

ASX RELEASE

30 October 2019

DIRECTORS / MANAGEMENT

Russell Davis

Chairman

Daniel Thomas

Managing Director

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 (29/10/2019) \$0.023

Shares on Issue 439m

Market Cap \$10.1m

Options Listed 190m

Options Unlisted 27m

Significant Shareholders

Directors 12.4%

Deutsche Rohstoff 7.2%

Zenith Pacific 5.9%

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 SEPTEMBER 2019

BRONZEWING SOUTH PROJECT

- The maiden RC drilling program at the **Bronzewing South Gold Project** in the Yandal Greenstone Belt was completed, with significant results including:
 - 10m at 1.97g/t Au** from 129m including **1m at 16g/t Au** from 137m and 2m at 3.39g/t Au from 110m in BWRC006
 - 8m at 1.36g/t Au** from 199m including 1m at 6.2g/t Au and 4m at 2.49g/t Au from 226m including 1m at 9.3g/t Au from 229m in BWSRC004
 - 5m at 1.91g/t Au** including **2m at 4.38g/t Au** from 147m in BWSRC011
- The project tenements are all within a 20km radius of Echo's 2.5Mtpa Bronzewing Mill, securing under-explored terrain immediately along strike of the 2.3Moz Bronzewing Gold Mine and the 1Moz Orelia Deposit.
- A 15,000m aircore drilling program has commenced to test multiple gold targets along-strike to the north from the Orelia deposit.

MOUNT ISA COPPER-GOLD PROJECT

- Reconnaissance rock chip sampling over soil anomalies defined in the **Mt Philp Breccia** identified another new zone of copper and gold mineralisation called the **Shadow** zone. Shadow is in breccias containing copper oxides and sulphides (chalcopyrite), coincident with a magnetic anomaly near the southern end of the Mt Philp ironstone. Detailed mapping and a regional gravity survey are planned in the second half of 2019.
- Joint ventures and strategic partnerships for sections of the Mount Isa Project continue to be pursued.

CORPORATE

- Mr Daniel Thomas was appointed as Hammer's Managing Director effective October 21, 2019. Mr Thomas has an extensive background in project management, corporate development, business improvement and mergers and acquisitions across the resources sector including most recently at Sandfire Resources Limited. (Refer to ASX release dated 1 October 2019.)
- Hammer raised approximately \$1.76 million to accelerate exploration at the Bronzewing South Gold Project. (Refer to ASX release dated 30 July 2019.)
- Cash balance at end of September is \$2.0 million.

BRONZEWING SOUTH GOLD PROJECT

Assay results were received for Hammer's Phase 1 RC drilling program at the Bronzewing South gold project. (Refer to ASX release dated October 2, 2019 for details.)

The 14 hole, 2,743m program tested five targets on mineralised trends south of the 2.3Moz Bronzewing deposit. Significant intersections include:

- 10m at 1.97g/t Au from 129m including 1m at 16g/t Au from 137m and 2m at 3.39g/t Au from 110m in BWRC006
- 8m at 1.36g/t Au from 199m including 1m at 6.2g/t Au and 4m at 2.49g/t Au from 226m including 1m at 9.3g/t Au from 229m in BWSRC004
- 5m at 1.91g/t Au including 2m at 4.38g/t Au from 147m in BWSRC011

Planning is underway to initiate Phase 2 of the program to test a further 5 targets developed from Hammer's IP and gravity survey data in conjunction with the information acquired in the current program.

The results from the first drilling program at Bronzewing South are considered encouraging with the wide-spaced drilling intercepting significant gold mineralisation (>1g/t Au) in most of the holes drilled. The program also provided useful information on the structure, geology and deportment of the gold mineralisation at the project and will guide further drilling.

Subsequent to the end of the quarter a 15,000m aircore drilling program commenced to test multiple targets along-strike to the north from the 1.07Moz Orelia deposit held by Echo Resources Limited. (Refer to ASX release dated October 17, 2019.)

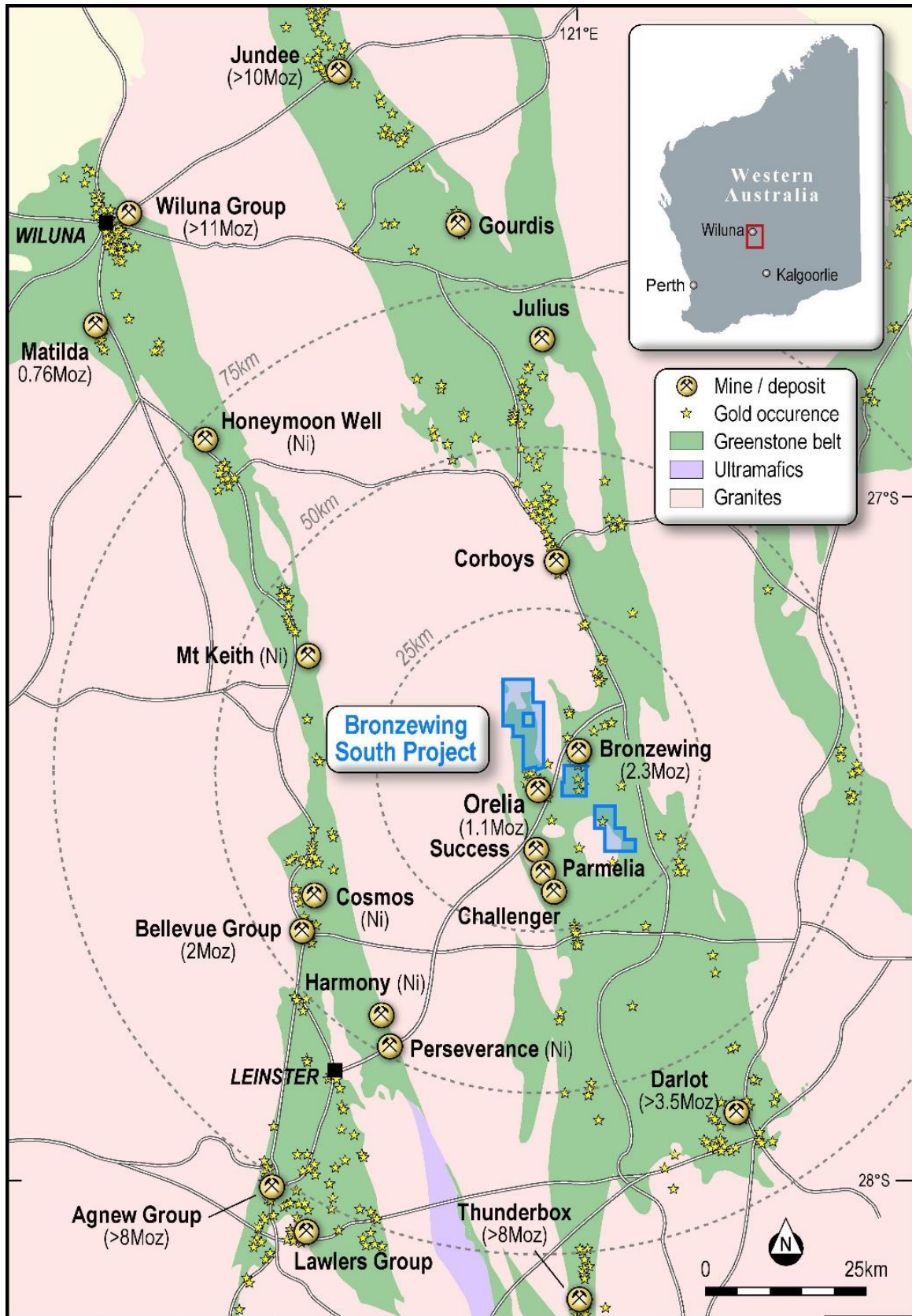
The drilling is designed to improve the definition of four gold targets identified by previous wide-spaced geochemical drilling within the 14km long prospective mineralised trends.

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):

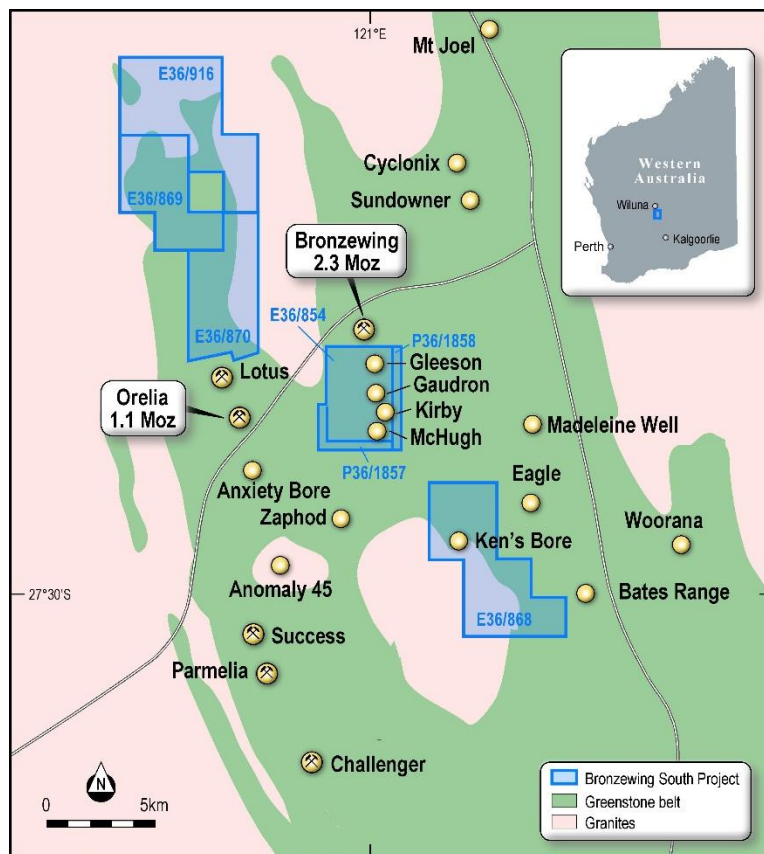
- 3m @ 12g/t Au from 18m in ARL6340/1057;
- 3m @ 3.60g/t Au from 9m in ARL6160/1152,
- 3m @ 2.35g/t Au from 6m in ARL6290/1055; and
- 3m @ 1.65g/t Au from 17m in ARLMM247.

It is anticipated that aircore results will be progressively announced throughout November.

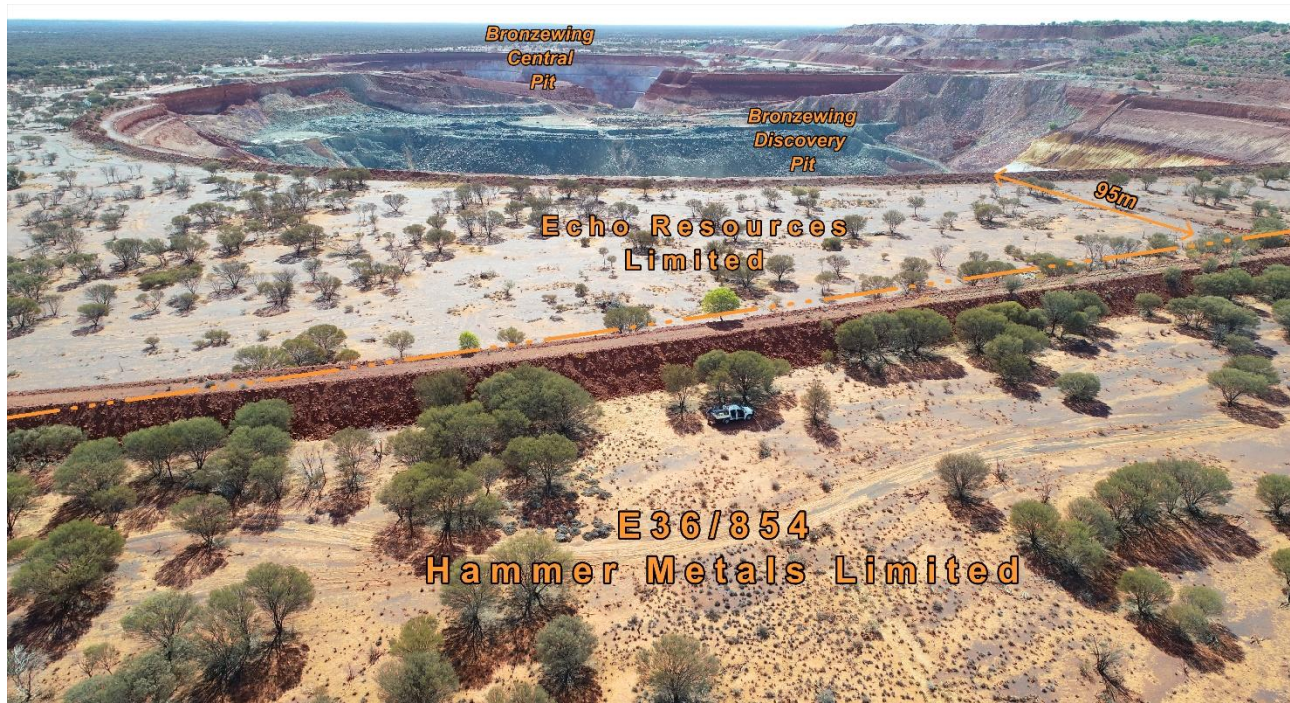
Rock chip samples collected from quartz veining at the Kens Bore Prospect returned significant results including 6.09g/t, 7.73g/t, 12.1g/t and 22.3 g/t Au. (Refer to ASX release dated October 2, 2019 for details.) Initial testing of this target is planned to occur in the Phase 2 RC program.



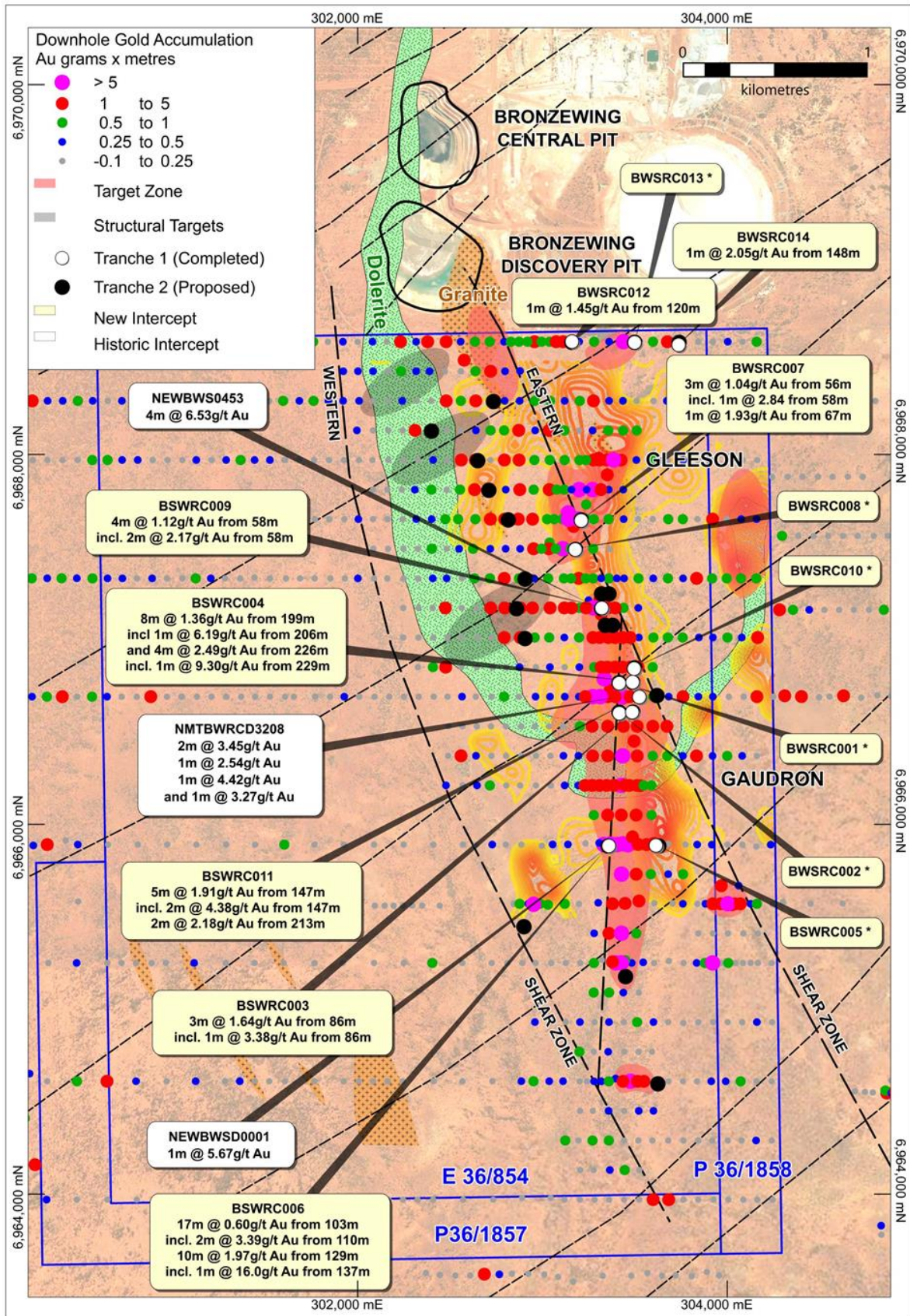
Location of the Bronzewing South Project within the Yandal Belt in Western Australia



The Bronzewing South Project covers the strike of trends of the Orelia and Bronzewing Deposits



Bronzewing South Gold Project tenement, E36/854, looking north to the Bronzewing Mine



Bronzewing South Drill Hole Locations

MOUNT ISA COPPER-GOLD PROJECT

Hammer is exploring the Mount Isa project for large iron oxide copper-gold (IOCG) deposits of the Ernest Henry style (approximately 220 million tonnes at 1.1% Cu and 0.5g/t Au).

Currently early stage exploration is focussed on the Malbon project and the Mt Philp Breccia complex with reconnaissance rock chip sampling being undertaken on multiple soil anomalies and mineralised zones.

MT PHILP BRECCIA

The Mt Philp Breccia complex covers an area of approximately 50km² in the core of Hammer's Mt Isa Project area. Since consolidating tenure over the target Hammer completed the analysis of a wide-ranging soil survey - the first of its kind over this prospective zone - and conducted a high-resolution aeromagnetic survey.

The geochemical data outlined multiple copper-gold soil anomalies associated with and on the boundaries of the Mt Philp Breccia complex. These anomalies are progressively being investigated and ranked.

The company has currently defined 8 prospects which all display mineralisation and alteration consistent with IOCG systems. During the quarter a new mineralised zone was discovered and termed the Shadow zone.

Rock chip sampling at Shadow has been conducted over a 200m strike length and up to 50m width. (Refer to ASX release dated 10 September 2019 for details.)

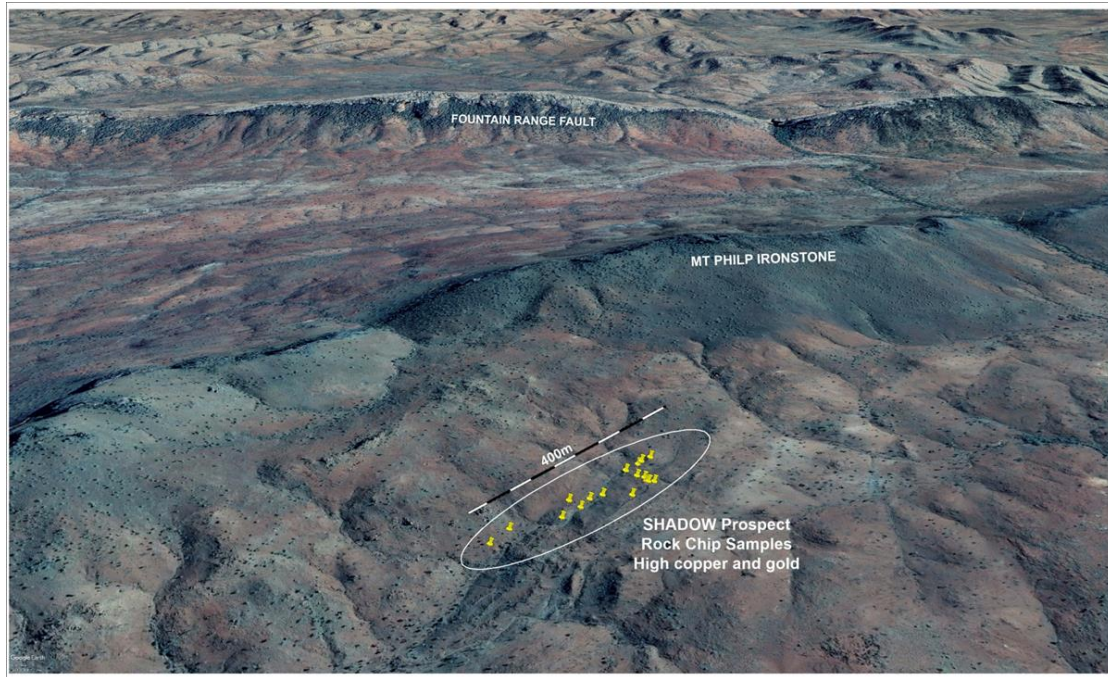
The prospect is at the northern end of a series of magnetic anomalies within a breccia zone that abuts the Mt Philp Hematite Deposit to the west and southwest. The magnetic anomaly at Shadow is due to magnetite alteration within the breccia.

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.

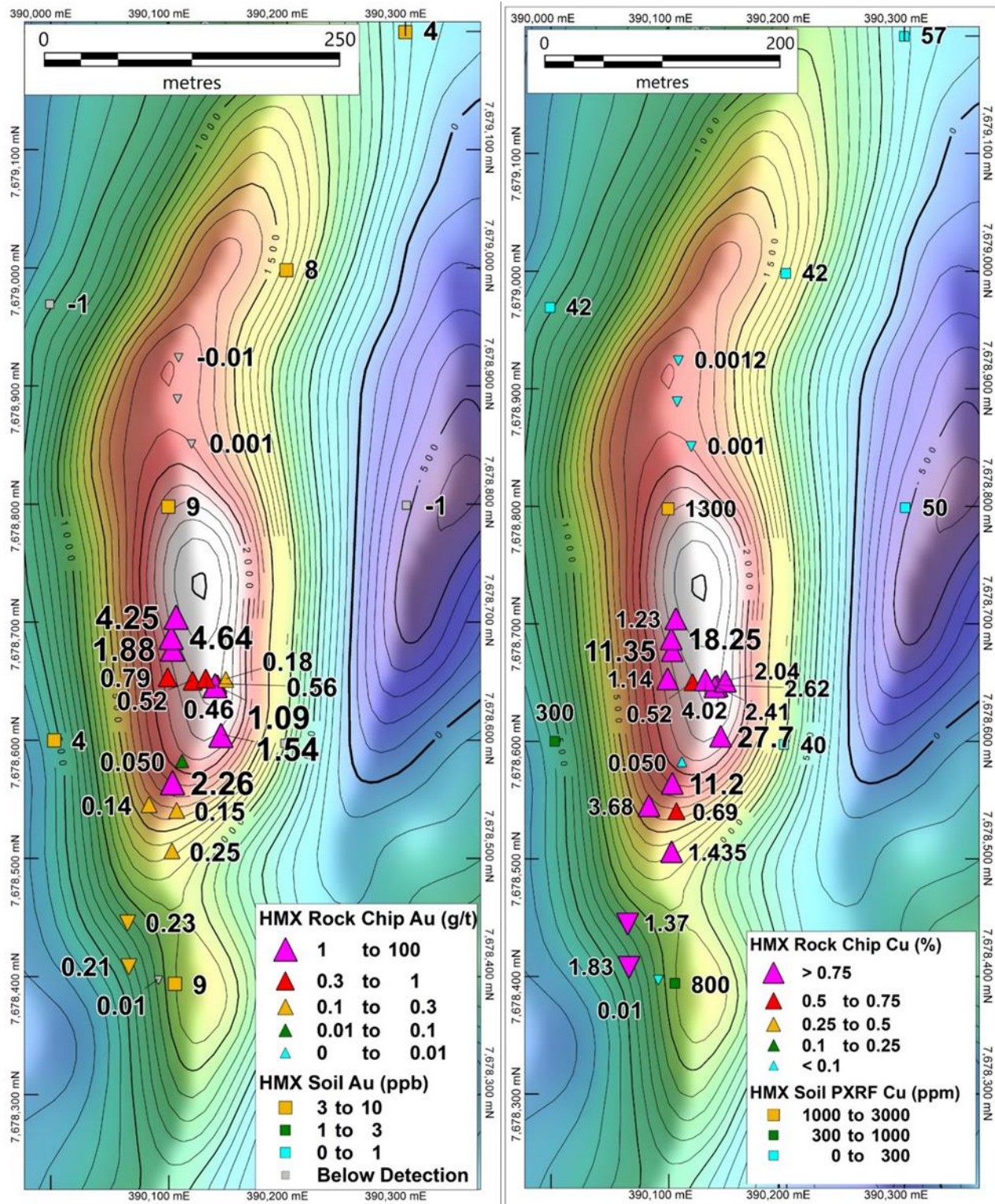
Further mapping and sampling of the Shadow zone is planned along with ongoing evaluation of the remaining soil geochemical anomalies at the Mt Philp Breccia Complex.



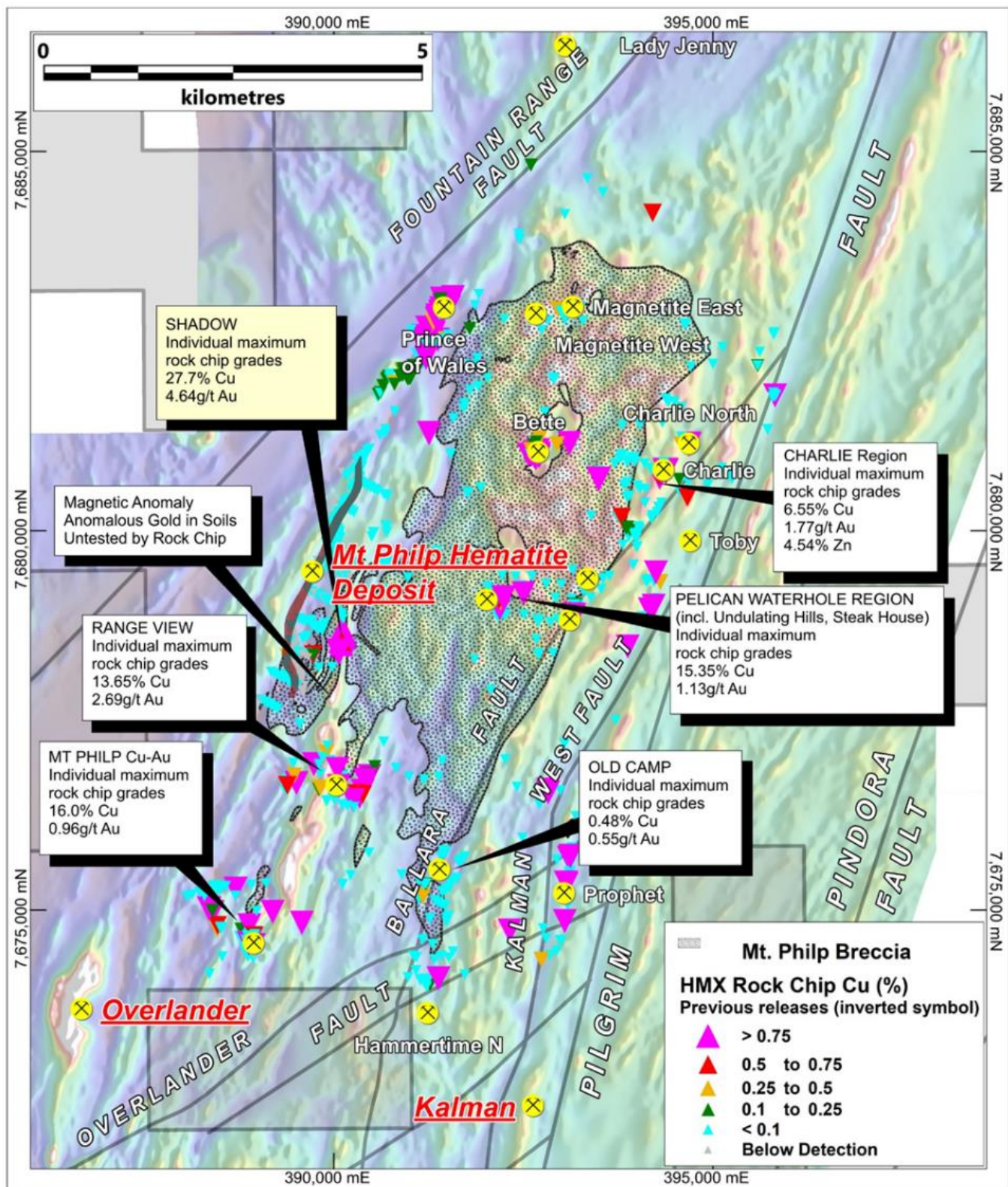
Mineralised Breccia at Shadow Prospect



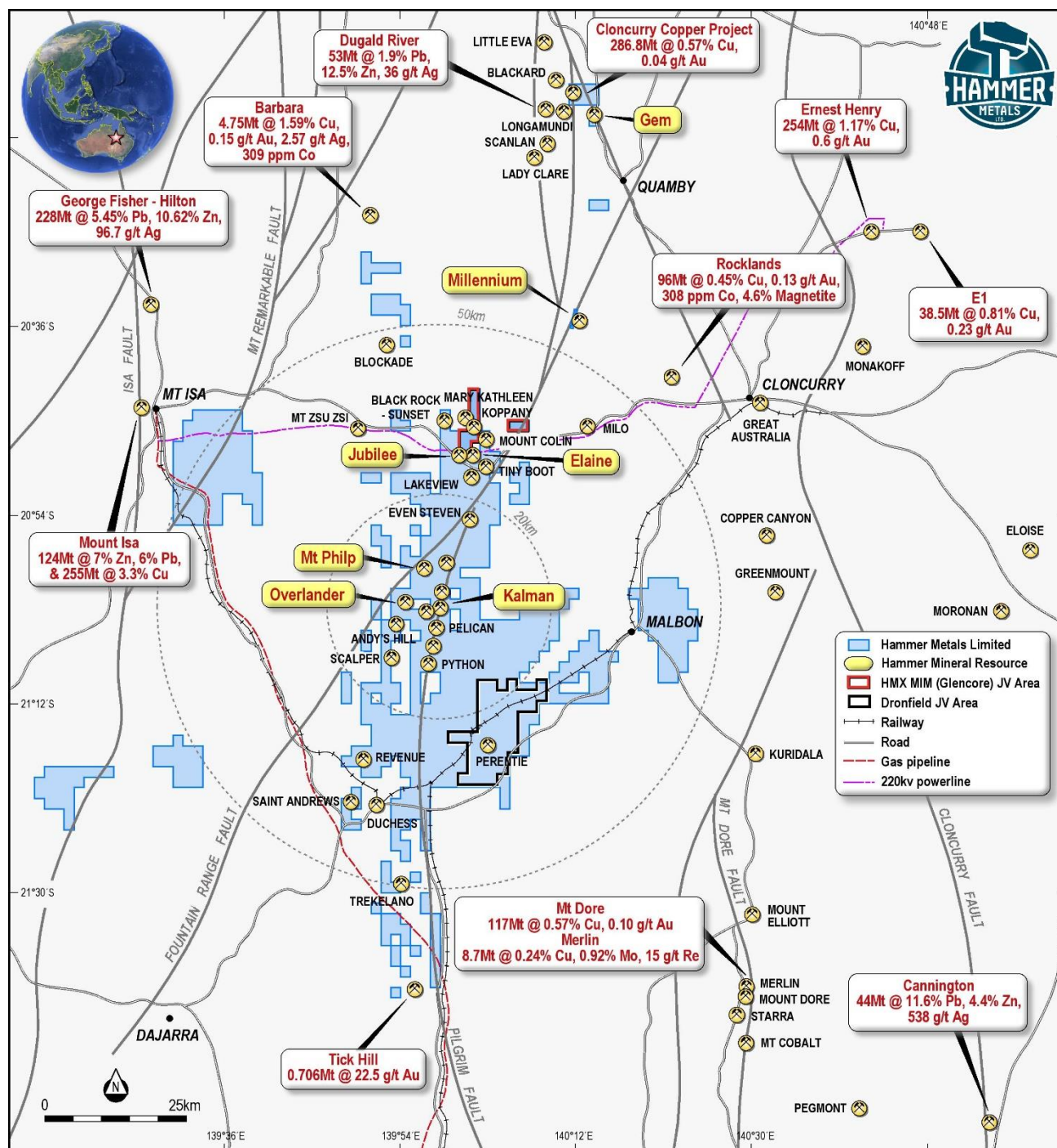
Shadow Prospect Looking West



Shadow rock chip gold and copper response (to the left and right respectively). Previous HMX rock chip sampling is shown as inverted triangles. The background image shows the magnetic response.



Mount Philp Breccia Project



Mount Isa Project of the Mt Philp region

CORPORATE

Mr Daniel Thomas was appointed as Hammer's Managing Director effective 21 October 2019. Mr Thomas has an extensive background in project management, corporate development, business improvement and mergers and acquisitions across the resources sector including most recently at Sandfire Resources Limited. (Refer to ASX release dated 1 October 2019.)

During the quarter Hammer raised approximately \$1.76 million (before costs) through the issue of 87,803,437 ordinary shares at \$0.02 per share to accelerate exploration at the Bronzewing South Gold Project. (Refer to ASX release dated 30 July 2019.)

On 1 July 2019, 5,000,000 unlisted options exercisable at 7.5 cents expired unexercised.

The company held \$2.0 million on deposit at the end of the quarter.

For further information please contact:

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Managing Director

Mark Whittle
Chief Operating Officer

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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 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.

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.

Where reference is made to previous releases of exploration results and mineral resource estimates in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results and mineral resource estimates included in those announcements continue to apply and have not materially changed.

Appendix A -Tenement Interests at the end of September 2019 as per Listing Rule 5.3.3

PROJECT	TENEMENT	STATUS	INTEREST %	Acquired during quarter	COMMENT
Mt Isa Project - QLD	EPM 11919	Granted	100%	No	Subject to 1.5% NSR
	EPM 12205	Granted	100%	No	
	EPM 13870	Granted	100%	No	Subject to 2% NSR
	EPM 14019	Granted	100%	No	
	EPM 14022	Granted	100%	No	
	EPM 14467	Granted	51%	No	
	EPM 18084	Granted	80%	No	
	EPM 25145	Granted	100%	No	
	EPM 25165	Granted	100%	No	Subject to 1.5% NSR
	EPM 25866	Granted	100%	No	
	EPM 25867	Granted	100%	No	
	EPM 26126	Granted	100%	No	
	EPM 26127	Granted	100%	No	
	EPM 26130	Granted	100%	No	
	EPM 26474	Granted	100%	No	
	EPM 26511	Granted	100%	No	
	EPM 26512	Granted	100%	No	
	EPM 26628	Granted	100%	No	
	EPM 26694	Granted	100%	No	
	EPM 26775	Granted	100%	No	
	EPM 26776	Granted	100%	No	
	EPM 26777	Granted	100%	No	
	EPM 26902	Granted	100%	No	
	EPM 26904	Granted	100%	No	
	EPM 27018	Granted	100%	No	
	EPM27355	Application	100%	No	
Pilbara Iron Ore - WA	E08/1997	Granted	100%	No	
Bronzewing Sth Project - WA	E36/854	Granted	100%	No	
	E36/868	Granted	100%	No	
	E36/869	Granted	100%	No	
	E36/870	Granted	100%	No	
	E36/916	Granted	100%	No	
	P36/1857	Granted	100%	No	
	P36/1858	Granted	100%	No	