

ASX RELEASE

2 April 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 (1/4/2020)	\$0.013
Shares on Issue	559m
Market Cap	\$6.7m
Options Listed	190m
Options Unlisted	33m
Performance Rights	8m

COMPANY UPDATE - COVID-19 RESPONSE

In addition to Hammer Metals Limited ("Hammer" or the "Company") operational response to the COVID-19 pandemic (see ASX release dated 26 March 2020), the Company is implementing a number of cost saving initiatives to ensure the Company is able to conserve its cash reserves, maximise exploration of its projects and capitalise on new opportunities as they arise.

Effective immediately, the non-executive directors of the Company will have their cash compensation reduced by 50 per cent. In line with the suspension of the drilling activities at Bronzewing South and the potential further operational impacts of COVID-19, the Managing Director and Chief Operating Officer will have their cash remuneration reduced by 30 per cent effective 1 May. These measures will apply until at least 30 June 2020 at which point they will be reviewed.

In lieu of the reduction in cash compensation, the Directors are considering a proposal for a proportion of their accrued fees for the period to be satisfied by the issue of equity compensation. Details of any proposed equity compensation shall be provided in due course once finalised and will be subject to shareholder approval.

The Company is examining additional cost savings with a view to ensuring that the Company remains well funded to continue exploration activities into the future.

Hammer maintains a sound financial position to withstand protracted subdued financial markets. Hammer's cash balance at 31 December 2019 was \$2.1m. In February 2020 and subsequent to the last reported cash balance, the Company raised an additional \$1.14m through a Share Purchase Plan. Hammer's Mt Isa JOGMEC activities remain fully funded by JOGMEC as part of their Joint Venture Earn-in agreement. A further \$283,000 in government expenditure will be utilised by Hammer to complete the Collaborative Exploration Incentive programs in Mount Isa.

For further information please contact:

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Mark Whittle
Chief Operating Officer

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This announcement has been authorised for release by Mr 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 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.