

ASX RELEASE

26 March 2020

**DIRECTORS /
MANAGEMENT****Russell Davis**

Non-Executive 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 (25/3/2019)	\$0.011
Shares on Issue	559m
Market Cap	\$6.1m
Options Listed	190m
Options Unlisted	33m
Performance Rights	8m

**EXPLORATION UPDATE AND
RESPONSE TO COVID-19**

Given the current COVID-19 pandemic and recent advice from the Australian Government, Hammer Metals ("Hammer" or the "Company") has determined it to be appropriate to implement a temporary suspension of activities where residual risks to our workforce and the community would make it imprudent to continue.

These temporary suspensions will ensure that the Company is able to do its part in restricting non-essential movement across rural and remote areas and have the additional effect of preserving the Company's cash position.

Bronzewing South – North Orelia

- The drilling program at Bronzewing South and North Orelia was suspended at the end of shift on Wednesday 25th March.
- Over half of the planned program has been completed with 5,725m of drilling across 145 holes covering targets 1, 2, 4 and 6 at North Orelia (Figure 1).
- All samples are to be submitted to the laboratory for analysis.
- A restart of this program and the follow up reverse circulation drilling program will be considered as the impact of the COVID-19 outbreak becomes clearer.
- A detailed gravity survey of the Bronzewing South project will continue and is anticipated to be completed over the next week.

Mount Isa – JOGMEC Joint Venture

- First stage, on ground exploration activities have been completed on the JOGMEC Joint Venture areas within Hammer's Mount Isa project.
- Detailed gravity surveys across the Even Steven, Mount Philp, Dronfield West and Malbon project areas have been completed with interpretation underway.
- A ground EM survey of the Toby and Charlie prospects has been completed along with detailed geological prospect mapping of the Shadow and Mt Philp areas.
- Final interpretation of these first phase programs is now largely a desktop activity with results due to be completed and released in the coming weeks.
- A follow up exploration program is currently being considered by the Joint Venture with drilling targets firming at the Shadow and Toby prospects.

Mount Isa – Other Activities

- Hammer's magneto telluric survey of Kalman and the northern portion of the Mt Philp Breccia is underway. This program is 100% funded by a Queensland Government CEI grant. The field survey is expected to be completed over the next week.
- Planning work for Hammer's second CEI grant for exploration drilling at Koppang is continuing with planned drilling scheduled for the second week of April. The potential impact related to COVID-19 is being considered in line with governmental advice and Hammer expects to make a final decision on the program during the next week.

- Regional data interpretation and targeting across the Hammer Mount Isa portfolio continues with the incorporation of new geological information.

Hammer Metals Corporate

- Hammer's cash balance at 31 December 2019 was \$2.1m. Subsequent to the last reported cash balance, Hammer completed a Share Purchase Plan, raising an additional \$1.14m.
- Hammer's Mt Isa JOGMEC activities remain fully funded by JOGMEC as part of their Joint Venture Earn-in agreement.
- The magneto telluric survey at Kalman and Mt Philp as well as the upcoming drilling program at Koppany are funded via CEI grants from the Queensland Government.
- Hammer has a sound financial position to withstand protracted subdued financial markets and will continue to review additional cost saving measures as activities reduce.

Hammer's Managing Director, Daniel Thomas said:

"The impact of COVID-19 presents a unique challenge for the mining industry and in particular for junior explorers. The location and spread of our activities and workforce adds complexity when attempting to maintain social distancing within a mobile team. With numerous travel restrictions in place and a focus on limiting social interaction, we are gradually suspending our activities. The safety of our workforce and the community are at the forefront of our minds in making this decision.

Where regulation permits, and it remains practical to source a local workforce and keep an appropriate level of isolation we aim to continue with our programs. With the first phase of data collection at our JV program complete, we look to continue our interpretation of this data and develop detailed work plans for our future programs. I look forward to updating our shareholders with these plans and interim results from Bronzewing South in due course."

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 announcement has been authorised for issue by Mr Daniel Thomas, Managing Director, Hammer Metals Limited.

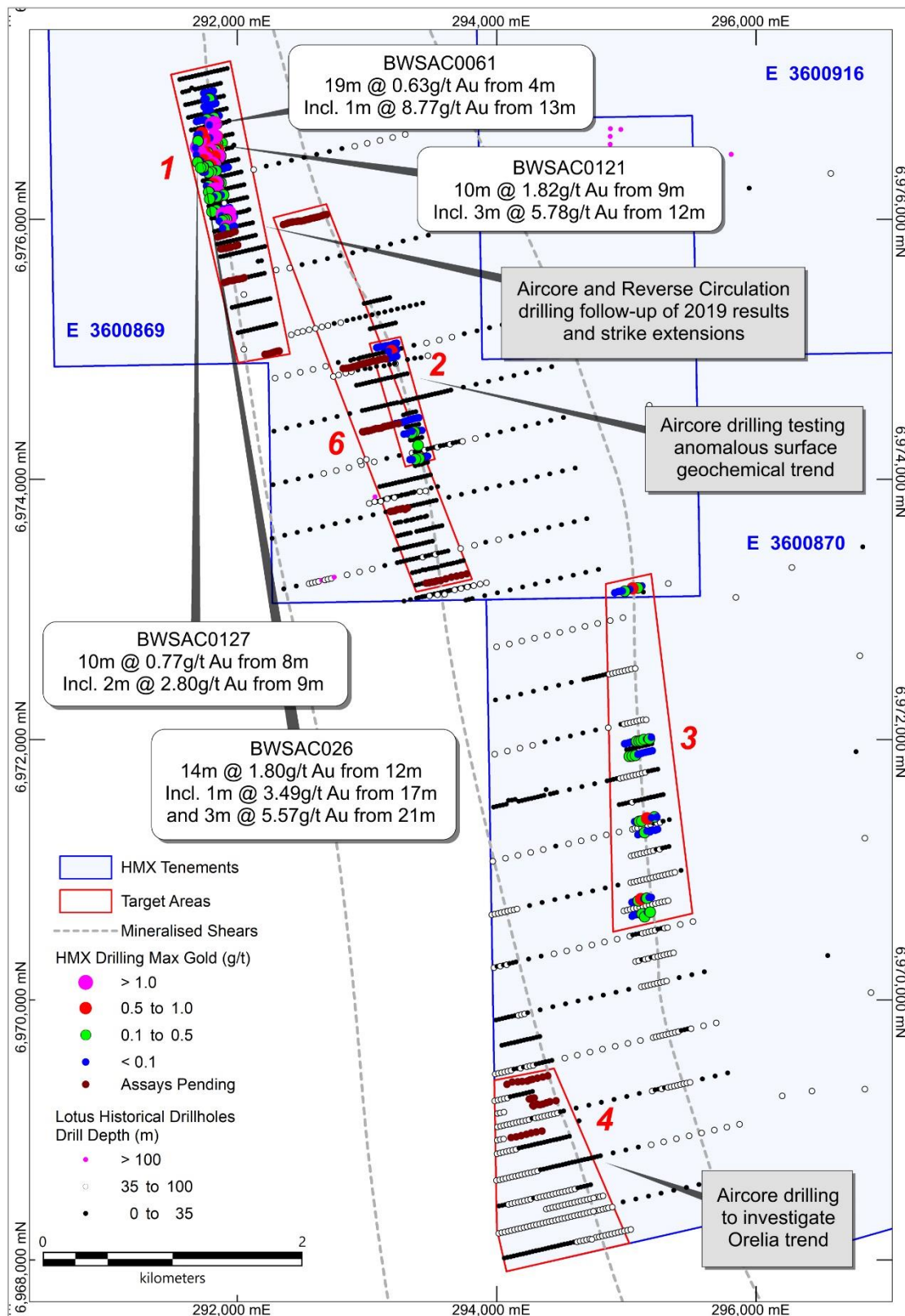


Figure 1: North Orelia Targets (refer to ASX announcements dated 18 November 2019 and 23 December 2019 for results of drilling released previously)

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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 Metals also recently acquired 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 Statement

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.