

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 JUNE 2020

ASX RELEASE

31 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 (30/07/2020) \$0.047

Shares on Issue 589m

Market Cap \$27.6m

Options Listed 161m

Options Unlisted 26m

Performance Rights 8m

BRONZEWING SOUTH GOLD PROJECT

- Numerous gold anomalies at shallow depths from the first 66 holes (3,889m) of the current aircore program at North Orelia Target 1 including:
 - **4m @ 5.79g/t Au from 40m** in BWSAC0434;
 - **4m @ 4.38g/t Au from 48m** in BWSAC0448; and
 - **48m @ 0.45g/t Au from 32m** including **4m at 1.78g/t Au from 36m** and **4m @ 1.45g/t Au from 76m** in BWSAC0462
- These are the first set of results of a planned 8,000m aircore program on the North Orelia trend that has the aim of infilling, **extending and defining high priority targets** along the observed 2km gold mineralisation trend
- A detailed gravity survey **delineated high priority targets at the Bronzewing South** property
- **Western Australian Government Exploration Incentive Scheme ("EIS") Grant of \$150,000 awarded to Hammer** to partly fund the drilling of a high priority gravity and structural target at its Bronzewing South Gold Project
- **New prospective tenements acquired in the Yandal Belt**

MOUNT ISA COPPER-GOLD PROJECTS

- **Diamond drilling of the Shadow and Toby copper-gold prospects** under the JOGMEC Joint Venture commenced late in the quarter
- Diamond drilling at **the Koppany Copper and Rare Earth Element** prospect has also commenced
- Samples are progressively being submitted for assay with initial results likely to be available for release in mid-August
- Detailed geological mapping at the Shadow prospect delineated a mineralised multiphase breccia unit outcropping over a strike length of 450m with a maximum width of 150m. **Copper mineralisation** is visible at surface in the form of chalcocite and chalcopyrite with additional rock chip sampling of this prospect identifying additional high-grade samples with maximum individual grades of **6.7g/t Au and 28.2% Cu**
- Ground Electro Magnetic (EM) survey at Toby identified prospective conductive plates which were used to guide diamond drilling
- Queensland Government Collaborative Exploration Initiative (CEI) funded Magneto telluric (MT) survey **identifies the Kalman mineralisation structure** and nearby unexplained conductive features

CORPORATE

- **Directors, Russell Davis and Ziggy Lubieniecki exercised their listed HMXOD options, contributing an additional \$557,988 to the Company**
- Including the exercise of HMXOD options by Company Directors, **the Company has through 23 July 2020 raised \$891,794 through the conversion of HMXOD options to HMX shares**, helping fund **additional exploration efforts** across the Company's portfolio. The remaining HMXOD options expire on 30 September 2020
- **David Church appointed to the Board of Directors** replacing Nader El Sayed who resigned from the board on 30 June 2020.
- Hammer's Mt Isa JOGMEC JV activities remain fully funded by JOGMEC as part of their Joint Venture Earn-in agreement
- Due to the economic impacts of COVID-19 impacts, the non-executive directors of the Company reduced their cash compensation by 50 per cent for the period of April 1 to June 30, while the Managing Director and Chief Operating Officer cash remuneration was been reduced by 30 per cent for the period of May 1 to June 30
- Cash balance at the end of June is \$3.0 million.



Figure 1. Orelia North – Drilling at Target 1 Looking North

BRONZEWING SOUTH GOLD PROJECT

North Orelia

Hammer recommenced its aircore program at its North Orelia project in mid-June. The original program was suspended on 25 March 2020 due to the COVID-19 pandemic. This program was designed to follow up on the encouraging results at Target 1 with results showing shallow gold mineralisation at various points over a 2km strike length (Figure 2).

Target 1

Since the resumption of drilling in June, Hammer has completed in excess of 120 holes for 7,400m. The following results reported are from BWSAC0399 to BWSAC0464 (66 holes and 3,889 metres). (refer ASX release dated 15 July 2020) Significant results include:

- 4m @ 5.79g/t Au from 40m in BWSAC0434;
- 4m @ 4.38g/t Au from 48m in BWSAC0448;
- 4m @ 1.87g/t Au from 12m in BWSAC0460;
- 4m @ 1.4g/t Au from 20m in BWSAC0417;
- 4m @ 1.58g/t Au from 20m in BWSAC0428;
- 20m @ 0.45g/t Au from 20m including 4m @ 1.02g/t Au in BWSAC0461; and
- 48m @ 0.45g/t Au from 32m including 4m at 1.78g/t Au from 36m and 4m @ 1.45g/t Au from 76m in BWSAC0462.

This drill program has since been completed with all samples having been sent to the laboratory for analysis.

The two previous programs of aircore drilling completed at Orelia Target 1 defined mineralisation over a 2km strike length within multiple structures (refer ASX releases dated 18 November 2019, 23 December 2019 and 22 April 2020). Significant results from Target 1 included:

- 14m at 1.80g/t Au from 12m including 3m at 5.57g/t Au from 21m in BWSAC0026;
- 3m at 1.65g/t Au from 17m in BWSAC0036;
- 19m at 0.63g/t Au from 4m including 1m at 8.77g/t Au from 13m in BWSAC0061;
- 3m at 2.68g/t Au from 26m including 1m at 4.12g/t Au from 26m in BWSAC0089;
- 10m at 1.82g/t Au from 9m including 3m at 5.78g/t from 12m in BWSA00121;
- 12m at 0.79g/t Au from 8m including 4m at 1.96g/t Au from 8m in BWSAC0127;
- 4m at 3.88g/t Au from 24m in BWSAC0289;
- 8m at 1.93g/t Au from 36m including 4m at 2.5g/t Au from 40m in BWSAC0290; and
- 7m at 0.90g/t Au from 12m including 2m at 2.91g/t Au from 12m in BWSAC0304.

Target 4

As part of the recent aircore drilling program at North Orelia, Hammer has completed further testing of the prospective horizon at Target 4. Drilling at this target, located 800m to the north of the Lotus Pit, was designed to test structural and lithological trends interpreted from aeromagnetic survey to be along strike of the Lotus deposit.

Anomalous levels of gold were identified in Hammer's previous drilling at Target 4 (refer to ASX release dated 22 April 2019). These intercepts are significant as the regolith in the area is thought to be depleted of gold. Significant results included:

- 12m at 0.16g/t Au from 24m including 4m at 0.36g/t Au from 24m in BWSAC0375; and

- 32m at 0.15g/t Au from 32m including 4m at 0.88g/t Au from 32m in BWSAC0388.

Bronzewing South

The Bronzewing Gold deposit is located in a zone of low gravity response between the Bapinmarra Dolerite (to the west) and the Discovery Granodiorite (to the east). An analogous situation exists within Hammer tenements immediately to the south of the Bronzewing open pit (Figures 4). To better define drilling targets, Hammer engaged Atlas Geophysics to complete a detailed gravity survey over an area within E36/854 (see ASX release dated 22 April 2020).

The survey defined anomalous gravity lows in analogous geological positions to the Bronzewing Deposit. These lows are overlain by shallow gold mineralisation intersected by both previous explorers and Hammer Metals (see ASX releases dated 14 March 2019 and 2 October 2019). Results from Hammer's reverse circulation drilling on the margin of these gravity lows included 10m at 1.97g/t Au from 129m including 1m at 16g/t Au from 137m in BWSRC006 (Figure 4 and 5).

Hammer Metals applied for and was awarded a \$150,000 Western Australia Exploration Incentive Grant to partly fund diamond drill testing of this mineralisation model (See ASX announcement 25 May 2020).

An aircore drilling program planned for Bronzewing South was deferred to allow for the aircore program to focus on the Target 1 area at North Orelia. This program was to focus on the poorly tested eastern boundary of the Bapinmarra Dolerite which is interpreted to control the western extent of mineralisation at the Bronzewing Gold mine.

Ken's Bore

No activities were completed at the Kens Bore prospect during the quarter. The Ken's Bore target is likely to be considered during an upcoming reverse circulation drilling program. This target is associated with several strongly anomalous gold results in rock chips coinciding with a 3km long gold-in-soil anomaly at a granite – basalt contact marked by quartz veining. Historic shallow drilling at Ken's Bore is not considered to have fully tested the prospect. A first pass RC program testing beneath the zone of high-grade rock chips as well as an adjacent untested ground EM anomaly recently remodelled by Hammer is planned.

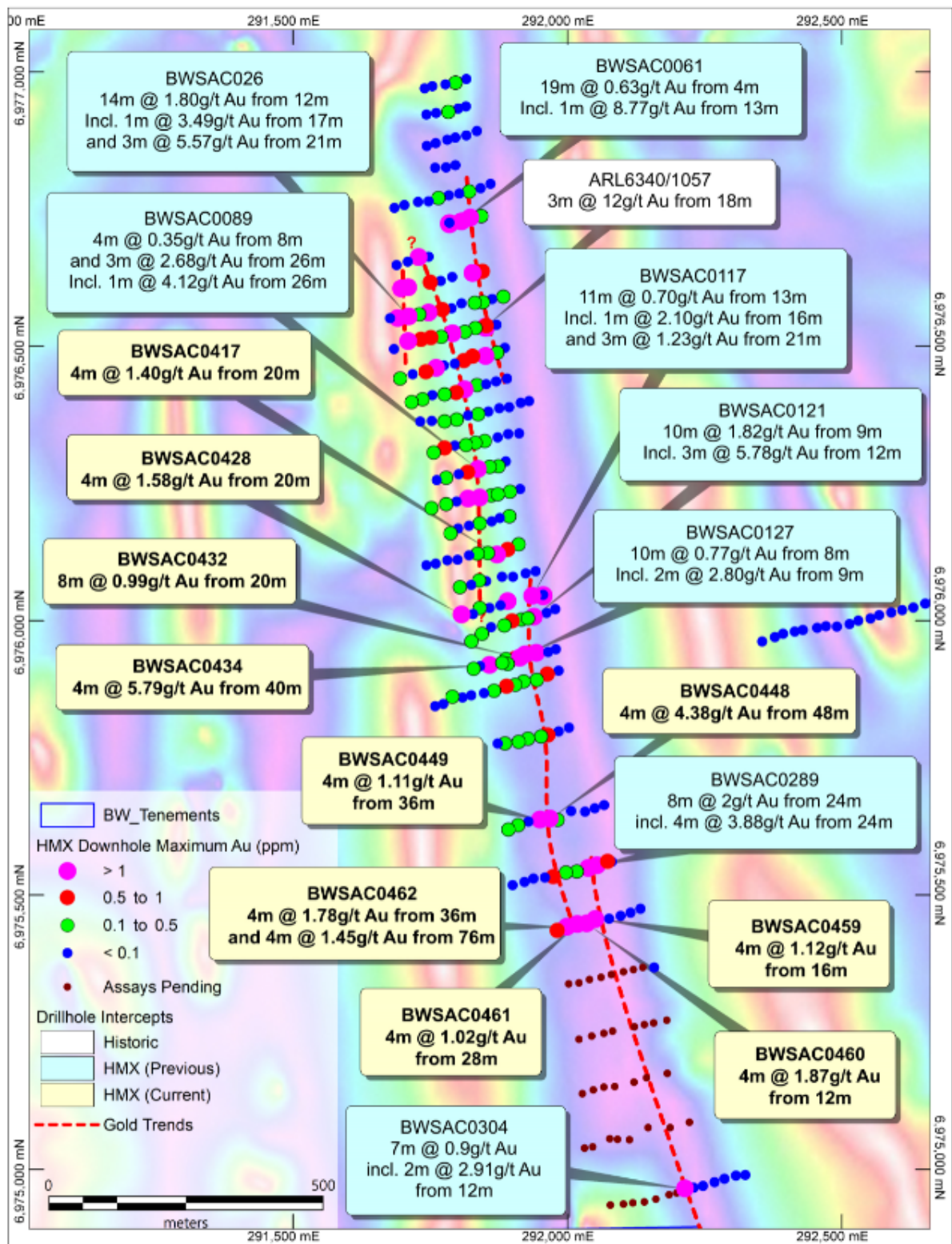


Figure 2. Target 1 - Gold mineralisation intersections and trends on magnetic imagery

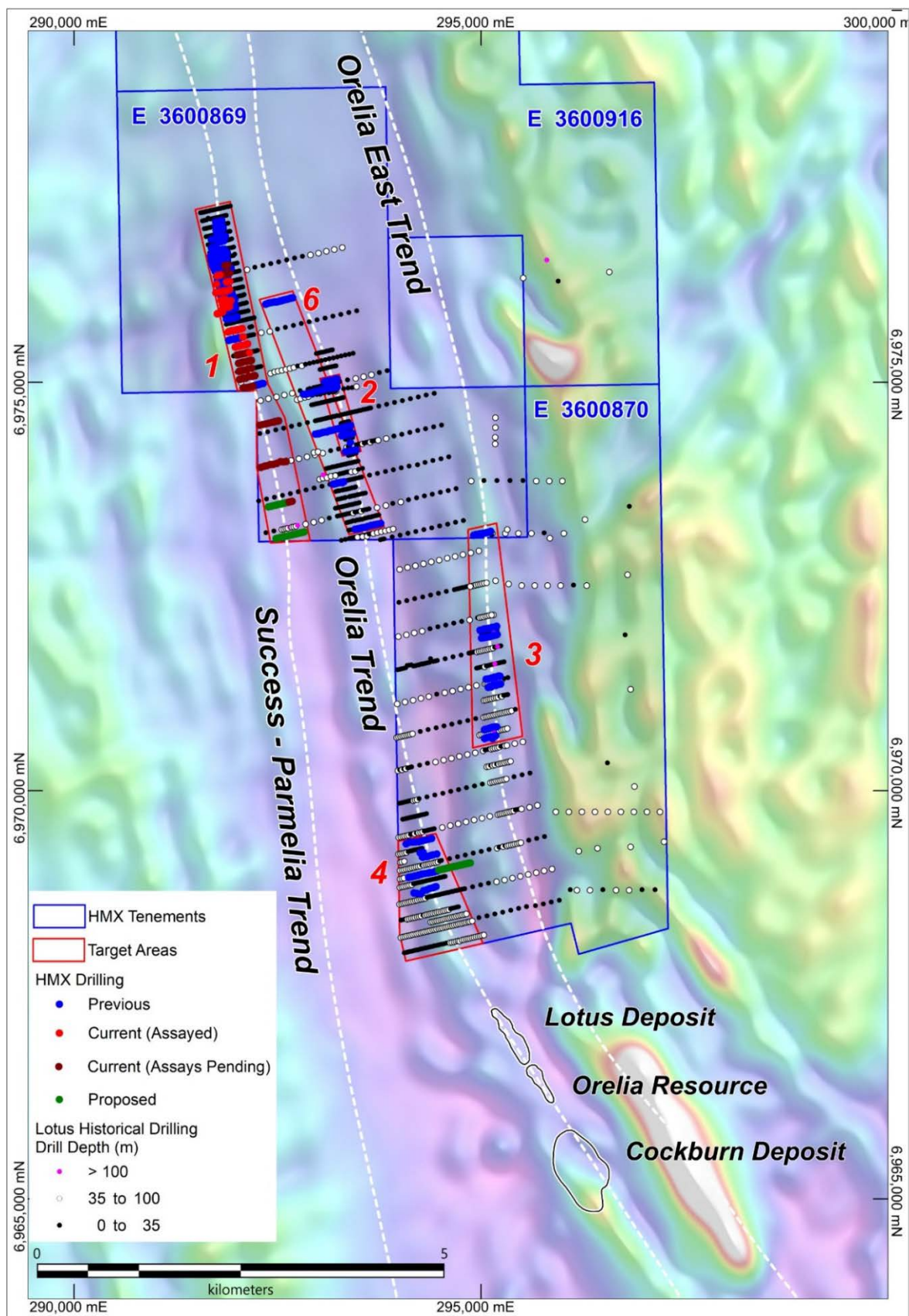


Figure 3. Overview of Orelia Targets showing drillhole locations on magnetic imagery.

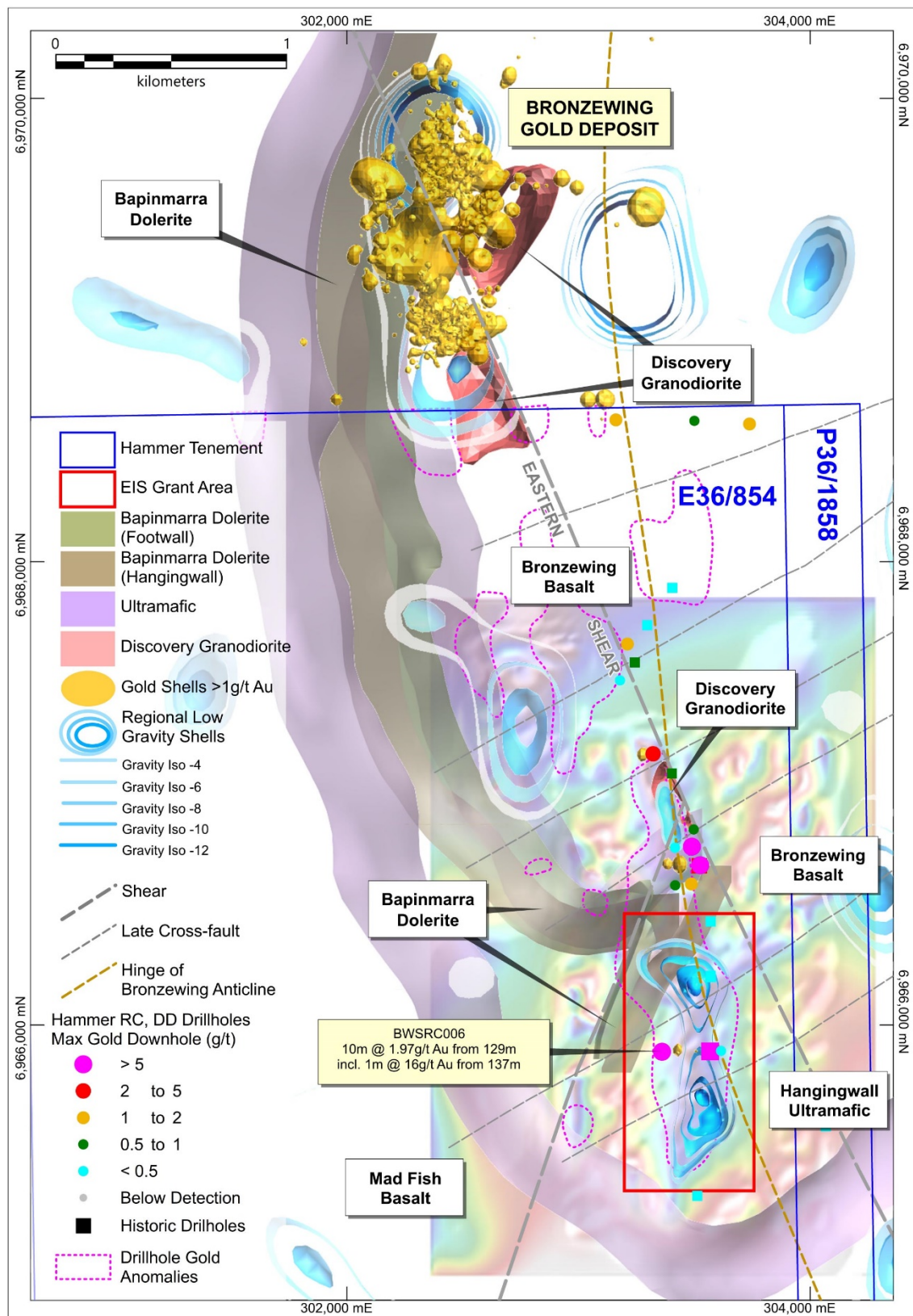


Figure 4. Location of the Gravity Survey within E36/854 and P36/1858 showing the location of the EIS grant area.

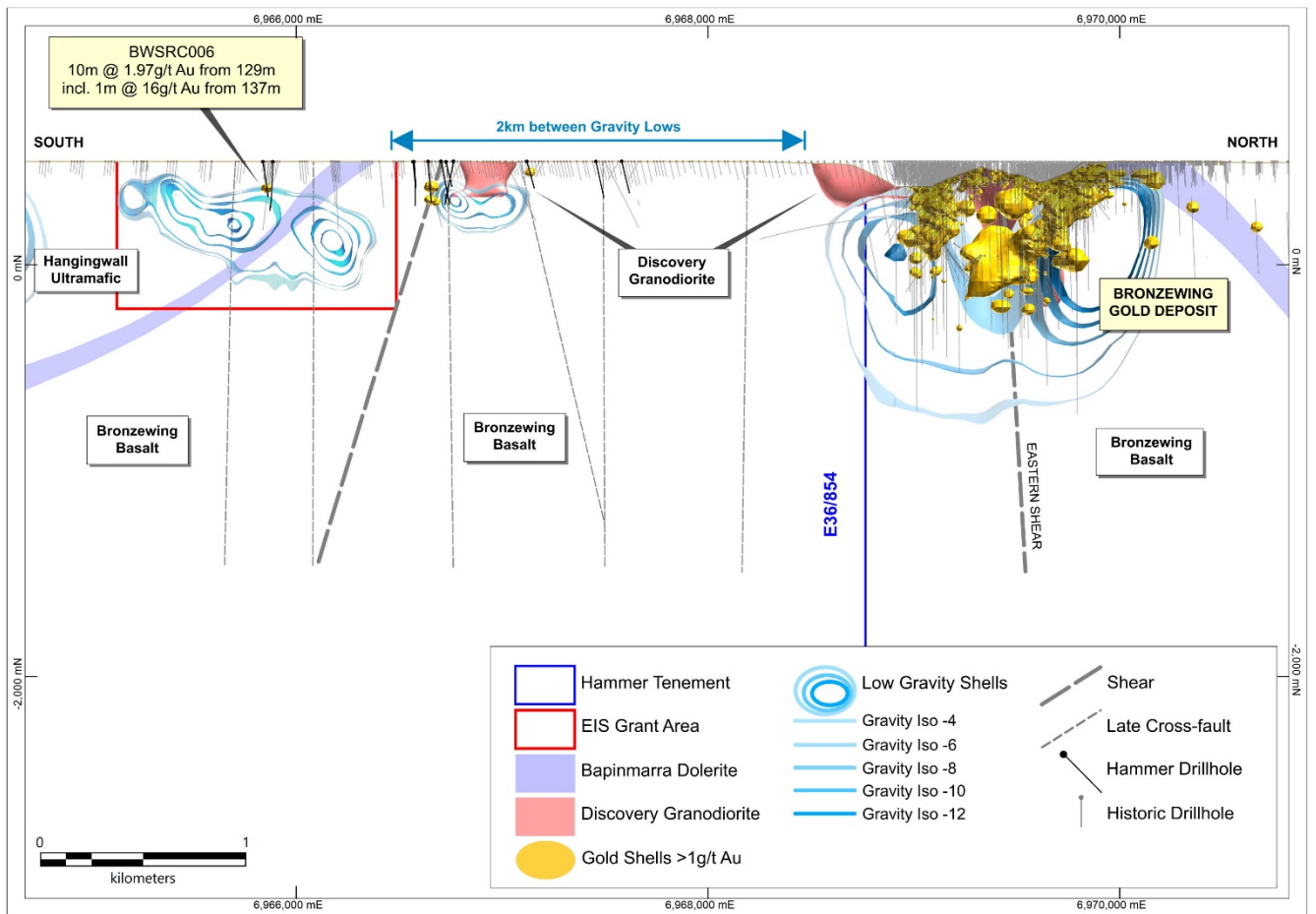


Figure 5. Long section looking west showing modelled gravity shells. The gravity low at Bronzewing South shows many similarities to the gravity response at the Bronzewing Gold Deposit.

Follow up Work Program

A reverse circulation drilling program is being prioritised for the Target 1 area at North Orelia following up the highest priority gold targets along the 2km trend of gold mineralisation. The Ken's Bore target will also be considered as part of this reverse circulation drilling program.

Hammer is also planning a diamond drilling program for its Bronzewing South tenement. This particular drilling program is likely to be completed after the reverse circulation program at North Orelia and will be part funded via the \$150,000 Western Australian EIS grant that Hammer was awarded in May this year (See ASX announcement 25 May 2020).

A soil geochemical survey has been initiated over parts of the North Orelia trend. This work will cost-effectively test large areas of interpreted greenstone in the North Orelia project tenements which have not been subject to any significant historical exploration.

Yandal Gold Belt Tenement Update

Subsequent to the reporting period, the company has acquired the Bronzewing North tenements from Alloy Resources (ASX:AYR) (See ASX announcement 27 July). The tenements that Hammer has applied for and acquired are in similar prospective geological positions to the Corboys, Julius and Ramone gold deposits (E53/2113, E53/2114, E53/2115 and E53/2116) (See Figures 6 and 7). Hammer's tenure in the Yandal belt now covers 260km² of granted and pending exploration tenements.

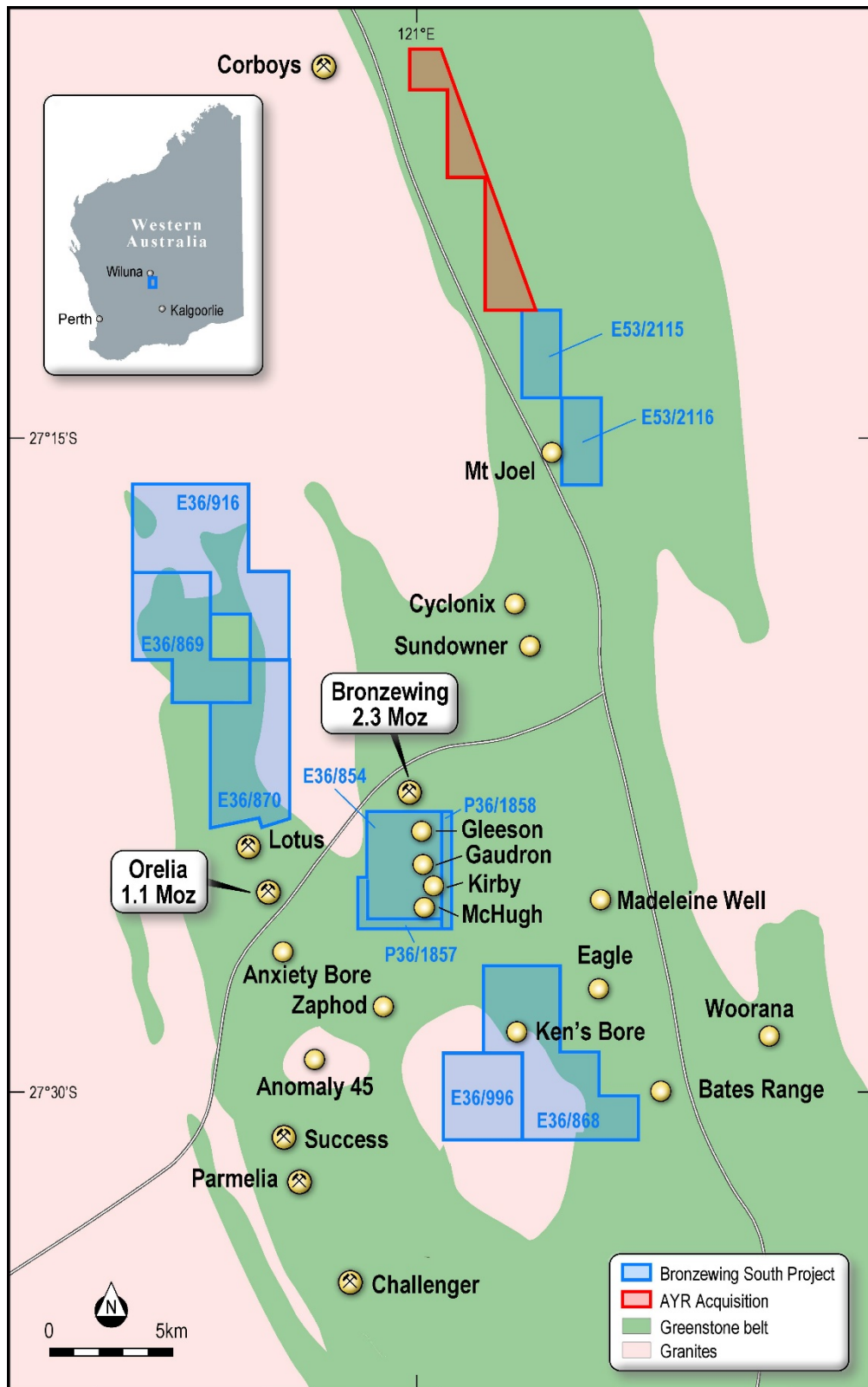


Figure 6. Project tenements relative to Bronzewing

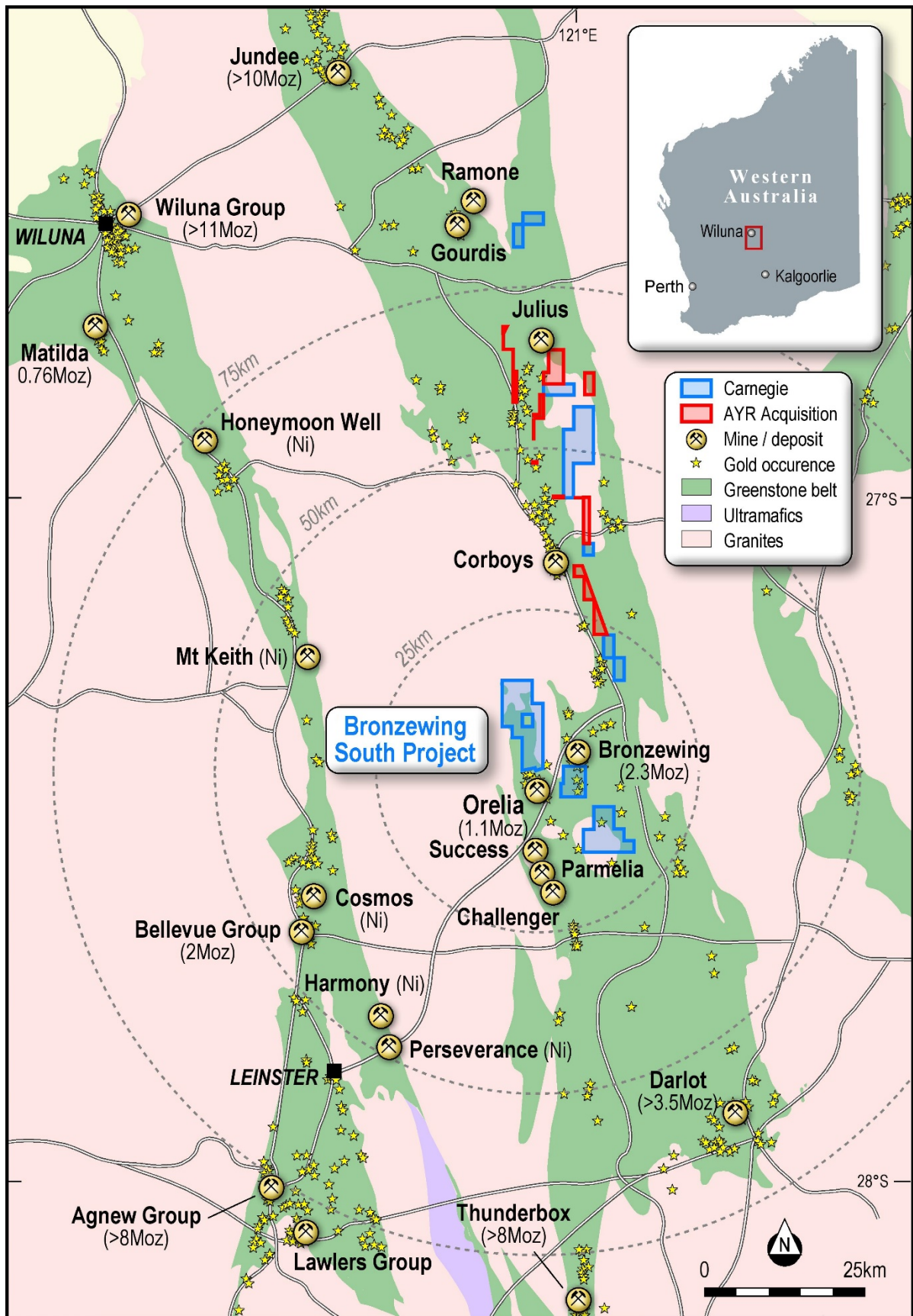


Figure 7. Yandal Belt Project tenements

MOUNT ISA COPPER-GOLD PROJECTS

JOGMEC Exploration Joint Venture

Results from the Phase 1 exploration program on the JOGMEC Joint Venture project were presented to the Joint Venture at the start of the quarter. A second phase program including drilling, further grassroots exploration activities and comprehensive data review has commenced with diamond drilling of targets at Shadow and Toby commencing in late June. Results from this drilling campaign are still pending and are expected to be released by the Joint Venture over the coming month.

Shadow

Geological mapping at the Shadow prospect has been successful in delineating a mineralised multiphase breccia on the margin of the Mt Philp Breccia. Mapping has defined this unit over a strike length of 450m and a maximum width of 150m. Broader potential of this system has been identified with field observations of copper sulphide visible sporadically over a 4km magnetic trend extending to the south.

The Shadow prospect was discovered by Hammer during ground follow-up of soil geochemical anomalies. The prospect is located on the western margin of the Mt Philp Breccia and east of the Mt Philp Hematite Deposit (Figure 8).

Mapping indicates that surface mineralisation is associated with a multiphase magnetite-altered breccia which has a marginal zone of silica-magnetite alteration. The current extent of the breccia is approximately 450m in strike length and up to 150m in width (Figure 9). The silica-magnetite alteration zone extends for over 4km along strike and the zone is marked by a series of magnetic anomalies (Figure 10). Zones of copper mineralisation within the silica-magnetite alteration trend have been observed sporadically for up to 4km to the south.

The multiphase breccia hosts copper mineralisation (and associated gold) as fine disseminations, blebs and stringers with chalcopyrite commonly observed in rock chips at surface. Copper mineralisation was observed on surface at Shadow in the form of chalcocite and chalcopyrite. Further rock chip sampling at this prospect has continued to identify high grade gold and copper samples with maximum recorded grades of 6.7g/t Au and 28.2% Cu.

An initial drilling program at Shadow commenced late in the quarter with two diamond drill holes being completed to gather high quality geological information. Continued surface exploration consists of mapping and prospecting along the broader Shadow magnetic trend to the south. Follow up reverse circulation drilling is planned for this prospect with a number of other high-ranking targets and advancing grassroots targets also to be considered by the Joint Venture for the follow-up program.

Toby and Charlie ground EM Program

The Toby prospect is located close to the intersection of the Ballara, Kalman West and Pilgrim Faults, a zone of structural complexity on the eastern margin of the Mt Philp Breccia and west of the Pilgrim Fault. The prospects are approximately 8km along strike to the north of Hammer's Kalman Cu-Mo-Au-Re deposit. Historical reconnaissance rock chip sampling at Toby has obtained individual peak grades of up to 18.4g/t Au, 76g/t Ag and 15.1% Cu.

A fixed loop EM survey was conducted over Toby and Charlie to further define conductors which were discovered by a Heliborne VTEM survey Hammer Metals commissioned in 2016 along the Pilgrim Fault (see ASX announcement dated 21 December 2016).

Three conductive plates were modelled from the ground EM response (Figure 11). The largest of these conductors was tested via diamond drilling during the period with results still pending.

Ground Gravity Surveys

Ground gravity surveys were conducted by Atlas Geophysics in February and March over portions of each Joint Venture area (Figure 12). The resulting data has been imaged and three dimensionally modelled.

The surveys identified grassroots targets at Malbon on the northern margin of the Wimberu granite within the Timberu Formation (Figure 13). Anomalous gravity responses are also present in the Dronfield northwest JV area and below elevated soil geochemical responses within the Even-Steven JV area (Figures 13 and 14 respectively). These targets are interpreted to represent magnetite alteration zones associated with potential IOCG systems. In the Dronfield Northwest Joint Venture area, gravity anomalies have been identified underlying zones of elevated historical surface rock chip gold and copper anomalism.

Multiple grassroots target areas continue to be explored with further on ground review during the second phase of the Joint Venture to be completed.

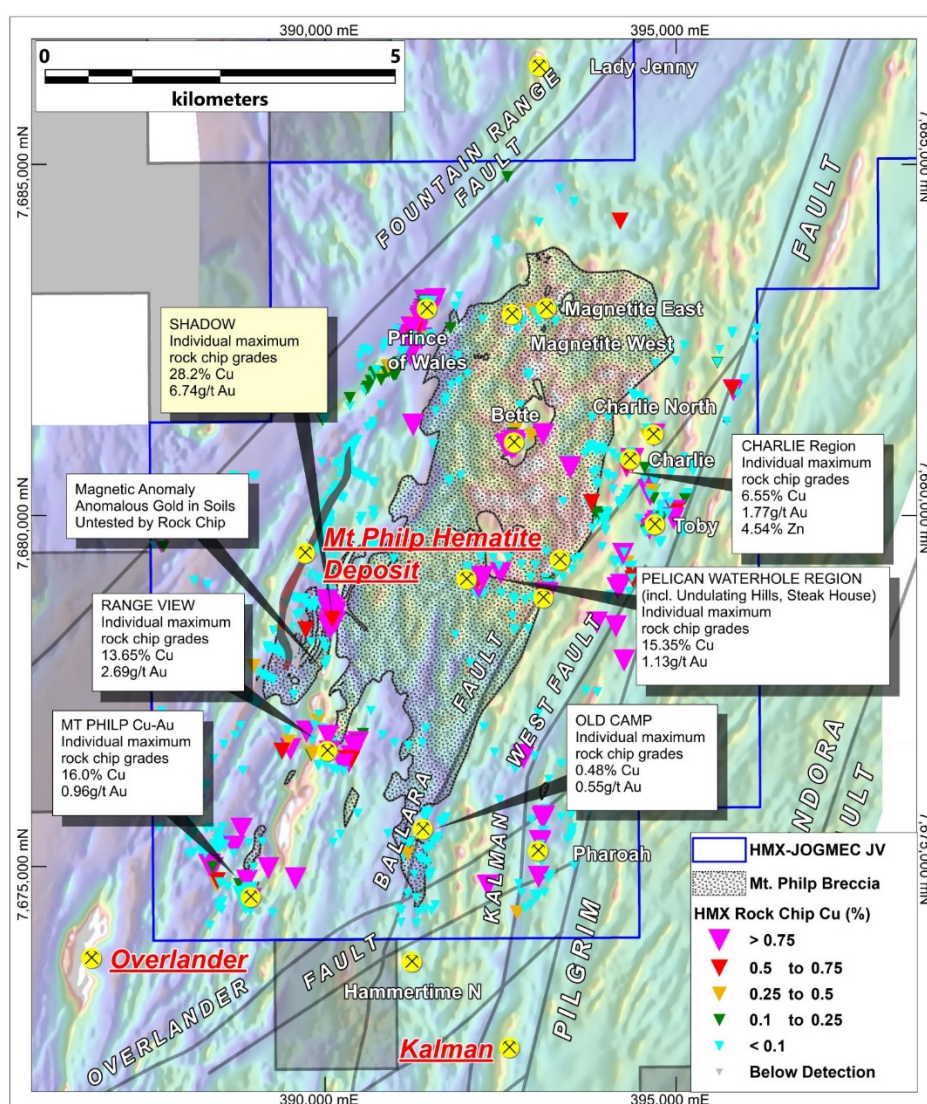


Figure 8. Mt Philp Project – Showing the location of key prospects

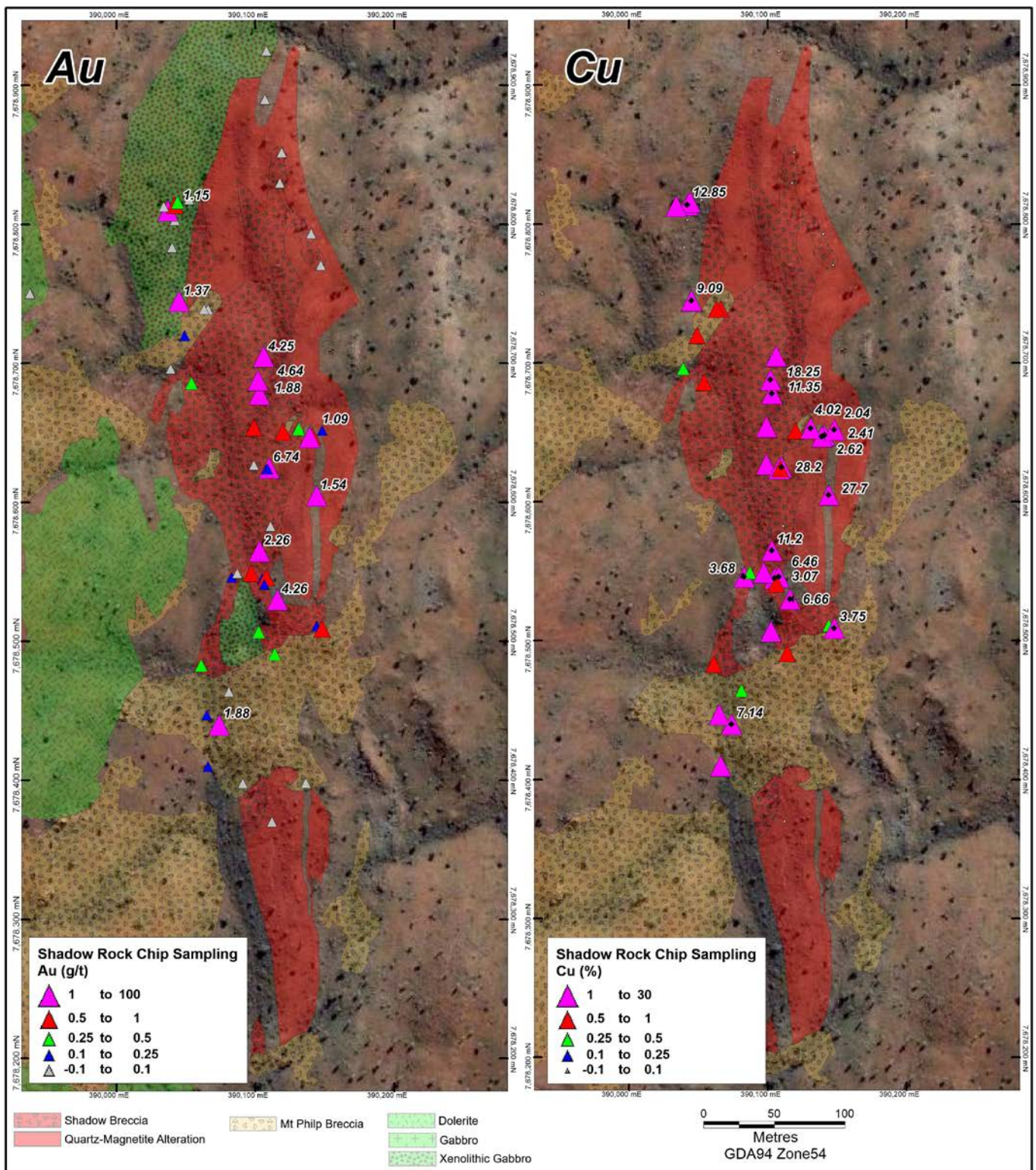


Figure 9. Shadow key geological units with rock chip sampling. Cu greater than 2% and Au greater than 1g/t annotated.

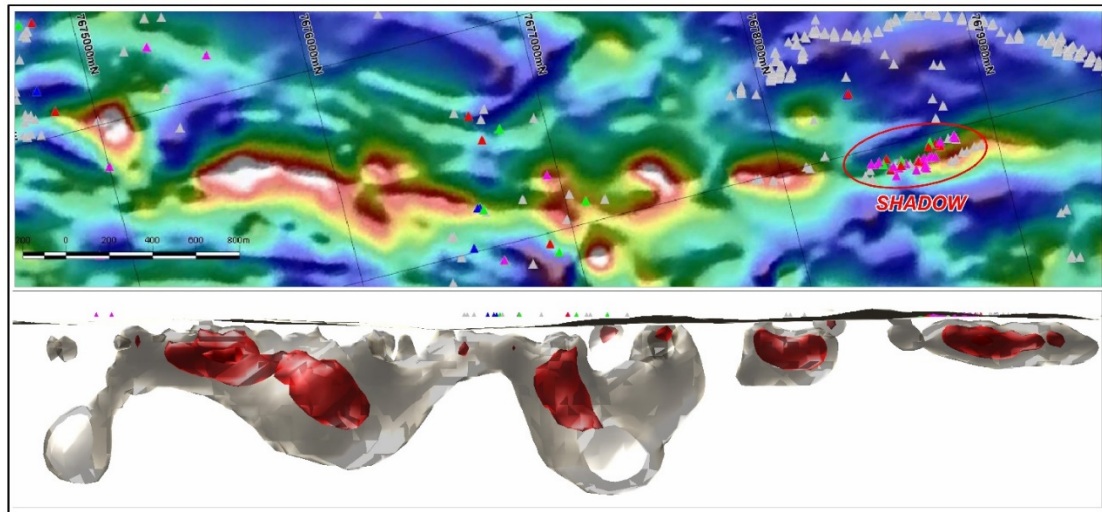


Figure 10. Long section (looking west) along the plus 4km Shadow Trend showing the magnetic response in plan (top) and as a long section looking west (base) with Cu rock chip response. The Shadow prospect is a rank 1 drilling target and the shadow trend will be evaluated in more detail during the Phase 2 program.

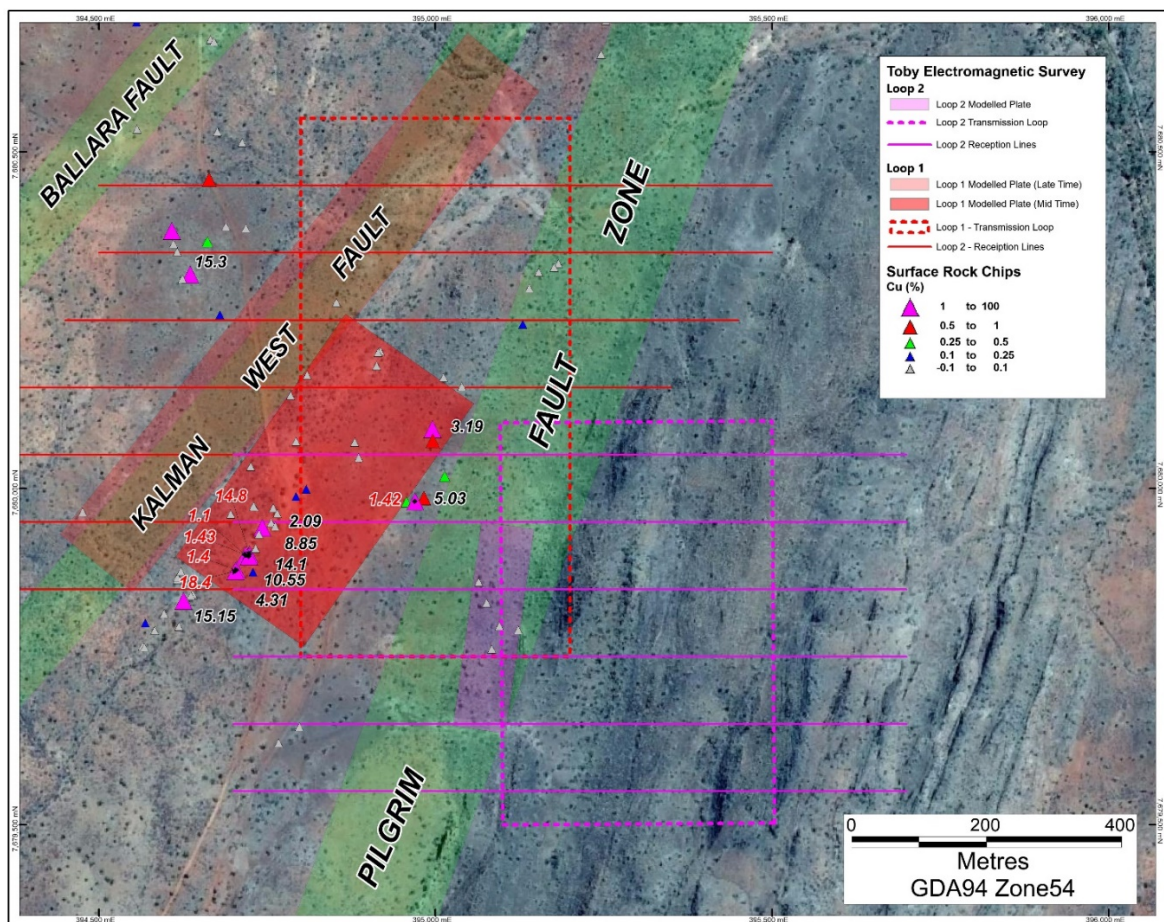


Figure 11. Toby Prospect showing the fixed loop ground EM survey layout, modelled conductive plates and rock chip sample Cu and Au response. Cu grades above 2% and Au grades above 1g/t annotated in black and red respectively.

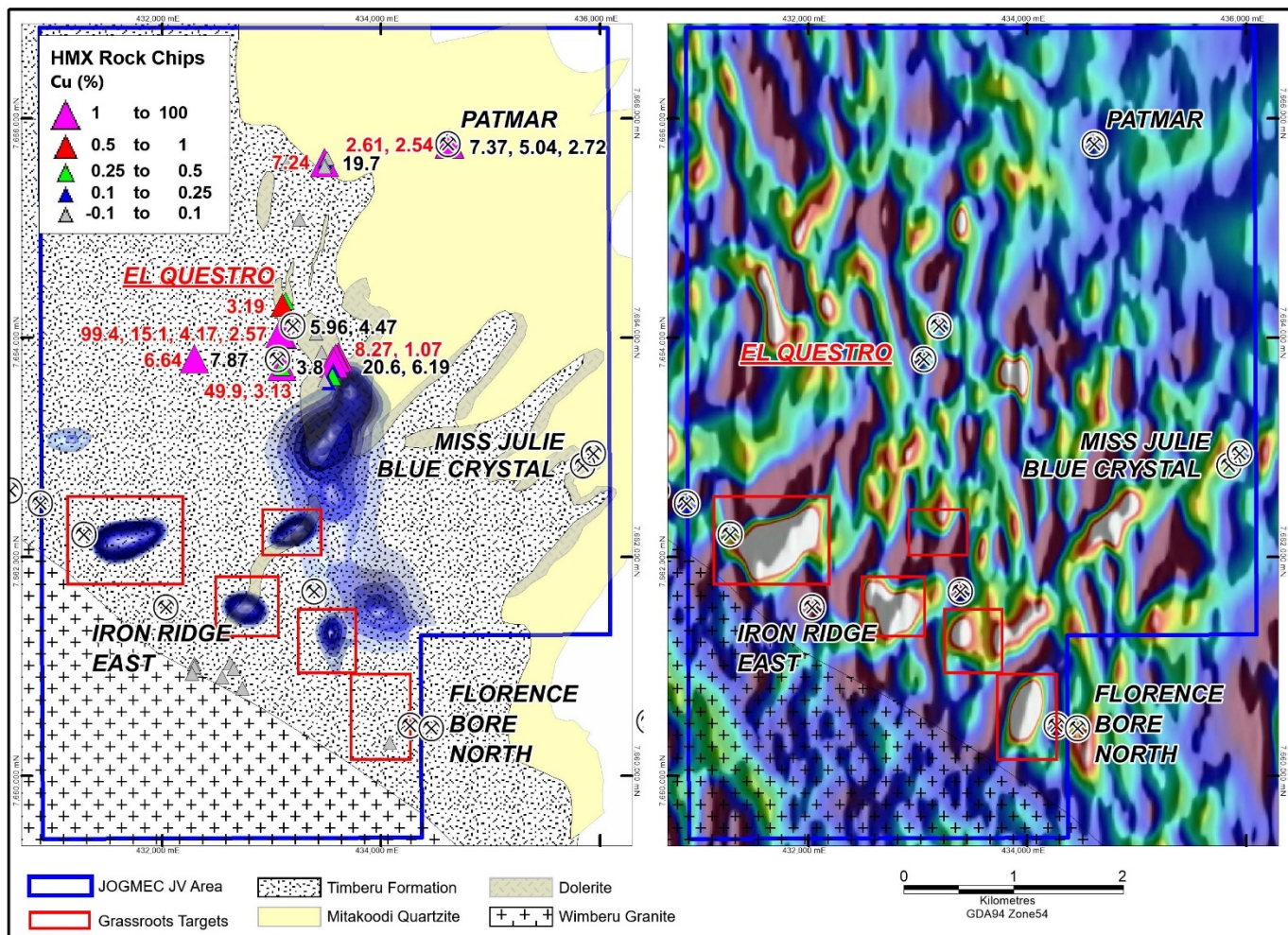


Figure 12. JOGMEC JV Malbon East Project area showing zones of elevated gravity (blue 3D shells - left) and Aeromagnetic response (right). Hammer rock chip sampling is shown with Cu grades above 2% and Au grades above 1g/t annotated in black and red respectively. Refer to ASX announcement dated 23 July 2019 for details of this sampling. The El Questro Au prospect is a rank 2 drilling target. Grassroots targets will be reviewed in detail during the Phase 2 program.

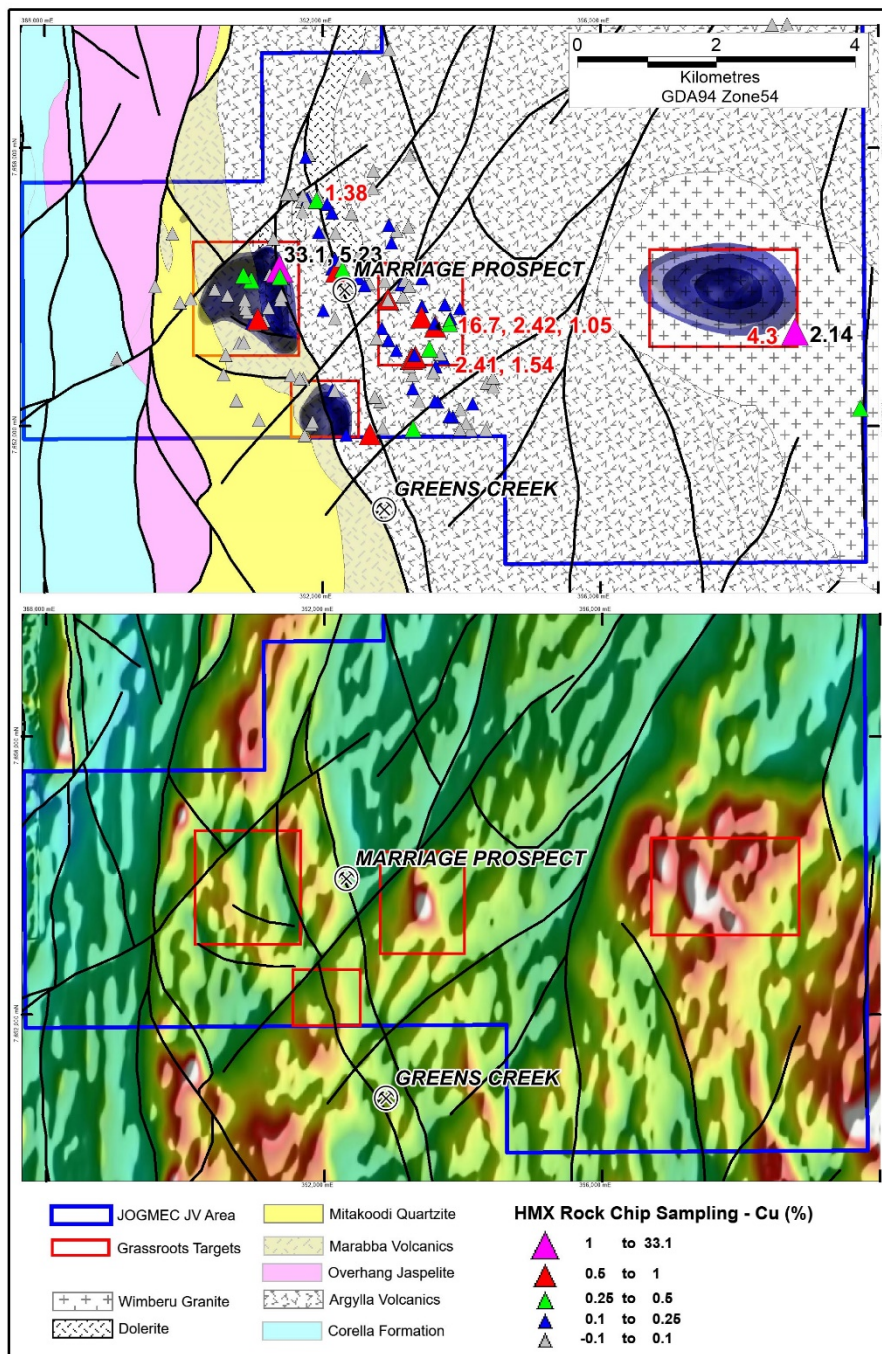


Figure 13. JOGMEC JV Dronfield Northwest Project area showing zones of elevated gravity (blue 3D shells - top) and Aeromagnetic response (base). Historic rock chip sampling is shown with Au greater than 1g/t and Cu greater than 1% annotated in red and black respectively.¹ Grassroots targets will be reviewed in detail during the Phase 2 program.

¹ Sourced from open files Mines Department reports by Eagle Mining Corporation NL in 1998. Work conducted on EPM10033 and referenced to report CR30416. The data underlying these rock chips have been validated by Hammer Metals Limited personnel and the competent person – Mark Whittle. It is opinion of Hammer Metals that the historic exploration data is reliable and material (refer to ASX release 12 May 2020).

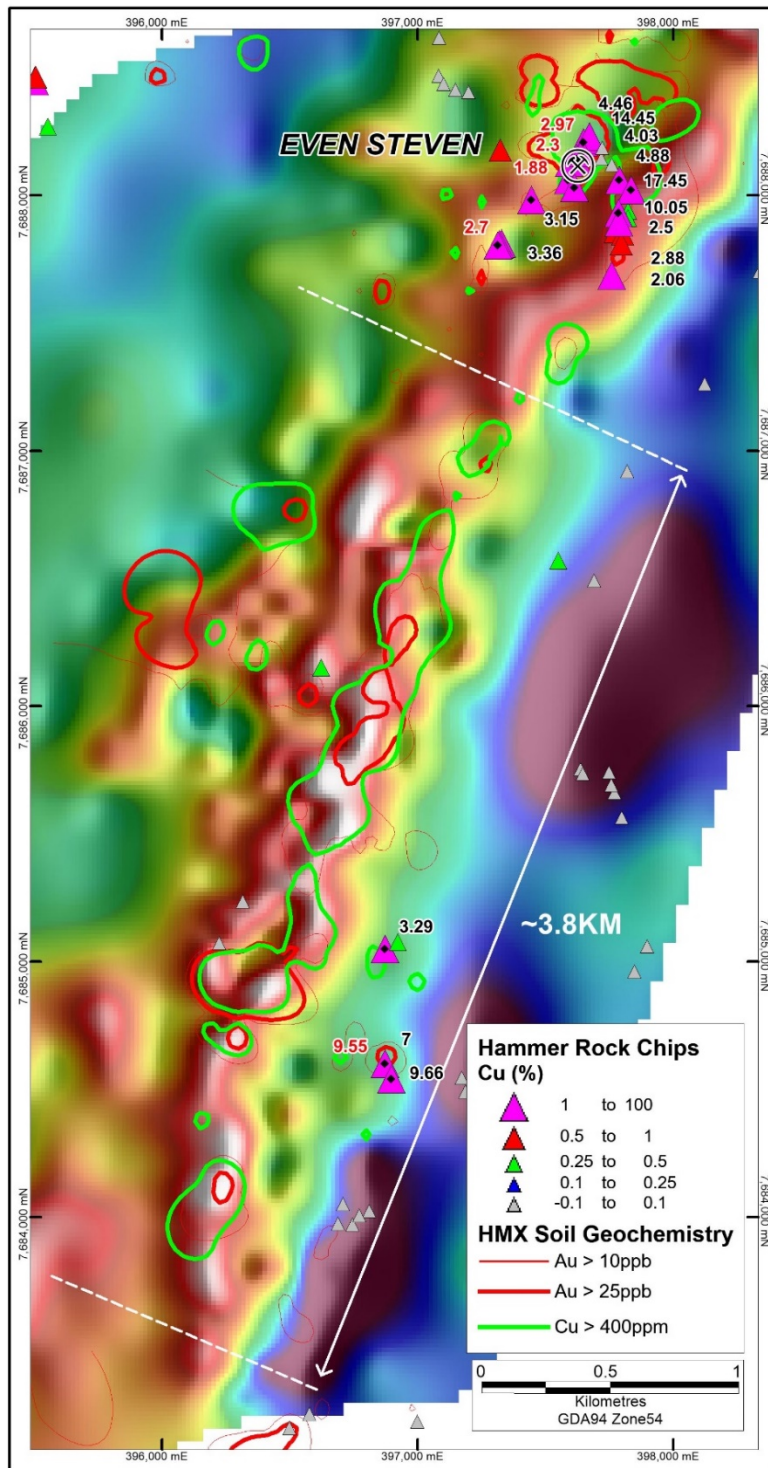


Figure 14. Even Steven South showing the zone of elevated gravity and soil geochemistry response. Little or no rock chip sampling has been conducted on the area overlying these gravity anomalies.

Hammer rock chip sampling is shown with Cu grades above 2% and Au grades above 1g/t annotated in black and red respectively. This grassroots target will be investigated during the Phase 2 program.

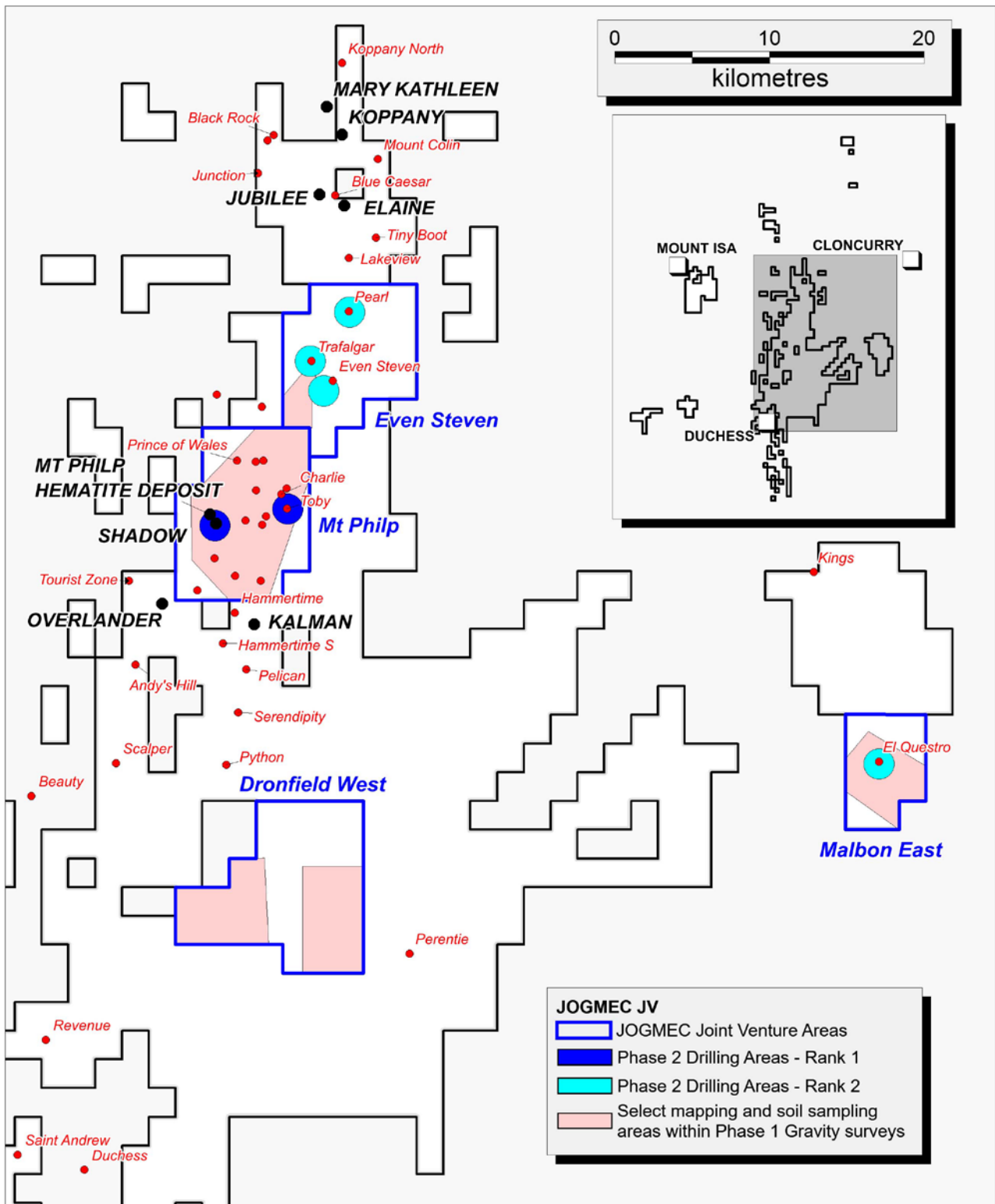


Figure 15. JOGMEC JV Phase 2 program, areas of activity

Mount Isa Projects – Non JOGMEC Joint Venture

Hammer also continues to advance its projects in Mount Isa with activities including the finalisation of a Magneto Telluric (MT) study at Kalman and the commencement of drilling at Koppany (51% JV with Mt Isa Mines). Hammer continues to look for ways to economically advance its Mount Isa portfolio including selective Joint Venture opportunities on portions of its Mount Isa holdings.

Magneto telluric (MT) Survey

Hammer was awarded a CEI grant to undertake a magneto telluric survey over Kalman (20Mt at 0.61% Cu, 0.34g/t Au, 0.14% Mo, 3.7g/t Re – Table 1) and the northern margin of the Mt Philp Breccia (see ASX announcement dated 26 February 2020) with the aim of further understanding the surrounding geological structures and their importance to the high grade mineralisation identified at the project (7m @ 23.4% Cu, 0.5g/t Au from 582m (K-106C) (refer ASX announcement 27 September 2016).

The survey is now complete, and preliminary imagery indicates that the MT method does identify the Kalman Deposit structure. Unexplained near surface conductors and an interesting off-section conductor was delineated to the north of Kalman. These anomalies require further investigation (Figures 16 and 17) and potentially represent untested anomalies on Hammer's 100 per cent owned properties.

Imaging of the northern MT profile indicates zones of low resistivity associated with both the Kalman and Fountain Range Faults in addition to the margin of the Mt Philp Breccia (Figures 16 and 18).

Table 1. Kalman Deposit JORC 2012 Mineral Resource Estimate (27 September 2016)

Classification	Mining Method	CuEq Cut-off	Tonnes Kt	CuEq	Cu	Mo	Au	Ag	Re
				%	%	%	ppm	ppm	ppm
Indicated	Open Pit	0.75%	7,100	1.5	0.48	0.12	0.27	1.4	2.9
Inferred	Open Pit	0.75%	6,200	1.6	0.44	0.15	0.24	1.5	3.9
Inferred	Underground	1.4%	7,000	2.4	0.89	0.16	0.50	2.9	4.5
Total			20,000	1.8	0.61	0.14	0.34	1.9	3.7

- Note: (1) The copper equivalent equation is: $CuEq = Cu + (0.864268 * Au) + (0.011063 * Ag) + (4.741128 * Mo) + (0.064516 * Re)$
- Note: (2) Copper Equivalent Price assumptions are: Cu: US\$4,650/t; Au: US\$1,250/oz; Ag: US\$16/oz; Mo: US\$10/lb; and Re: US\$3,000/kg.

Koppany (51% Joint Venture with Mount Isa Mines)

Drilling has commenced at the Koppany Copper and-Rare Earth Element (REE) prospect located to the southeast of Mary Kathleen. Hammer has received a \$193,000 grant as part of the Queensland State Government Collaborative Exploration Incentive (CEI) scheme to drill two diamond holes at this prospect. The funding is for 100% of the planned expenditure on this target.

Previous wide-spaced drilling by MIM in 2009 was targeting ISCG copper mineralisation. Significant intercepts include, 56m @ 0.35% Cu from 71m in KOPD001. Significant REE intercepts were also made in the footwall of copper mineralisation and include 158m @ 0.39% TREO from 76m in KOPD005 and 121m @ 0.39% TREO from 142m in KOPD007. Peak values over any one metre interval include 1.7% Cerium, 1.15% Lanthanum, 0.26% Neodymium and 0.13% Praseodymium (Refer to ASX announcement dated 3 July 2019). Drilling is expected to be concluded in early August with results to be released during the upcoming quarter.

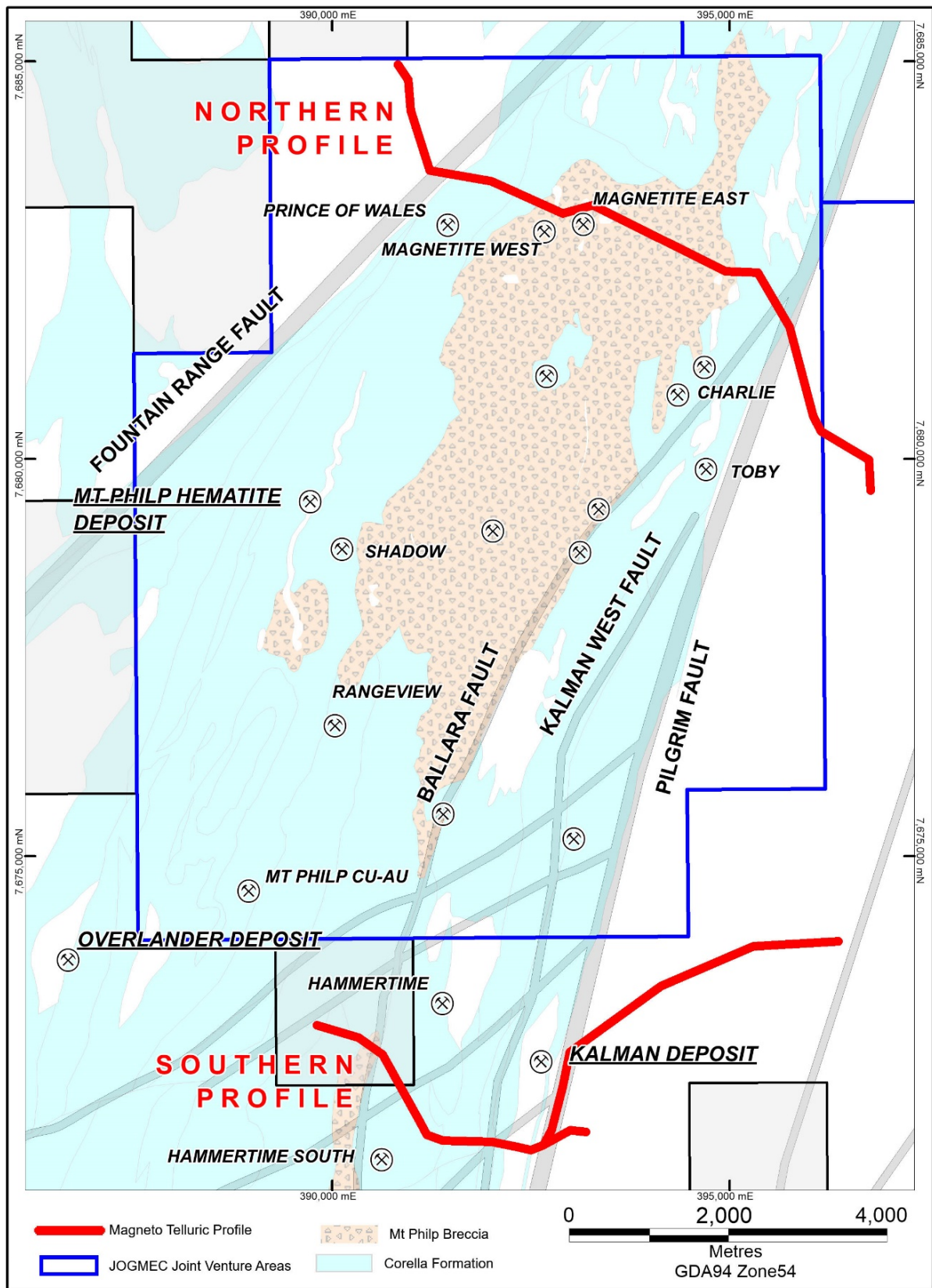


Figure 16. Magneto Telluric profile locations

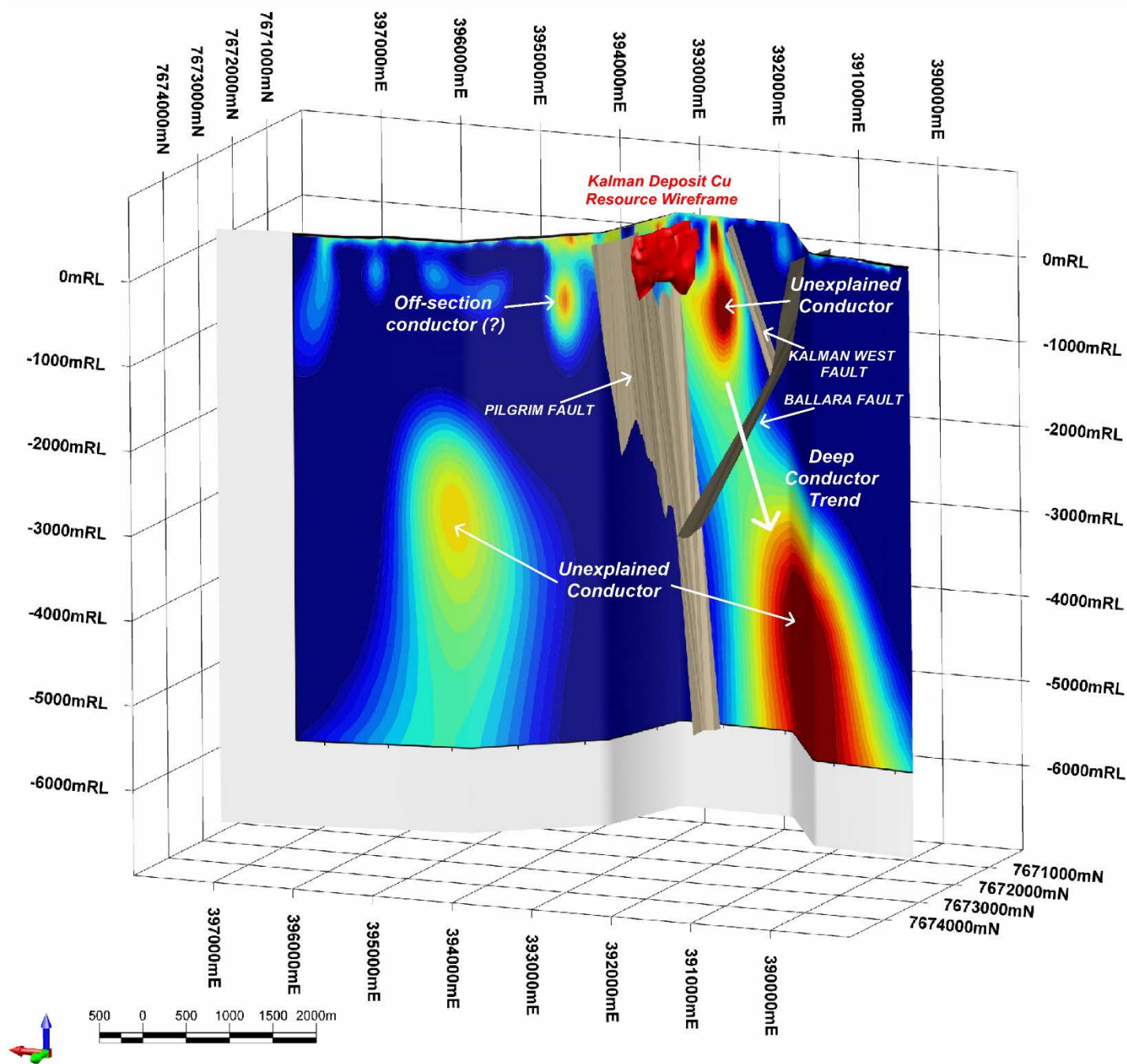


Figure 17. Southern magneto telluric profile looking southeast. The Kalman Cu resource wireframe is shown.

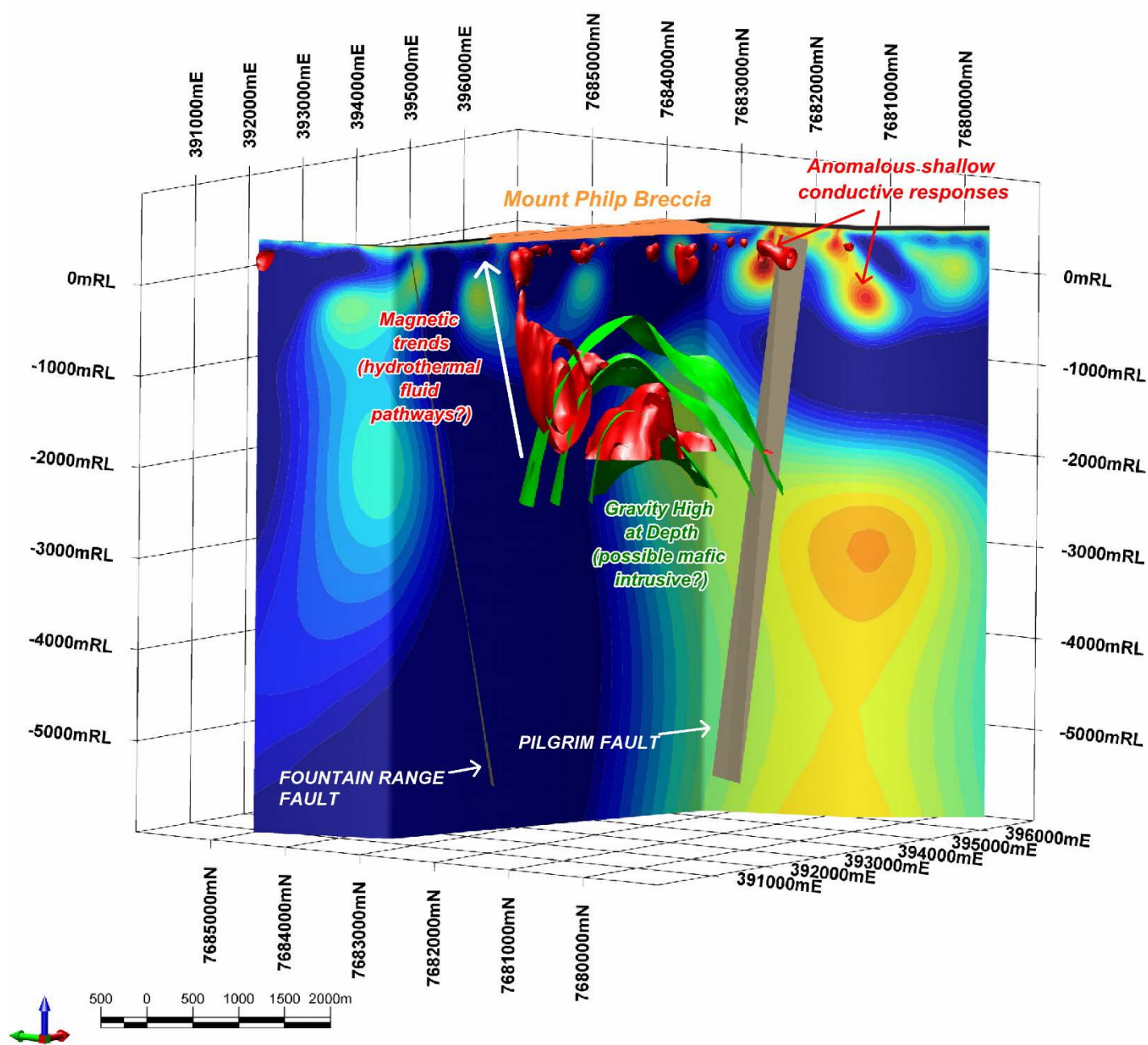


Figure 18. Northern magneto telluric profile looking north. The interpreted position of the Pilgrim and Fountain Range Faults, Mount Philp Breccia and inverted magnetics and gravity shown.

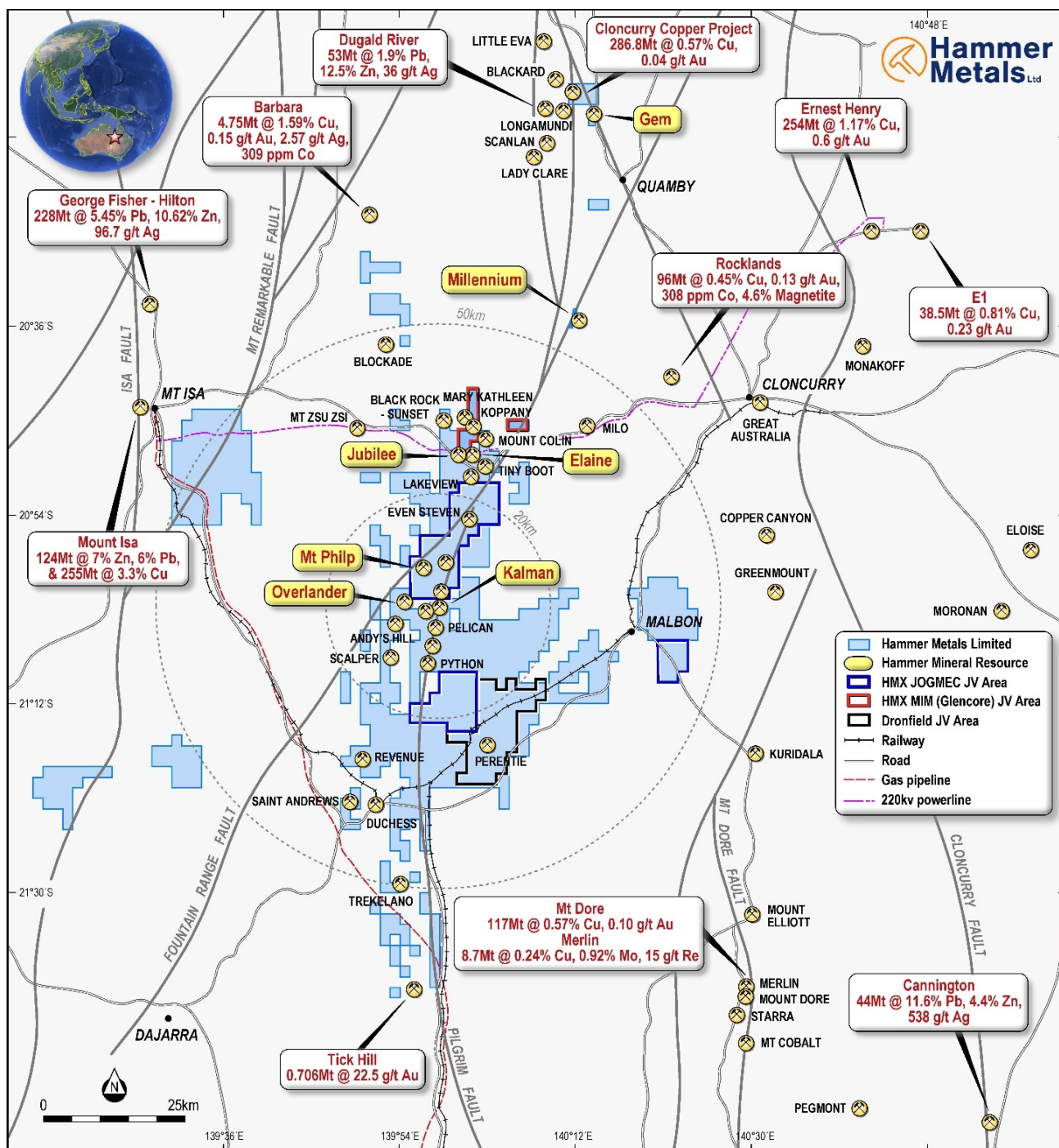


Figure 19. Hammer Metals Mount Isa Project area showing the JOGMEC JV areas.

CORPORATE

During the quarter, non-executive Director Mr Nader El Sayed resigned effective 30 June 2020. With the resignation of Mr El Sayed, the company appointed Mr David Church to the board. Mr Church is currently a non-executive director of Caprice Resources Limited (ASX:CRS) and a consultant employed by Regent Pacific to perform the functions of General Counsel and Head of Mergers and Acquisitions.

On April 2 in response to the COVID-19 pandemic, the Company announced that the non-executive directors would reduce their cash compensation by 50 per cent with the Managing Director and the Chief Operating Officer reducing their salaries by 30 per cent. These measures were to apply until 30 June 2020 at which point, they would be reviewed. Following the resumption of all exploration activities, the board has now resolved that all compensation will be reinstated from 1 July 2020. The Board is still reviewing a mechanism by which the deferred fees will be settled, however notes that should the Company issue equity compensation in lieu of the reduced salaries and fees during this time, shareholder approval would be required.

Including the exercise of HMXOD options by Company Directors, the Company raised approximately \$585,773 through the conversion of 19,525,757 HMXOD options at \$0.03 per share. (Refer to ASX releases dated 3 June 2020, 23 June 2020, 26 June 2020 and 30 June 2020). Cash on hand at the end of the quarter totalled \$3.0 million, comprising \$2.5 million held directly by the Company and \$0.5 million held in the Company's Joint Ventures.

Subsequent to the end of the quarter a further \$306,022 has been received through the conversion of 10,200,723 HMXOD options at \$0.03 per share. Of the funds received from exercise of HMXOD options in the Company for 2020 year to date, Directors Russell Davis and Ziggy Lubieniecki have contributed \$557,989 to the Company to help fund additional exploration efforts across the Company's portfolio.

Hammer's Mt Isa JOGMEC activities remain fully funded by JOGMEC as part of their Joint Venture Earn-in agreement. A further \$193,000 in government expenditure will be utilised by Hammer to complete the Collaborative Exploration Incentive programs in Mount Isa. Hammer was also awarded a \$150,000 Exploration Incentive Scheme ("EIS") Grant from the Western Australian state government to co-contribute to the diamond drilling of two holes at its Bronzewing.

During the quarter, related party payments totalling \$73,000 were paid to the Directors of the company, representing Directors' salary and fees for the period.

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

For further information please contact:

Daniel Thomas

Managing Director

T +61 8 6369 1195

E info@hammermetals.com.au

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 June 2020 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	25% of tenement area held in trust to Global Energy Metals Corporation
	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	6.2% of tenement area held in trust to Global Energy Metals Corporation
	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	
	EPM 27355	Application	100%	No	
	EPM 27469	Application	100%	No	
	EPM 27470	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	
	E36/996	Application	100%	No	
	E53/2112	Application	100%	No	
	E53/2113	Application	100%	No	
	E53/2114	Application	100%	No	
	E53/2115	Application	100%	No	
	E53/2116	Application	100%	No	
	E53/2117	Application	100%	No	
	E53/2118	Application	100%	No	
	E53/2127	Application	100%	Yes	Acquired during quarter
	E53/2128	Application	100%	Yes	Acquired during quarter
	P36/1857	Granted	100%	No	
	P36/1858	Granted	100%	No	

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Hammer Metals Limited

ABN

87 095 092 158

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(34)	(151)
	(e) administration and corporate costs	(172)	(807)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	272	272
1.8	Other (provide details if material)	13	22
1.9	Net cash from / (used in) operating activities	79	(662)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	(13)
	(c) property, plant and equipment		
	(d) exploration & evaluation	(556)	(2,233)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
	- Reimbursement of exploration costs by JV partners and cash calls received	250	821
	- Exploration expenditure on behalf of JV partners	(175)	(645)
2.6	Net cash from / (used in) investing activities	(481)	(2,070)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,392
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	586	586
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(275)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	586	4,703

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,836	1,049
4.2	Net cash from / (used in) operating activities (item 1.9 above)	79	(662)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(481)	(2,070)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	586	4,703
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,020	3,020

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,499	2,448
5.2	Call deposits	22	22
5.3	Bank overdrafts	-	-
5.4	Other – Balance of JV bank accounts	499	366
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,020	2,836

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	34
6.2	Aggregate amount of payments to related parties and their associates included in item 2	39

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	79
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(556)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(477)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,020
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,020
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.33
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 July 2020.....

Authorised by:The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.