

HAMMER ACQUIRES BRONZEWING NORTH TENEMENTS

HIGHLIGHTS

- **Hammer acquires highly prospective tenements to expand its landholding in the Yandal gold belt, Western Australia**
- Acquired tenements have multiple exploration targets that have seen limited historical exploration
- Gold targets are **on trend** and proximal to **Northern Star's Julius (335 koz) and Ramone deposits**
- **Defined prospects at Sword and Sam's Well** with analogous attributes to regional gold deposits
- Tenements are **near regional mining infrastructure** including a maintained road network

Hammer Metals Ltd (ASX: **HMX**) ("Hammer" or the "Company") is pleased to announce the acquisition of the North Bronzewing project from Alloy Resources Limited (ASX: AYR) ("Alloy"). Hammer will acquire the exploration tenements from Alloy for a cash payment of \$25,000, and \$50,000 to be satisfied through the issue of Ordinary Shares in the issued capital of Hammer, with a deemed valuation of 4c per share (1,250,000 Ordinary Shares).

Since acquiring the Bronzewing South project, Hammer has made several tenement applications in the Yandal gold belt and the acquisition of these tenements from Alloy further cements our position as a significant gold explorer in this region.

This acquisition includes a total of 20 Exploration and Prospecting Tenements covering an area of 50km² and increases Hammer's total landholding in the Yandal gold belt to a significant 260km². This tenure has had little historical exploration and in part is underlain by intrusive granitic rocks, with geologically similar settings to the Ramone and Julius gold deposits and other recent gold mineralisation identified in the area.

Hammer's Managing Director, Daniel Thomas said:

"As we have seen through our initial programs in the Yandal belt, this region has a tremendous endowment of gold and remains highly prospective for new discoveries. Our strategy in the region has been quite deliberate and we see a long-term future for Hammer's exploration programs in the region. Recent discoveries and developments at Northern Star's Ramone and Julius deposits open the potential for discoveries within a different geological domain in the northern part of this belt. Similar exploration concepts have not been applied to these properties and we look forward to further establishing our exploration knowledge within this world class gold producing region."

ASX RELEASE

28 July 2020

DIRECTORS / MANAGEMENT

Russell Davis

Non – Executive Chairman

Daniel Thomas

Managing Director

Ziggy Lubieniecki

Non-Executive Director

David Church

Non-Executive Director

Mark Pitts

Company Secretary

Mark Whittle

Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (27/7/2020)	\$0.043
Shares on Issue	589m
Market Cap	\$25.3m
Options Listed	161m
Options Unlisted	26m
Performance Rights	8m

Bronzewing North Gold Project

Hammer first acquired an interest in the Yandal Belt with the acquisition of Carnegie Exploration Pty Ltd in May 2019. Whilst growing Hammer's geological understanding of the region through its exploration activities at the Bronzewing South and Orelia North gold projects, the Company has looked to expand its tenure within the Yandal Belt which has resulted in the lodgement of a number of new tenement applications. Acquisition of the Bronzewing North Project from Alloy further secures Hammer's exposure to additional underexplored targets positioned in prospective geological settings (Figure 1).

Sword and Sam Well Targets

Regional gravity imagery highlights a prospective gravity corridor that also appears coincidental with the Julius and Ramone deposits (Figure 2). This gravity corridor has been interpreted as being a major plumbing control on the distribution of gold mineralisation through the Northern Yandal district. The corridor can be traced into the newly acquired tenements close to the historical Sword prospect. Historical shallow air core drilling at Sword encountered intercepts of 4m @ 2.53g/t Au from 92m in ERB0200 and 23m @ 0.47% Ni from 28m in ERB0220¹.

Cautionary Statement: The reported intercepts at Sword have not been reported in accordance with JORC Code 2012, the competent Person has not done sufficient work to disclose the Exploration Results in accordance with JORC 2012, it is possible that following further exploration and evaluation work that the confidence in the prior reported exploration results may be reduced when reported under JORC 2012, however, nothing has come to the attention of Hammer Metals Limited personnel that causes them to question the accuracy or reliability of the reported intercepts, Hammer Metals has not independently validated the reported intercepts and therefore is not to be regarded as reporting, adopting or endorsing those results.

To the south within Hammer's abutting application (E53/2112) and within the projected interpreted gravity structure is Hammer's Sam Well target. As with Northern Star's Ramone deposit, the Sam Well target consists of a coherent gold-in-soil anomaly overlying significant quartz veining in granite near the greenstone margin. The gold anomaly centres on the intersection of, and orients along, two linear magnetic lows. Cross-cutting structures marked by such magnetic lows are often key components of significant gold deposits in the region (Figure 3). The Sam Well target has not been previously drilled.

¹ Sourced from Echo Resources Limited ("EAR") ASX releases dated 29 January 2010.

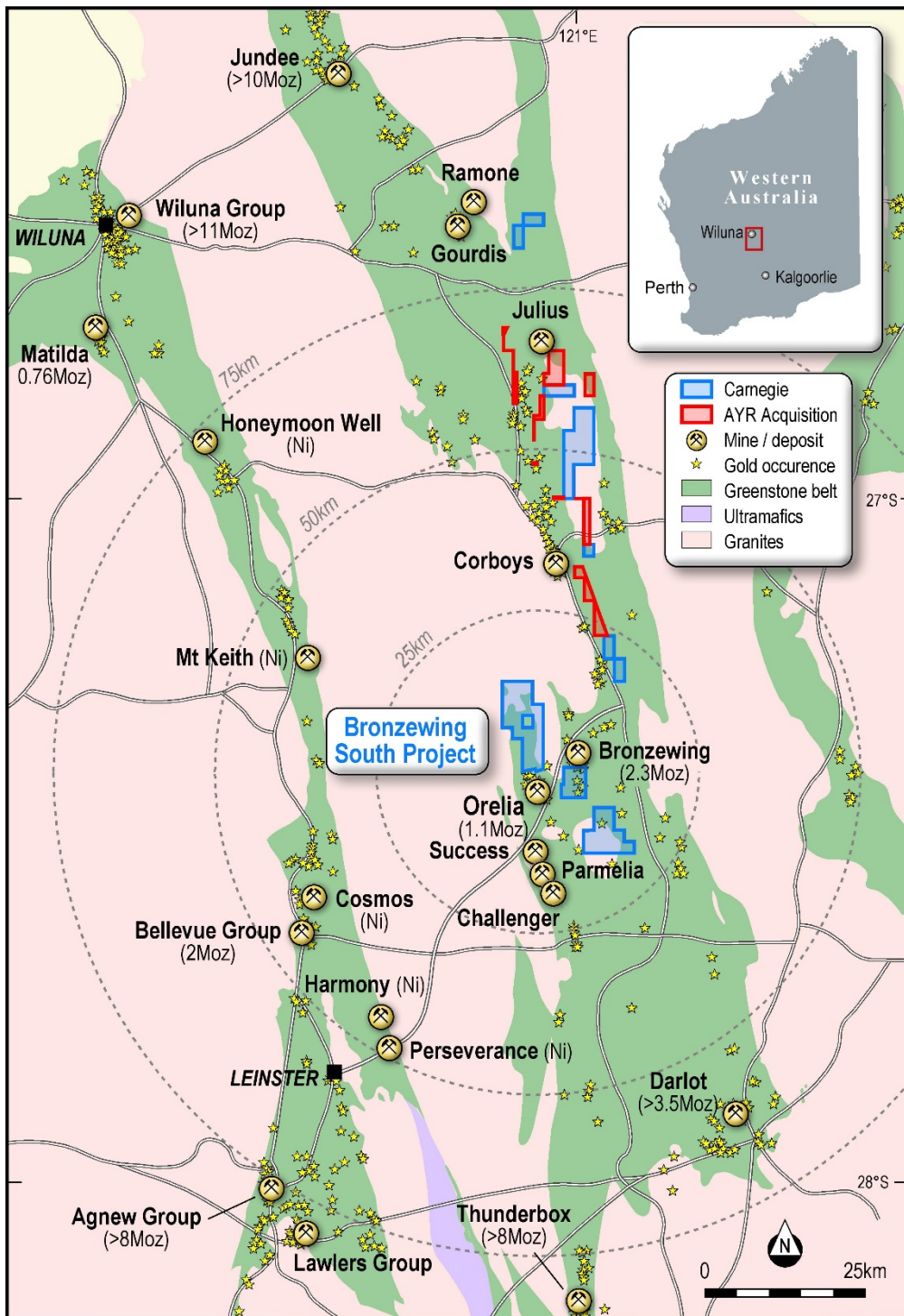


Figure 1. Hammer Metals Updated Position in the Yandal Gold Belt

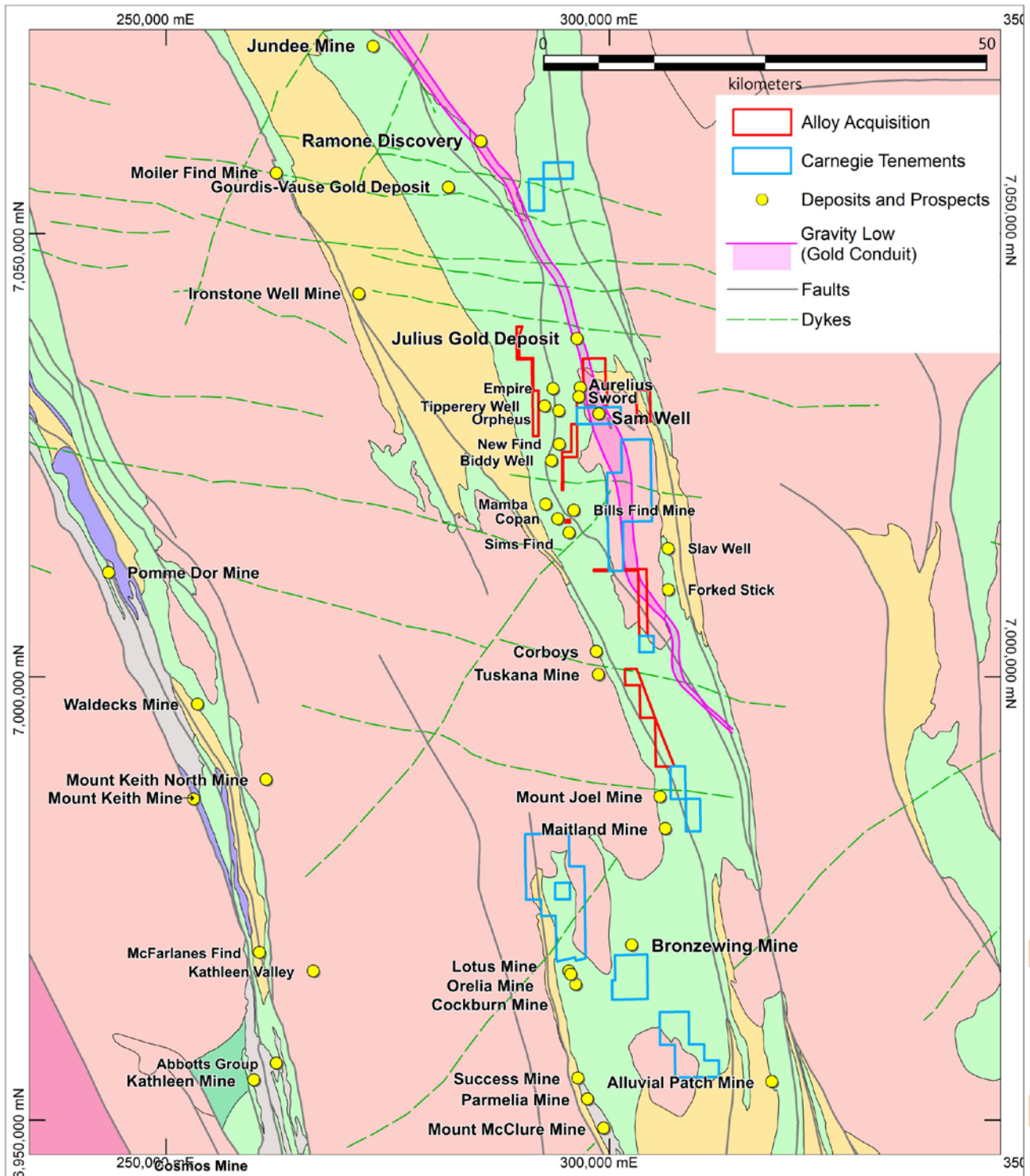


Figure 2. Regional Yandal Geology

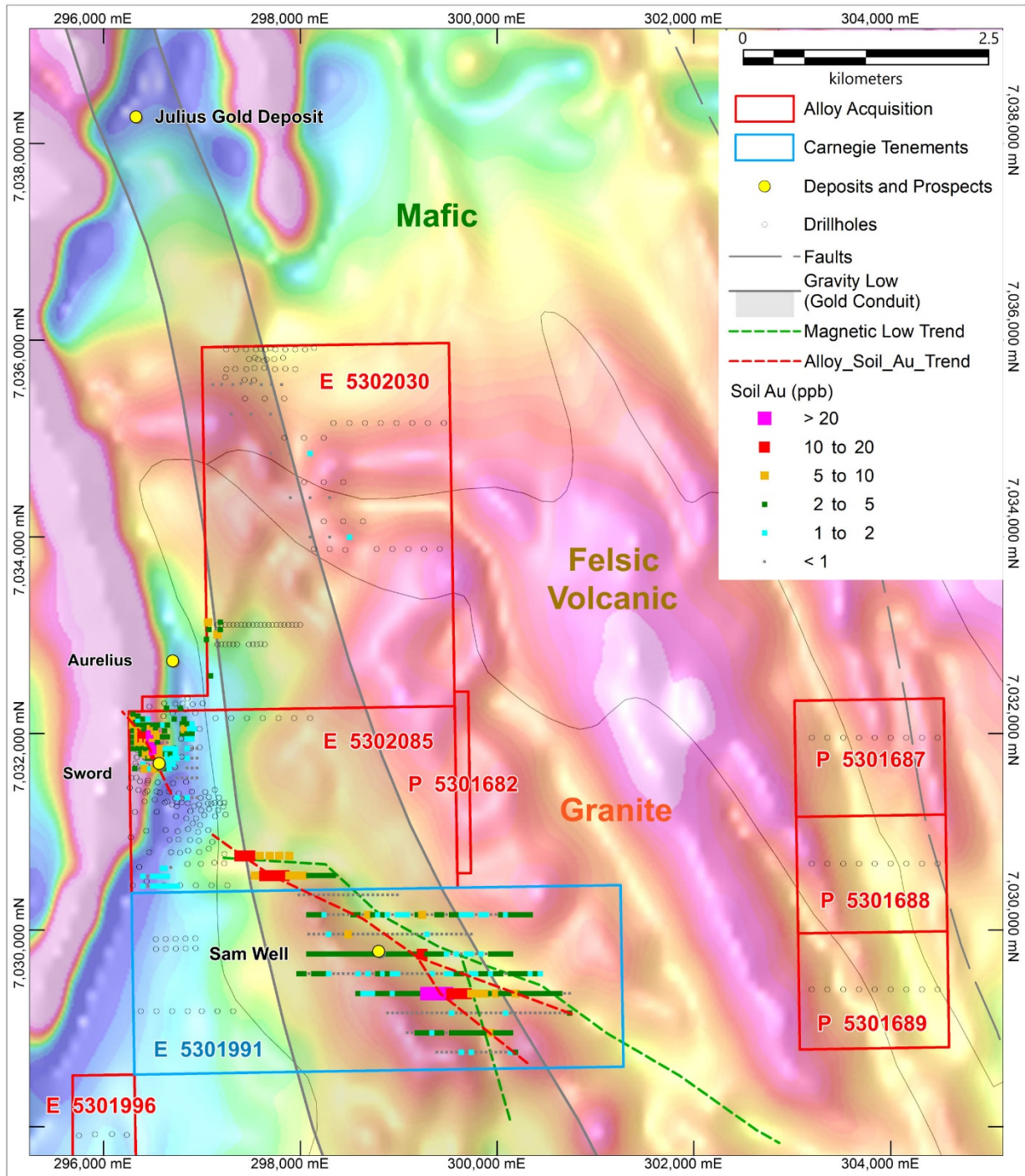


Figure 3. Bronzewing North Magnetic Image²

² Data depicted in Figures 3 and 4 have been sourced from Echo Resources Limited open file reports submitted to the Western Australian Department of Mines (DMIRS). The specific reports are A77601 (2007), A89888 (2010), A94045 (2012) and A97215 (2012).

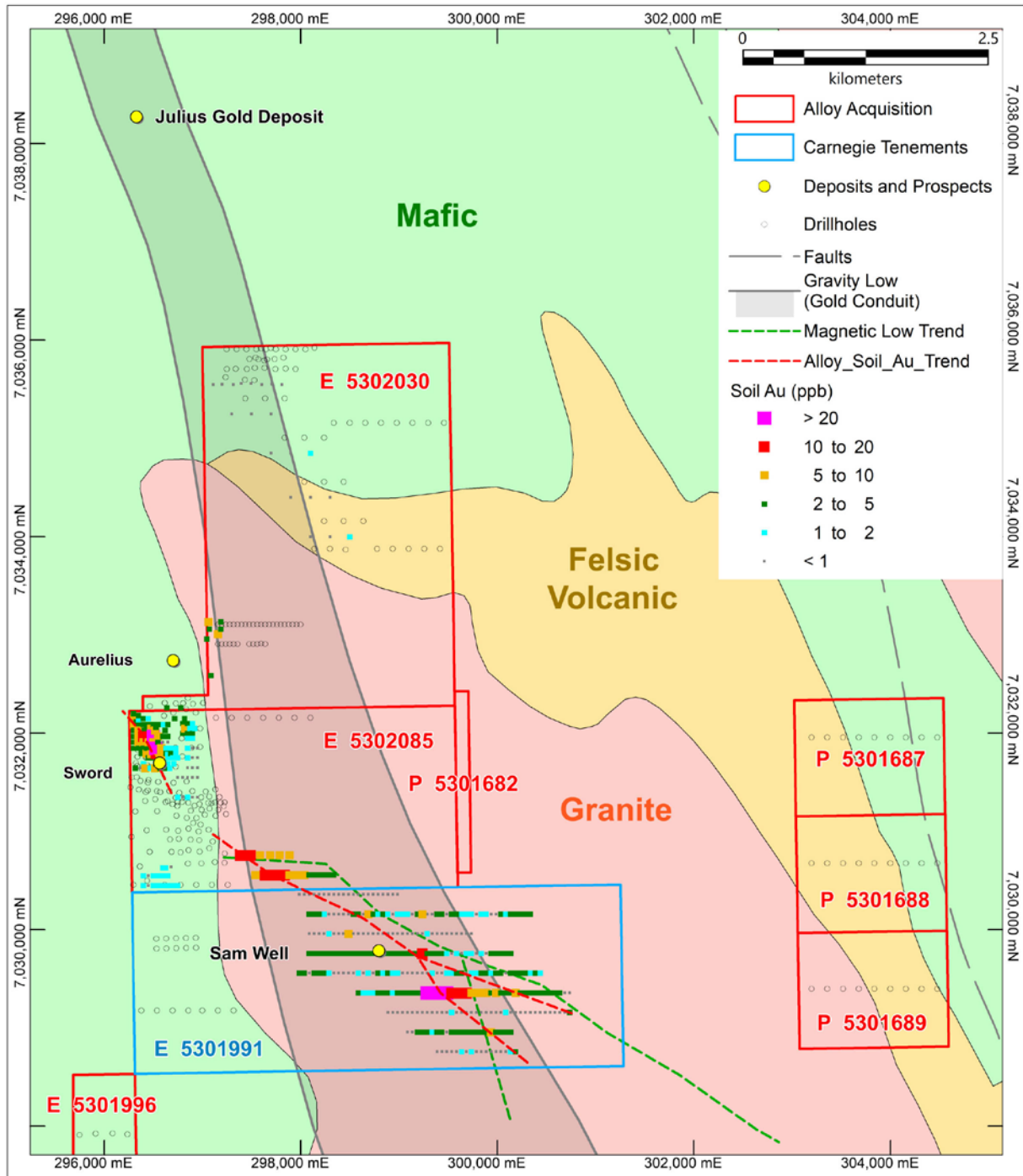


Figure 4. Bronzewing North Geology Interpretation

Cautionary Statement: The reported soil data and geological information shown on Figures 3 and 4 has not been reported in accordance with JORC Code 2012, the competent Person has not done sufficient work to disclose the Exploration Results in accordance with JORC 2012, it is possible that following further exploration and evaluation work that the confidence in the prior reported exploration results may be reduced when reported under JORC 2012, however, nothing has come to the attention of Hammer Metals Limited personnel that causes them to question the accuracy or reliability of the reported intercepts, Hammer Metals has not independently validated the reported intercepts and therefore is not to be regarded as reporting, adopting or endorsing those results.

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

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 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 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 information in this report that relates to previous exploration results was prepared and first disclosed under a pre-2012 edition of the JORC code.

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 is presented in Table 1 JORC Code 2012.

Table 1 – Alloy Resources Limited Tenement Acquisition

The tenements acquired by Hammer Metals Limited in the Yandal Greenstone Belt:

Tenement	Status	Date Applied	Date Granted	Date Expires	Area	Area Units	ALL_HOLDERS
E 53/1989	Live	20180302	20200224	20250223	8	Block	Alloy Resources Limited
E 53/1996	Live	20180302	20200224	20250223	5	Block	Alloy Resources Limited
E 53/2030	Live	20180605	20191115	20241114	4	Block	Alloy Resources Ltd
E 53/2085	Pending	20190626			2	Block	Alloy Resources Limited
P 53/1682	Live	20180302	20180917	20220916	26	Hectares	Alloy Resources Limited
P 53/1683	Live	20180306	20181003	20221002	194	Hectares	Alloy Resources Limited
P 53/1684	Live	20180306	20181003	20221002	172	Hectares	Alloy Resources Limited
P 53/1685	Live	20180306	20181003	20221002	158	Hectares	Alloy Resources Limited
P 53/1686	Live	20180306	20181003	20221002	155	Hectares	Alloy Resources Limited
P 53/1687	Live	20180307	20180927	20220926	180	Hectares	Alloy Resources Limited
P 53/1688	Live	20180307	20181003	20221002	180	Hectares	Alloy Resources Limited
P 53/1689	Live	20180307	20181003	20221002	180	Hectares	Alloy Resources Limited
P 53/1690	Live	20180307	20181003	20221002	19	Hectares	Alloy Resources Limited
P 53/1691	Live	20180305	20181003	20221002	192	Hectares	Alloy Resources Limited
P 53/1692	Live	20180305	20181003	20221002	197	Hectares	Alloy Resources Limited
P 53/1693	Live	20180305	20181003	20221002	193	Hectares	Alloy Resources Limited
P 53/1694	Live	20180306	20181003	20221002	197	Hectares	Alloy Resources Limited
P 53/1695	Live	20180306	20181003	20221002	199	Hectares	Alloy Resources Limited
P 53/1696	Live	20180306	20181003	20221002	199	Hectares	Alloy Resources Limited
P 53/1697	Live	20180306	20190807	20230806	192	Hectares	Alloy Resources Limited