

NOTICE OF GENERAL MEETING

ASX RELEASE

23 December 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 (20/12/2019)	\$0.021
Shares on Issue	507m
Market Cap	\$10.6m
Options Listed	190m
Options Unlisted	33m
Performance Rights	8m

Hammer Metals Limited (ASX: HMX) ("Hammer" or the "Company") confirms that it has called a General Meeting of Shareholders for 24 January 2020 at 10am and has attached the Notice of General Meeting recently sent to shareholders.

For further information please contact:

Daniel Thomas
Managing Director

Mark Whittle
Chief Operating Officer

T +61 8 6369 1195

E info@hammermetals.com.au

This ASX announcement was authorised for release by Daniel Thomas, Managing Director Hammer Metals Limited.

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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.



**Hammer Metals Limited
ACN 095 092 158**

Notice of General Meeting

**The General Meeting of the Company will be held at
Endeavour Corporate, Suite 8, 7 The Esplanade Mount Pleasant Western
Australia on Friday, 24 January 2020, 10:00am (WST).**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (08) 6369 1195.**

**Shareholders are urged to attend or vote by lodging the proxy form attached to the
Notice**

Hammer Metals Limited ACN 095 092 158

Notice of General Meeting

Notice is hereby given that a general meeting of Shareholders of Hammer Metals Limited (**Company**) will be held at Endeavour Corporate, Suite 8, 7 The Esplanade Mount Pleasant Western Australia on Friday 24 January 2020 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday 22 January 2020 at 5.00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

Resolution 1 – Ratification of prior issue of Placement Shares

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of Placement Shares at \$0.022 per Share:

(a) 24,280,099 Placement Shares under Listing Rule 7.1; and

(b) 43,901,719 Placement Shares under Listing Rule 7.1A,

on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Approval to issue any SPP Shortfall Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 45,454,545 Shares at \$0.022 each on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval to issue SPP Shortfall Shares to Directors

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

'That, pursuant to and in accordance Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of SPP Shortfall Shares to Directors (or their nominees) as follows:

(a) up to 4,545,455 Shares to Mr Ziggy Lubieniecki; and

(b) up to 2,272,727 Shares to Mr Russell Davis.

on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

The Company will disregard any votes cast in favour of:

- (a) Resolutions 1(a) or (b) by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates;
- (b) Resolution 2 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of SPP Shortfall Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates;
- (c) Resolution 3(a) by or on behalf of Mr Lubieniecki (and his nominees), and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates; and
- (d) Resolution 3(b) by or on behalf of Mr Davis (and his nominees), and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

BY ORDER OF THE BOARD

A handwritten signature in blue ink, appearing to read 'Mark Pitts', is positioned above the printed name and title.

Mark Pitts
Company Secretary
Hammer Metals Limited
Dated: 19 December 2019

Hammer Metals Limited
ACN 095 092 158
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held Endeavour Corporate, Suite 8, 7 The Esplanade, Mount Pleasant, Western Australia on Friday, 24 January 2020 at 10:00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.3 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

3. Background to Resolutions

On 5 December 2019, the Company announced a capital raising comprising:

- (a) a placement to raise \$1.5 million before costs (**Placement**) by the issue of Shares at \$0.022 each (**Placement Shares**); and
- (b) an offer to Eligible Shareholders under a share purchase plan (**SPP**) to raise up to approximately an additional \$1 million before costs by the issue of up to approximately 45.5 million Shares at \$0.022 each (**SPP Shares**).

The Company appointed Discovery Capital Partners to act as Lead Manager to the Placement and the SPP (**Lead Manager**).

On 10 December 2019, the Company issued a total of 68,181,818 Placement Shares to existing Shareholders and a number of new, high-quality domestic and international investors (**Placement Participants**) using the Company's placement capacity under Listing Rules 7.1 and 7.1A. The Company is seeking Shareholder approval for the ratification of the issue of those Placement Shares pursuant to Resolutions 1(a) and (b).

On 9 December 2019, the Company announced a booklet for the SPP with information about the terms and conditions of that offer. The SPP is not underwritten. Any SPP Shares not subscribed for by Eligible Shareholders under the SPP will comprise the shortfall and may be offered to sophisticated or professional investors as a separate placement at the discretion of the Directors, in conjunction with the Lead Manager (**SPP Shortfall Offer**). The Company is proactively seeking Shareholder approval to issue Shares under the SPP Shortfall Offer to parties unrelated to the Company pursuant to Resolution 2, for the purpose of ensuring the Company retains its full placement capacity under the Listing Rules. The Company is also seeking Shareholder approval for certain Directors to subscribe for Shares under the SPP Shortfall Offer pursuant to Resolutions 3(a) and (b).

4. Resolution 1 – Ratification of prior issue of Placement Shares

4.1 General

Resolutions 1(a) and (b) seek the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue the Placement Shares.

Resolutions 1(a) and (b) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 1(a) and (b).

4.2 Listing Rules 7.1, 7.1A and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 14 November 2019.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rules 7.1 or 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 or 7.1A, as applicable.

The effect of Resolutions 1(a) and (b) will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A respectively, without the requirement to obtain prior Shareholder approval.

In the event that Resolution 1(a) is not approved by Shareholders, the Company's ongoing capacity to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will be reduced to the extent of 24,280,099 Equity Securities for the 12 month period following the issue of those Placement Shares.

In the event that Resolution 1(b) is not approved by Shareholders, the Company's ongoing capacity to issue Equity Securities under Listing Rule 7.1A without obtaining prior Shareholder approval will be reduced to the extent of 43,901,719 Equity Securities until the earlier of:

- (a) 14 November 2020;
- (b) the Company's next annual general meeting; or
- (c) the date Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

4.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) the Placement Shares were issued to the Placement Participants, none of whom is a related party of the Company. Discovery Capital Partners acted as lead manager to the Placement;
- (b) a total of 68,181,818 Placement Shares were issued on 10 December 2019 as follows:
 - (i) 24,280,099 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 43,901,719 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued at \$0.022 per Share;

- (e) the proceeds from the issue of the Placement Shares are intended to be used to fund exploration activities at the Company's Bronzewing South project, as well as for costs of the Placement and general working capital; and
- (f) a voting exclusion statement is included in the Notice.

5. Resolution 2 – Approval to issue any SPP Shortfall Shares

5.1 General

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of up to 45,454,545 Shares at an issue price of \$0.022 each (**SPP Shortfall Shares**) to any sophisticated or professional investors who are unrelated to the Company and subscribe for Shares under the SPP Shortfall Offer.

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

5.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 4.2 above.

The effect of Resolution 2 will be to allow the Company to issue the SPP Shortfall Shares during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

In the event that Resolution 2 is not approved by Shareholders and provided that either Resolution 1(a) and/or (b) is approved, the Company may still issue the SPP Shortfall Shares pursuant to its placement capacity under Listing Rule 7.1 and/or 7.1A, however its ongoing capacity to issue Equity Securities under the applicable Listing Rule without obtaining prior Shareholder approval will be reduced to the extent of up to 45,454,545 Equity Securities for up to 12 months following the issue of those SPP Shortfall Shares.

5.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Placement Shares:

- (a) the SPP Shortfall Shares will be issued to sophisticated and professional investors. Other than certain Directors for whom separate Shareholder approval is being sought pursuant to Resolutions 3(a) and (b), none of the subscribers for SPP Shortfall Shares will be related parties of the Company. Discovery Capital Partners has been mandated to act as lead manager to the SPP Shortfall Offer;
- (b) a maximum of 45,454,545 Shares are to be issued as SPP Shortfall Shares;
- (c) the SPP Shortfall Shares will be issued as fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the SPP Shortfall Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);

- (e) the SPP Shortfall Shares will be issued at \$0.022 per Share;
- (f) the proceeds from the issue of the SPP Shortfall Shares are intended to be used to fund exploration activities at the Company's Bronzewing South project, as well as for costs of the SPP Shortfall Offer and general working capital; and
- (g) a voting exclusion statement is included in the Notice.

6. **Resolution 3 – Approval to issue SPP Shortfall Shares to Directors**

6.1 **General**

Pursuant to Resolution 2, the Company is seeking Shareholder approval for the SPP Shortfall Offer, being the issue of up to 45,454,545 SPP Shortfall Shares at an issue price of \$0.022 each to raise up to \$1 million (before costs).

Directors Ziggy Lubieniecki and Russell Davis (together, the **Related Party Participants**) each wish to participate in the SPP Shortfall Offer, subject to Shareholder approval being obtained.

Resolutions 3(a) and (b) seek the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of up to a total of 6,818,182 Shares to the Related Party Participants (or their nominees) arising from their participation in the SPP Shortfall Offer (**Participation**).

Resolutions 3(a) and (b) are ordinary resolutions.

Messrs Daniel Thomas and Nader El Sayed (being the two Directors who do not have a material personal interest in the outcome of Resolution 3(a) or (b)) recommend that Shareholders vote in favour of each of Resolutions 3(a) and (b).

6.2 **Listing Rule 10.11**

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to certain parties, including related parties, unless an exception in Listing Rule 10.12 applies.

The Related Party Participants are related parties of the Company by virtue of being Directors. As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the Participation as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to the Related Party Participants (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The effect of Resolutions 3(a) and (b) will be to allow the Related Party Participants to subscribe for and receive Shares under the SPP Shortfall Offer. If Shareholders do not approve Resolutions 3(a) and (b), the Company may not issue any SPP Shortfall Shares to the Related Party Participants and may need to identify additional sophisticated and professional investors to subscribe for any SPP Shortfall Shares.

6.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed Participation:

- (a) the Shares will be issued to Directors Ziggy Lubieniecki and Russell Davis (or their respective nominees);
- (b) the Related Party Participants are related parties of the Company by virtue of being Directors;
- (c) the maximum number of SPP Shortfall Shares to be issued to the Related Party Participants is 6,818,182 in the following proportions:
 - (i) up to 4,545,455 SPP Shortfall Shares to Mr Lubieniecki (or his nominee); and
 - (ii) up to 2,272,727 SPP Shortfall Shares to Mr Davis (or his nominee);
- (d) the SPP Shortfall Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the SPP Shortfall Shares will be issued to Related Party Participants no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the issue price will be \$0.022 per Share, being the same as all other Shares issued under the SPP Shortfall Offer;
- (g) the funds raised will be used for the same purposes as all other funds raised under the SPP Shortfall Offer as set out in Section 5.3(f); and
- (h) a voting exclusion statement is included in the Notice.

6.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and the Related Party Participants are related parties of the Company by virtue of being Directors.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Related Party Participants on the same terms as Shares issued to non-related party participants in the SPP Shortfall Offer and as such the giving of the financial benefit is on arm's length terms.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Company	means Hammer Metals Limited ACN 095 092 158.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Eligible Shareholder	means a person registered as a holder of Shares as at 5.00pm (WST) on 4 December 2019 whose registered address is in Australia, New Zealand or Hong Kong.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Lead Manager	means Discovery Capital Partners Pty Ltd ACN 615 635 982.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Participation	means the proposed participation of the Related Party Participants in the SPP Shortfall Offer and the issue of SPP Shortfall Shares to such parties, which is the subject of Resolutions 3(a) and (b).
Placement	means the private placement of Placement Shares at \$0.022 each to the Placement Participants on 10 December 2019 to raise \$1.5 million before costs.
Placement Participants	means the existing Shareholders and new, high-quality domestic and international investors who participated in the Placement.
Placement Shares	means the 68,181,818 Shares issued to the Placement Participants under the Placement, which are the subject of Resolutions 1(a) and (b).
Proxy Form	means the proxy form attached to the Notice.

Related Party Participants	means Messrs Ziggy Lubieniecki and Russell Davis for the purposes of Resolutions 3(a) and (b).
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
SPP	means the share purchase plan described in the booklet announced by the Company on 5 December 2019 for the offer of SPP Shares at \$0.022 each to raise up to approximately \$1 million before costs.
SPP Shares	means up to 45,454,545 Shares to be issued to Eligible Shareholders under the SPP.
SPP Shortfall Offer	means the potential offer of any SPP Shortfall Shares to professional and sophisticated investors as a separate placement at the discretion of the Directors, in conjunction with the Lead Manager.
SPP Shortfall Shares	means any SPP Shares not subscribed for by Eligible Shareholders under the SPP.
WST	means Western Standard Time being the time in Perth, Western Australia.