

HAMMER COMMENCES FOLLOW-UP DRILLING CAMPAIGN AT BRONZEWING SOUTH

ASX RELEASE

17 October 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 (16/10/2019) \$0.023

Shares on Issue 439m

Market Cap \$10m

Options Listed 190m

Options Unlisted 27m

Significant Shareholders

Directors 11.0%

Deutsche Rohstoff 7.5%

- 15,000m aircore program commenced to test multiple targets along-strike from the 1.07Moz Orelia deposit held by Echo Resources Limited.
- The drilling will test four targets within the prospective mineralised trends that extend for a distance of 14km along strike to the north of Orelia.
- Previous historic RAB and aircore drilling on the structure north of the Orelia deposit averaged 30m in depth and outlined numerous bottom-of-hole gold anomalies that will be followed-up. Significant intersections included (refer HMX announcement 14 March 2019):
 - 3m @ 12g/t Au from 18m in ARL6340/1057;
 - 3m @ 3.60g/t Au from 9m in ARL6160/1152,
 - 3m @ 2.35g/t Au from 6m in ARL6290/1055; and
 - 3m @ 1.65g/t Au from 17m in ARLMM247.
- The Mt McClure Deposit Group, consisting of Lotus, Cockburn, Success and Parmelia deposits were mined between 1992 and 2010. The Lotus pit which is closest to the Hammer's project area produced 0.4Moz during this period. Echo Resources has defined a 1.07Moz resource at Orelia, located beneath the Cockburn and Lotus Pits (Refer to EAR announcement 7 September 2017).

Hammer's Chairman, Russell Davis said: "This is the second Hammer program to be undertaken on the Bronzewing South Project. The Orelia trend has multiple zones of gold anomalism which warrant further definition before follow-up with RC drilling. The Hammer program will commence to test four of these zones. It is anticipated that results will be progressively announced from late October onwards".



Figure 1. Drilling Commences north of the Orelia Trend

Bronzewing South and Kens Bore Reverse Circulation Drilling

Planning is underway for a further program at Bronzewing South to test an additional five drill targets.

Recently reported rock chip sampling has highlighted the prospectivity of the Kens Bore Prospect. Kens Bore is located 12km to the south of Bronzewing on the intersection between an anticlinal axis and the Kens Bore Granite. Significant gold grades of 22.2g/t, 12.95g/t, 6.09g/t and 7.73g/t have been encountered from this area (refer ASX announcement dated 2 October 2019). Planning is underway to test this gold-bearing zone with RC drilling.

It is anticipated that these programs will be undertaken after the Orelia trend aircore program.

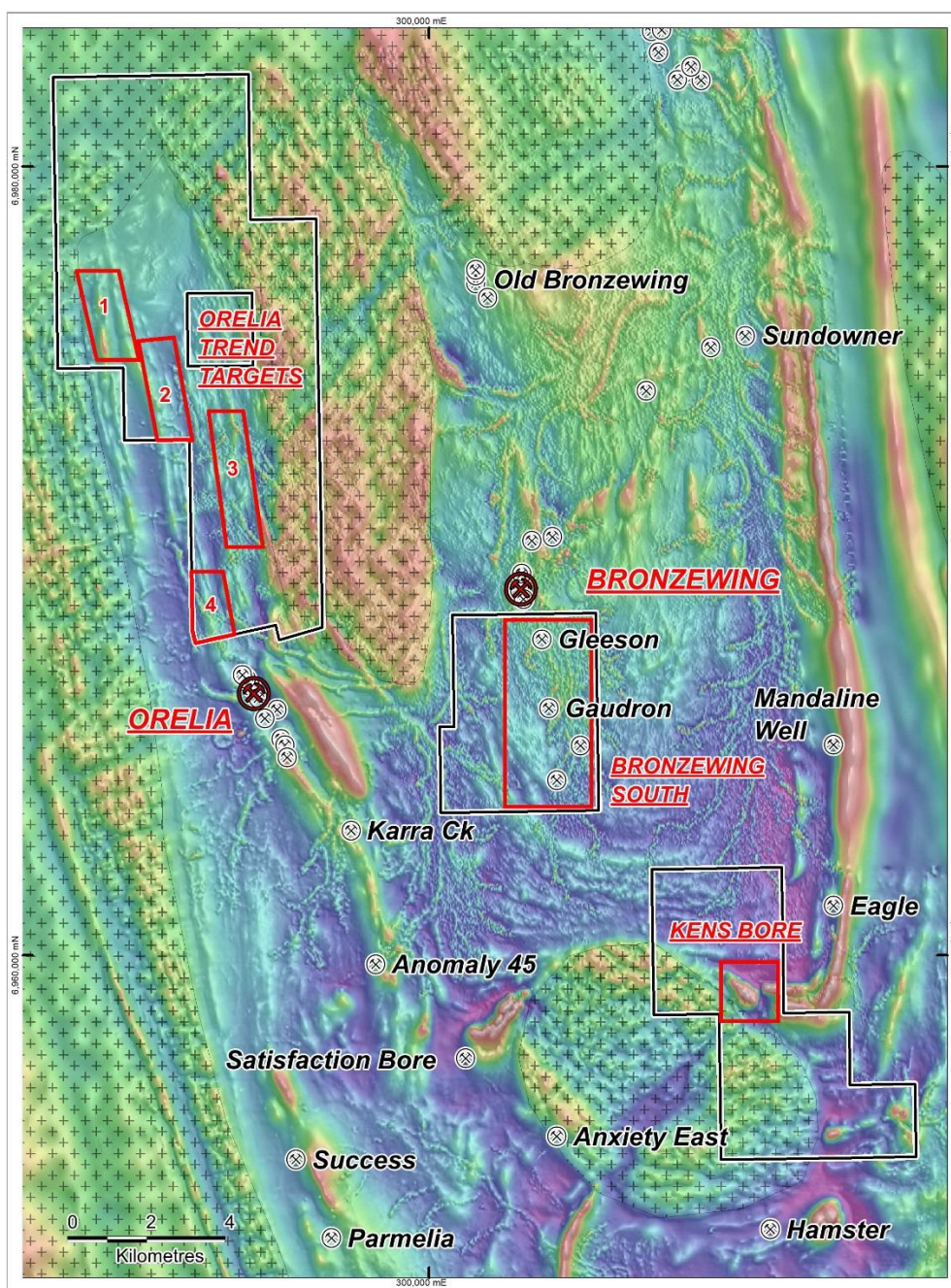


Figure 2. Target zones within Hammer tenements. The Orelia drilling will focus on testing 4 target areas.

For further information please contact:

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About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,200km² 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.

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.

The historic drilling information in this report that relates to previous exploration results for the Mt McClure group of prospects was prepared and first disclosed under a pre-2012 edition of the JORC code. The data has been compiled and validated. It is the opinion of Hammer Metals that the exploration data is reliable. Nothing has come to the attention of Hammer Metals that causes it to question the accuracy or reliability of the historic exploration results.

In the case of the pre-2012 JORC Code exploration results, they have not been updated to comply with 2012 JORC Code on the basis that the information has not materially changed since it was last reported. All information pertaining to the results has been previously reported by Hammer Metals Ltd on 14 March 2019.

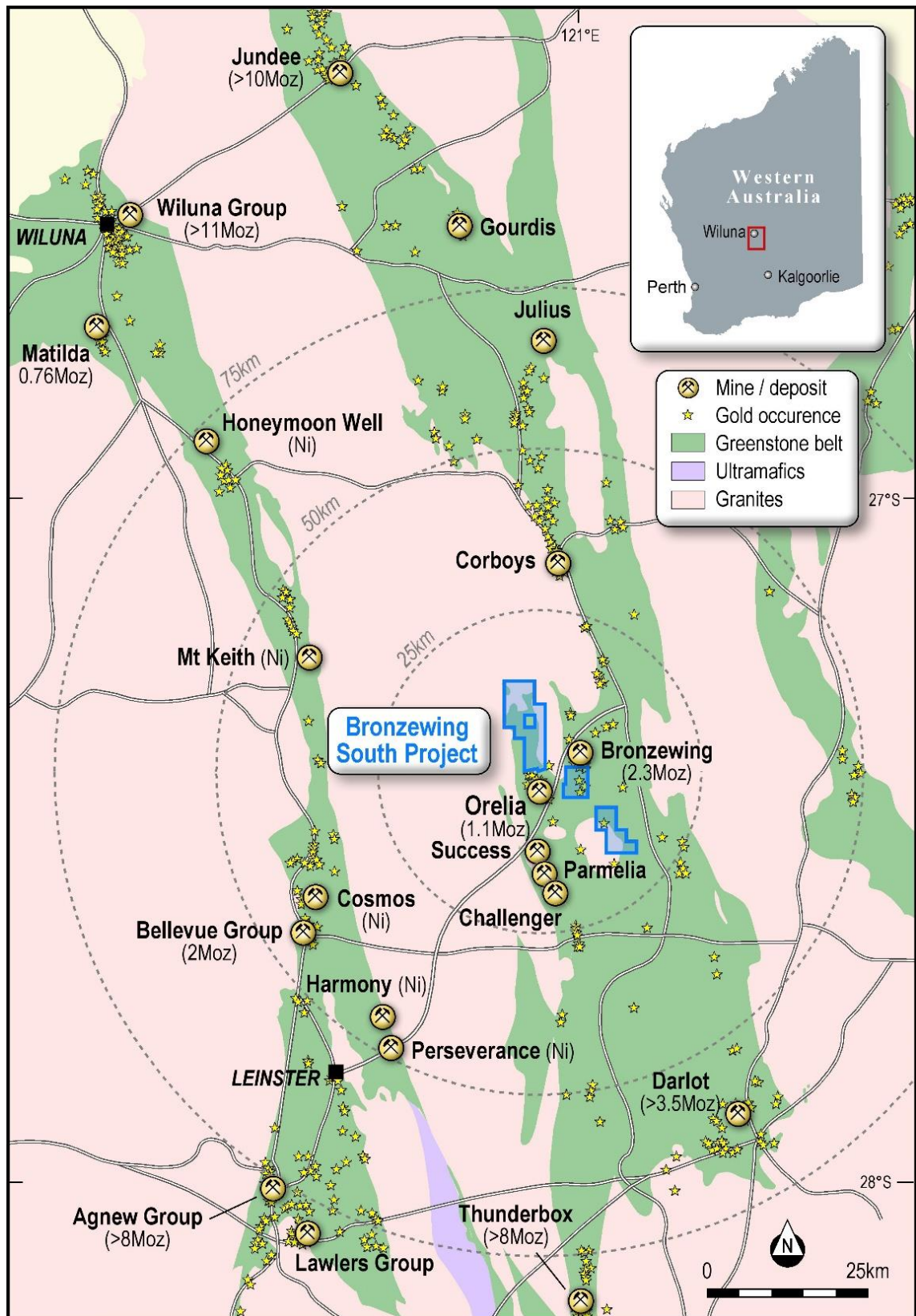


Figure 3. Location of Bronzewing project tenements within the Yandal Greenstone Belt

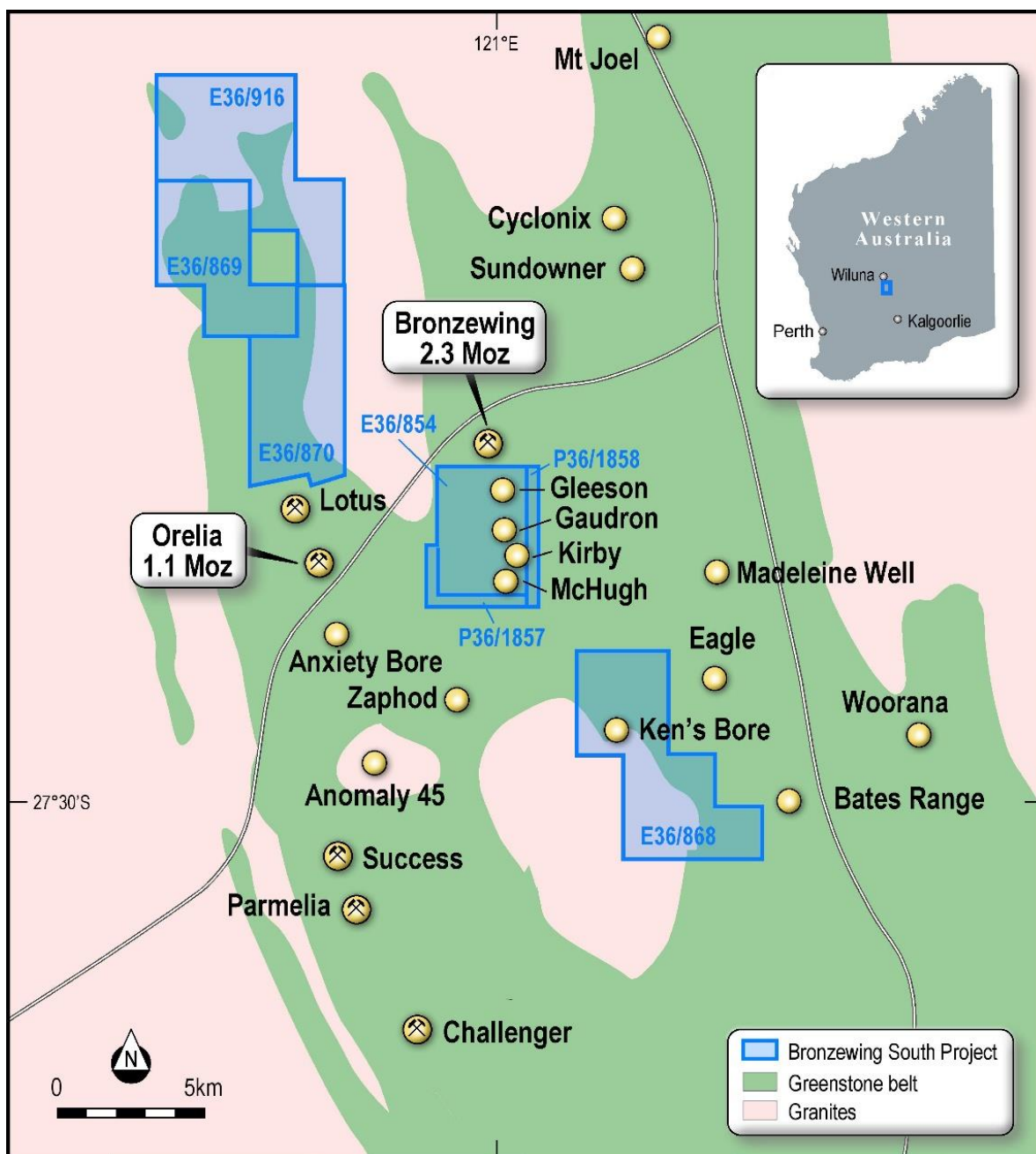


Figure 4. Bronzewing project tenements