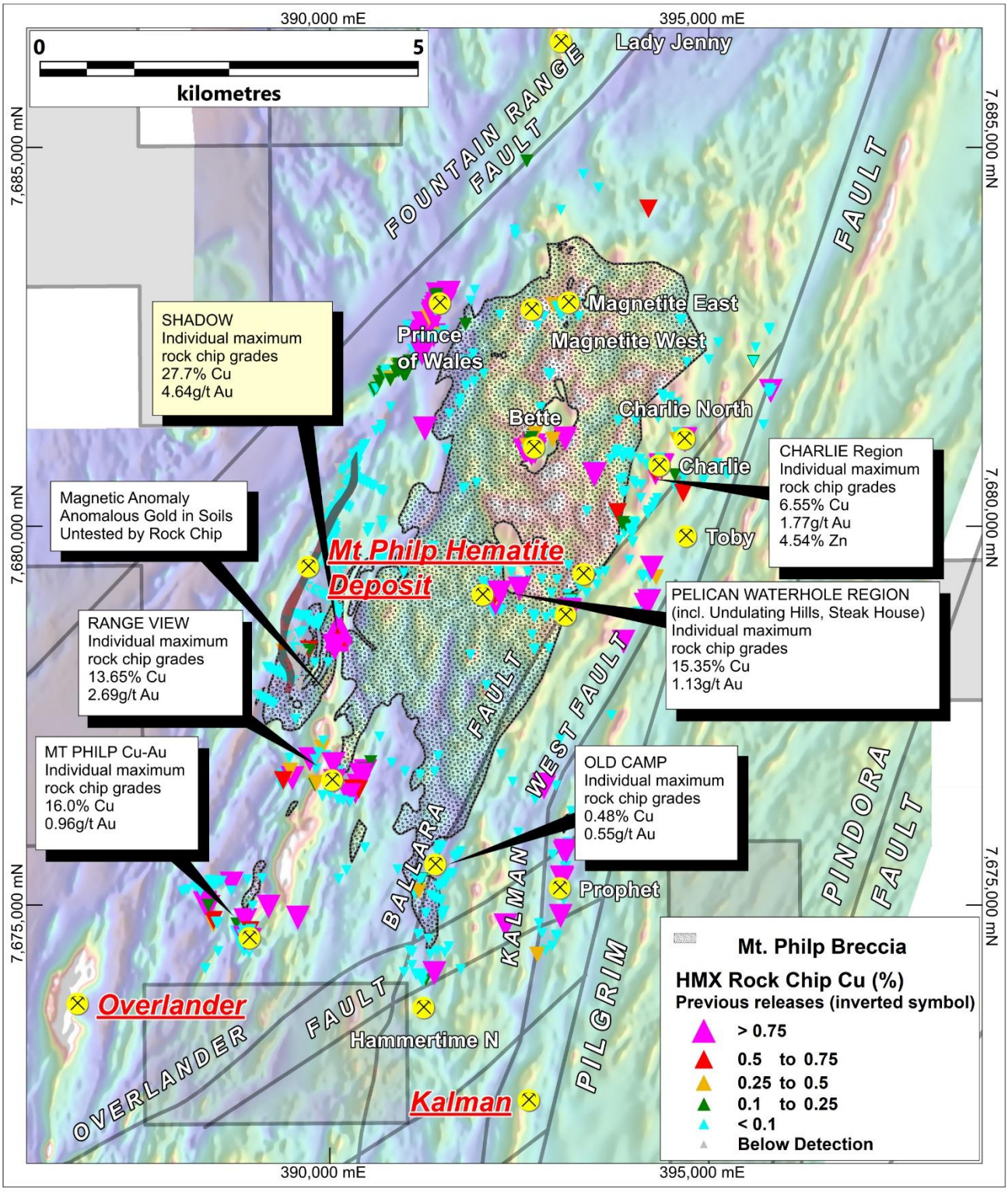
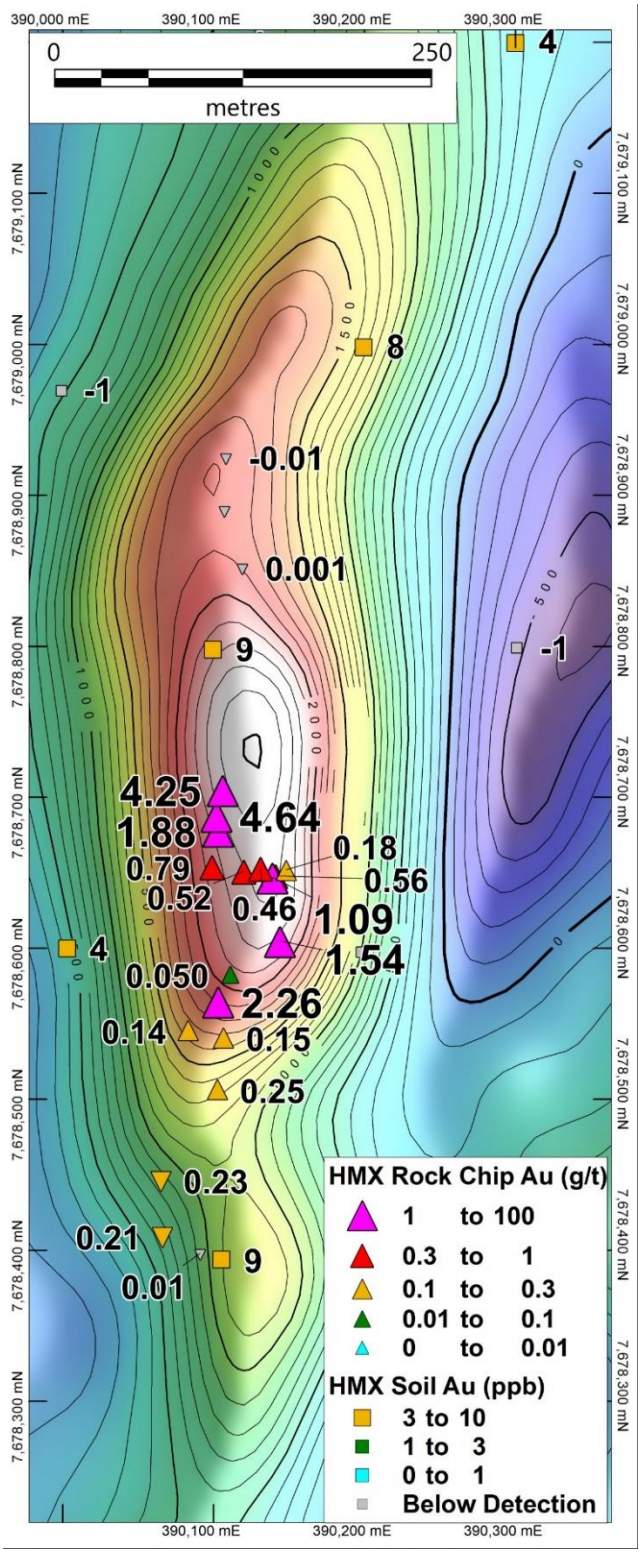
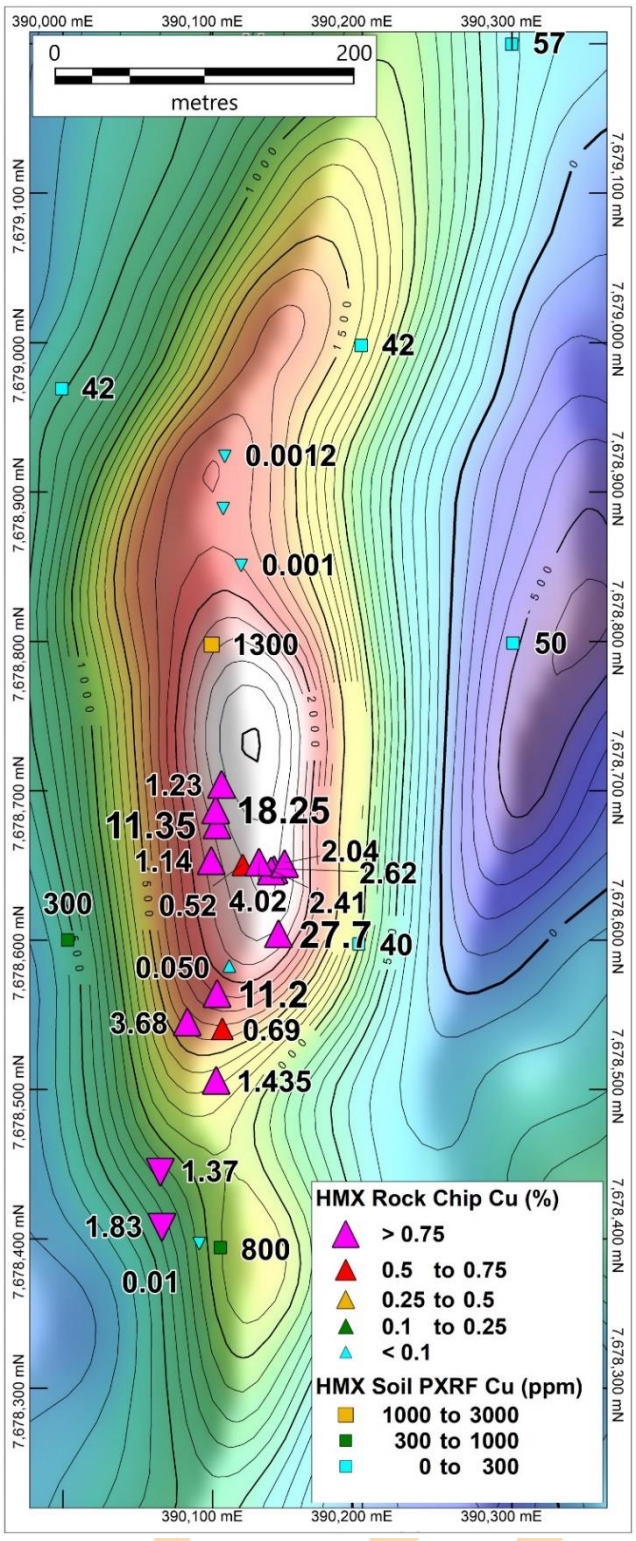
About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,200km^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 (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 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.

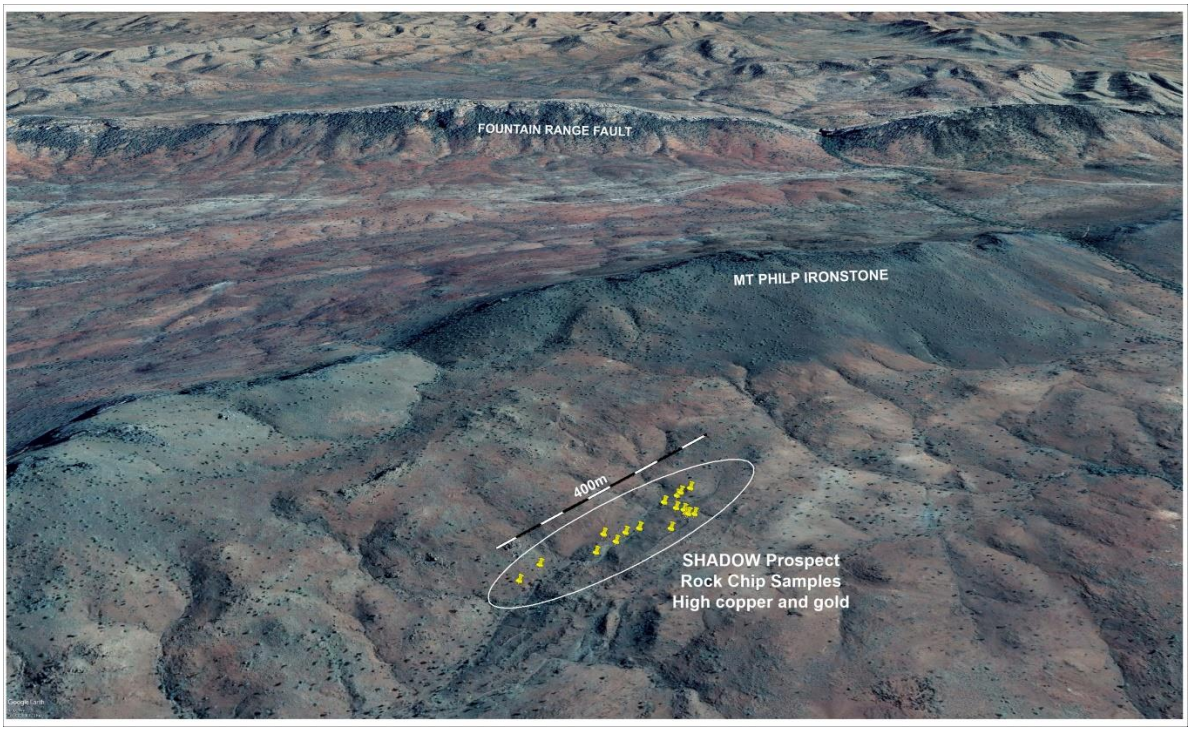


Mt Philp Breccia complex showing rock chip sample locations. Shadow is located close to the eastern margin of the Mt Philp Hematite Deposit.

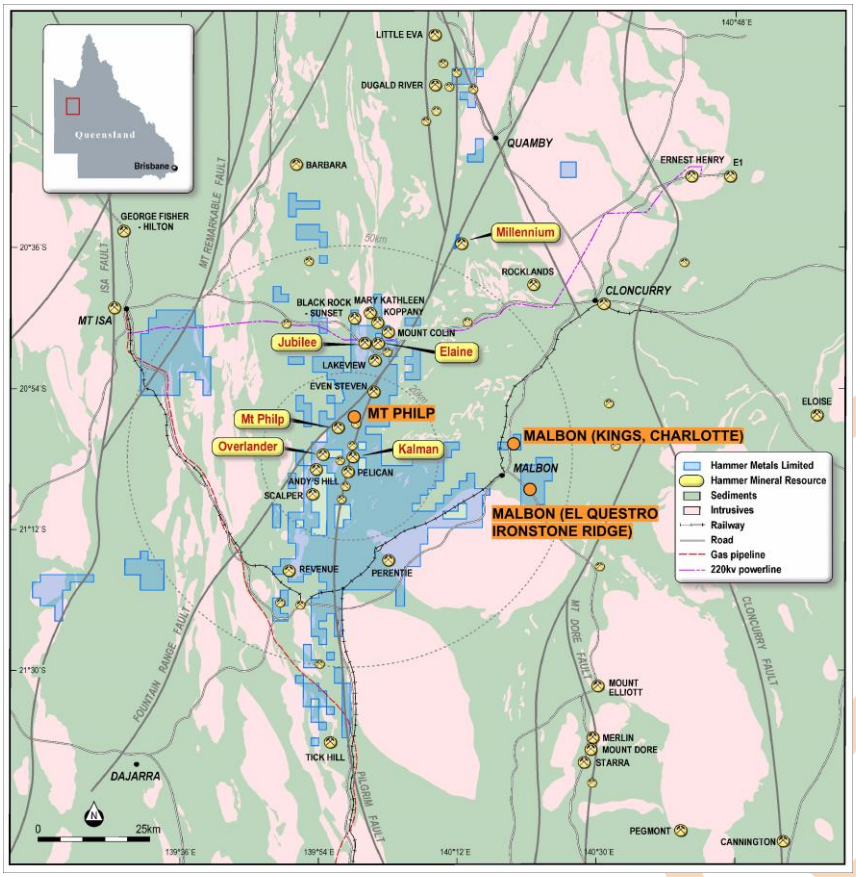




Shadow rock chip Au and Cu response (to the left and right respectively). Previous HMX rock chip sampling is shown as inverted triangles. The background image shows the magnetic response. The next phase of surface sampling will concentrate on the northern less sampled portions of the magnetic anomaly.



Oblique view of the Shadow prospect looking West. The image shows the location of elevated rock chips in the Mt Philp Breccia on the eastern side of the Mt Philp Hematite deposit. Silica alteration marks the position of the Fountain Range Fault in the background.



Mount Isa Project Tenements

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 areas within the Mt Philp Breccia Complex within the Mount Isa Project area.
- The areas depicted in the release are located on multiple Exploration Licences, all held 100% by subsidiaries of Mt Dockerell Mining Pty Ltd, a subsidiary of Hammer Metals Ltd.
- The data has been compiled and validated. It is the opinion of Hammer Metals that the exploration data are reliable.

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).*	• No drilling has been conducted on any of the prospects depicted in this release.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	• No drilling has been conducted on any of the prospects depicted in this release

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• No drilling has been conducted on any of the prospects depicted in this release.
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.*	*HMX rock chip sampling* • 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.*	*HMX rock chip sampling* • 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 using a 50gm charge. • 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.*	*HMX rock chip sampling* • All assays have been verified by alternate company personnel. • Assay files were received electronically from the laboratory.

Criteria	JORC Code explanation	Commentary
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. *Discuss any adjustment to assay data.*	
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.*	*HMX rock chip sampling* • 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.*	*HMX and historic rock chip sampling* • 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.
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.*	*HMX rock chip sampling* • Sampling is typically conducted at right angles to the strike of the host structure.
Sample security	*The measures taken to ensure sample security.*	*HMX rock chip sampling* • 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.*	*HMX and historic rock chip sampling* • 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.*	• The Mt Philp Project is located on granted licences held by Mt Dockerell Mining Pty Ltd (EPM's 26776, 26775, 26474 & 26694).
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	• The Mt Philp Breccia complex has not been explored in any detail by other parties.
Geology	*Deposit type, geological setting and style of mineralisation.*	• The Mt Philp project covers a large intrusive complex collectively termed the Mt Philp Breccia.
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:* *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.*	• No drilling has been conducted on any of the prospects depicted in this release. .
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 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.*	• No drilling has been conducted on any of the prospects depicted in this release.

Criteria	JORC Code explanation	Commentary
	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').*	*HMX rock chip sampling* • 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 avoiding misleading reporting of Exploration Results.*	• The recent tranche of rock chip sampling is depicted on the attached figures and tables. • Historic HMX rock chip sampling has previously been reported to the market.
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.*	• Hammer has covered the Mt Philp Breccia complex with 50m line-spaced aeromagnetics and radiometrics. In addition, Hammer has undertaken first pass geological mapping over the area.
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.*	• At the Mt Philp Project further reconnaissance sampling is planned in addition to ground based gravity and geological mapping.