

ASX RELEASE

1 September 2020

**DIRECTORS /
MANAGEMENT****Russell Davis**
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 (31/8/2020)	\$0.046
Shares on Issue	608.5m
Market Cap	\$28.0m
Options Listed	142m
Options Unlisted	26m
Performance Rights	8m

EXERCISE OF HMXOD LISTED OPTIONS

Hammer Metals Ltd (ASX:HMX) advises that the attached Option Expiry Notice has been sent to the holders of the listed options expiring on 30 September 2020 (ASX:HMXO).

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

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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.

1 September 2020

Dear HMX Option Holder

**IMPORTANT NOTICE – YOUR OPTIONS TO ACQUIRE HAMMER METALS LTD SHARES
AT \$0.03 PER SHARE EXPIRE ON 30 SEPTEMBER 2020.**

We are writing to you as a registered holder of options (**ASX: HMXOD**) in Hammer Metals Ltd (exercisable at \$0.03 on or before 30 September 2020) (**Options**) to remind you that your Options will expire at 5:00pm (AWST) on 30 September 2020.

There is no obligation on Option holders to exercise their Options. Your Option holding may be exercised in whole or in part in the manner described below by no later than 5:00pm (AWST) on 30 September 2020. Any Options not validly exercised by that time will lapse and all rights under those Options will cease at that time.

The courses of action available to you as a holder of these soon to expire Options are:

- a) Exercise your Options
- b) Sell your Options. Quotation of the Options will cease at the close of trading on 24 September 2020
- c) Do nothing (i.e. allow your Options to expire). If you do not exercise or sell your Options, they will expire at 5:00pm (AWST) on **30 September 2020** and your right to subscribe for ordinary shares in Hammer Metals Ltd (HMX) at an exercise price of \$0.03 per share will lapse.

If you wish to exercise your Options, you must complete the “Application form on Exercise of Option” form accompanying this letter and forward together with payment of \$0.03 per Options in accordance with instructions on the notice. Your completed notice and payment (in clear funds) must be received by no later than 5:00pm AWST on 30 September 2020.

To ensure your Exercise Form is received by the Company prior to the expiry date, the Company recommends that the completed Exercise Form is emailed to the Company at info@hammermetals.com.au.

If you have not received a personalised Option Expiry Notice, or if you have any queries on how to complete the notice, please contact the Company on (08) 93169100.

In accordance with the ASX Listing Rules, the Company advises as follows:

1. The name of the Options holder and number of Options held and the number of fully paid ordinary shares in HMX to be issued on conversion of the Options are contained in this notice and on the enclosed “Application Form on Exercise of Options”;
2. The latest date for the exercise of the Options *and* for payment of the exercise price is 30 September 2020;
3. The exercise price of the Options is \$0.03 per option;
4. The consequence of non-payment of the exercise price is that the Options will lapse;
5. The latest available market sale price of the Company’s shares on ASX prior to the date of this notice was \$0.046 per Share on 31st August 2020.
6. During the three (3) months preceding the date of this notice:
 - i) the highest market sale price of fully paid ordinary shares in HMX on ASX was \$0.063 on 17 August 2020; and
 - ii) the lowest market sale price of fully paid ordinary shares in HMX on ASX was \$0.012 on 30 March 2020

7. The last date of quotation of HMXO Options on the ASX will be 24 September 2020.
8. At the date of this notice there is no underwriting agreement in place for the exercise of Options

If you require help or more information on how to exercise your Options, please contact the Company on (08)93169100.

If you are unsure whether to exercise your Options you should contact your stockbroker, financial adviser or other professional adviser.

On behalf of the board,

Mark Pitts

Company Secretary

HAMMER METALS LIMITED
ACN 095 092 158
INCORPORATED IN WESTERN AUSTRALIA
APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

HMXOD

I/We

Securityholder Reference Number (S.R.N) / Holder Identification Number (H.I.N) _____

Contact Telephone Number _____

The registered holder(s) of the Options hereby exercise my/our Option for: _____
In figures In words

Ordinary Fully Paid Shares and enclose application money of \$0.03 per share \$. _____
(amount payable on exercise)

I/We whose full name(s) and address(es) appear above hereby apply for the number of Shares shown above. I/We agree to be bound by the Constitution of the Company.

Signature Of Option holder(s) (All joint holders must sign)	Companies Only Executed in accordance with the Company's Constitution and the Corporations Law.
X _____ Signature Date	X _____ Sole Director and Sole Secretary Date
X _____ Signature Date	X _____ X _____ Director Date Secretary Date
X _____ Signature Date	X _____ X _____ Director Date Director Date

Note: If signed under Power of Attorney, a Certified Copy of the relevant Power of Attorney document must be exhibited to the Registry.
The Attorney declares that he/she has had no notice of revocation of the Power of Attorney.

TERMS AND CONDITIONS

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).
- (c) Each Option will expire at 5:00 pm (WST) on 30 September 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Details for the electronic funds transfer are as follows:

Account Name: Hammer Metals Limited

BSB: 086-006

Account Number: 58-997-4798

- (f) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) Within 15 Business Days after the Exercise Date, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

The Company encourages payment to be made by EFT to the Bank Account set out at (e) above. If you are using a cheque it should be made payable to **HAMMER METALS LIMITED** and crossed "Not Negotiable" and drawn on an Australian Bank and posted to Hammer Metals Limited, Unit 1, 827 Beaufort Street Inglewood WA 6052.

NOTE: OPTIONS NOT EXERCISED BY 5.00 PM PERTH TIME ON 30 SEPTEMBER 2020 WILL AUTOMATICALLY EXPIRE.