



13th April 2015

March 2015 Quarterly Activities Report

Highlights

- Field programs recommence following wet season on Hammer's Mount Isa Project for large Iron Oxide Copper Gold (IOCG) deposits;
- 3D IP geophysical surveys and geological mapping completed over the Overlander and Andy's Hill targets;
- IP anomaly coincident with the gravity and magnetic targets defined at Overlander North – remaining IP data presently being modelled;
- Drilling commenced late in the quarter at Overlander North with drilling to extend to targets outlined at Hammertime, Overlander Central and Andy's Hill;
- New significant shareholder for Hammer Metals as Deutsche Rohstoff takes a 15% interest by investing \$1.25 million in the company.



Drill Rig on site at Overlander OVD001



OPERATIONS SUMMARY

MOUNT ISA PROJECT

The principal aim of Hammer's exploration activities in the first quarter of 2015 is the advancement of the Overlander, Andy's Hill and Hammertime IOCG targets.

During the quarter Hammer Metals Limited (**ASX: HMX**) ("Hammer" or "the Company") continued ongoing programs of 3D-IP surveying and detailed geological mapping over the Overlander and Andy's Hill project areas. The programs were designed to enhance drill targeting within these large altered and mineralised systems (Refer to ASX release dated 18th March 2015).

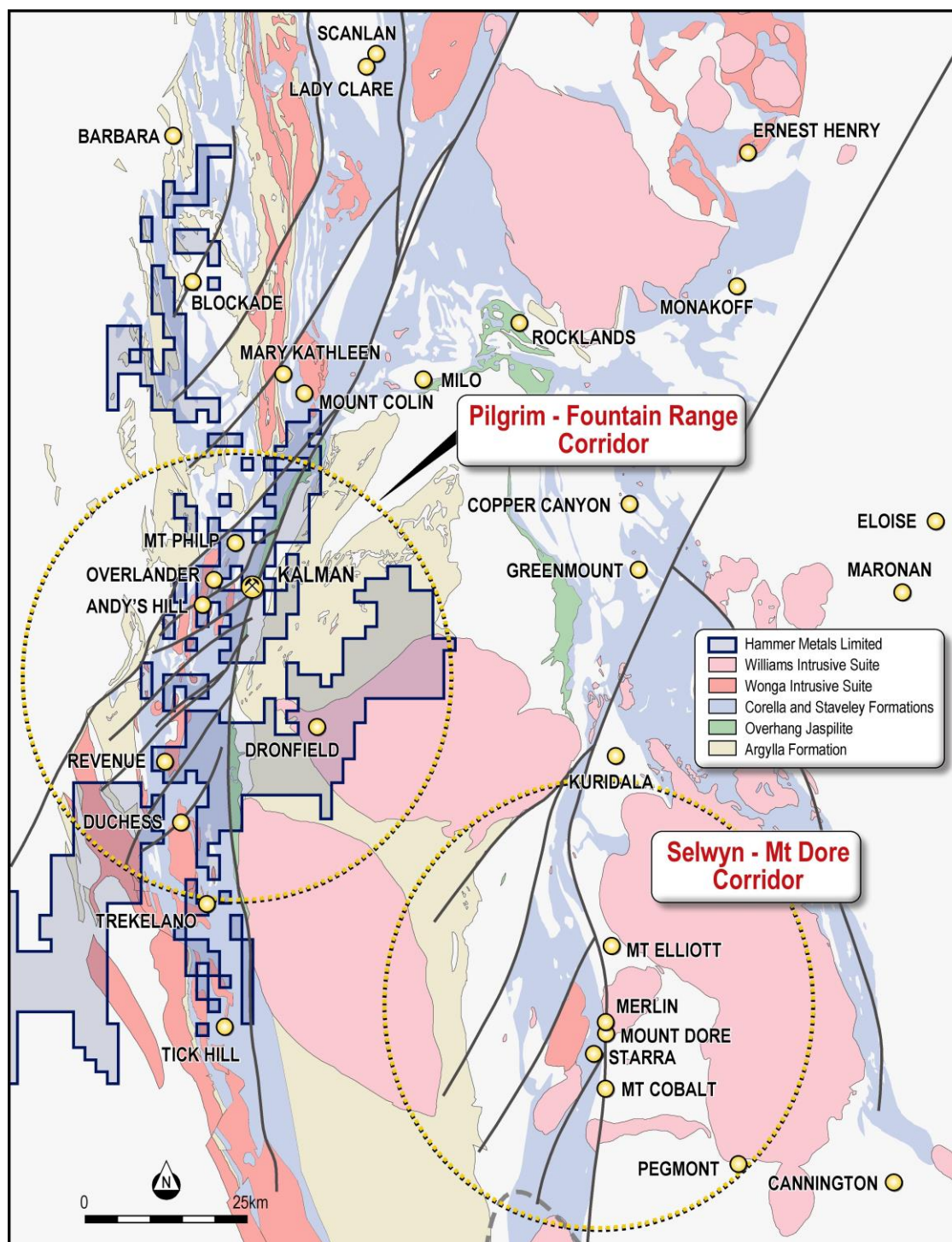
Inversion modelling of the IP lines completed to date over the Overlander North Iron Oxide Copper-Gold (IOCG) target enhanced the understanding and prospectivity of gravity and magnetic targets generated late last year (Refer to ASX release dated 26th November 2014).

The IP chargeability iso-surfaces outline an anomaly that overlaps the top of the gravity and magnetic bodies between 100 metres and 300 metres below surface and immediately to the west of the Overlander North deposit where recent drilling returned 75 metres at 1.33% Cu in OVRC029 (Refer to ASX release dated 16th September 2014).

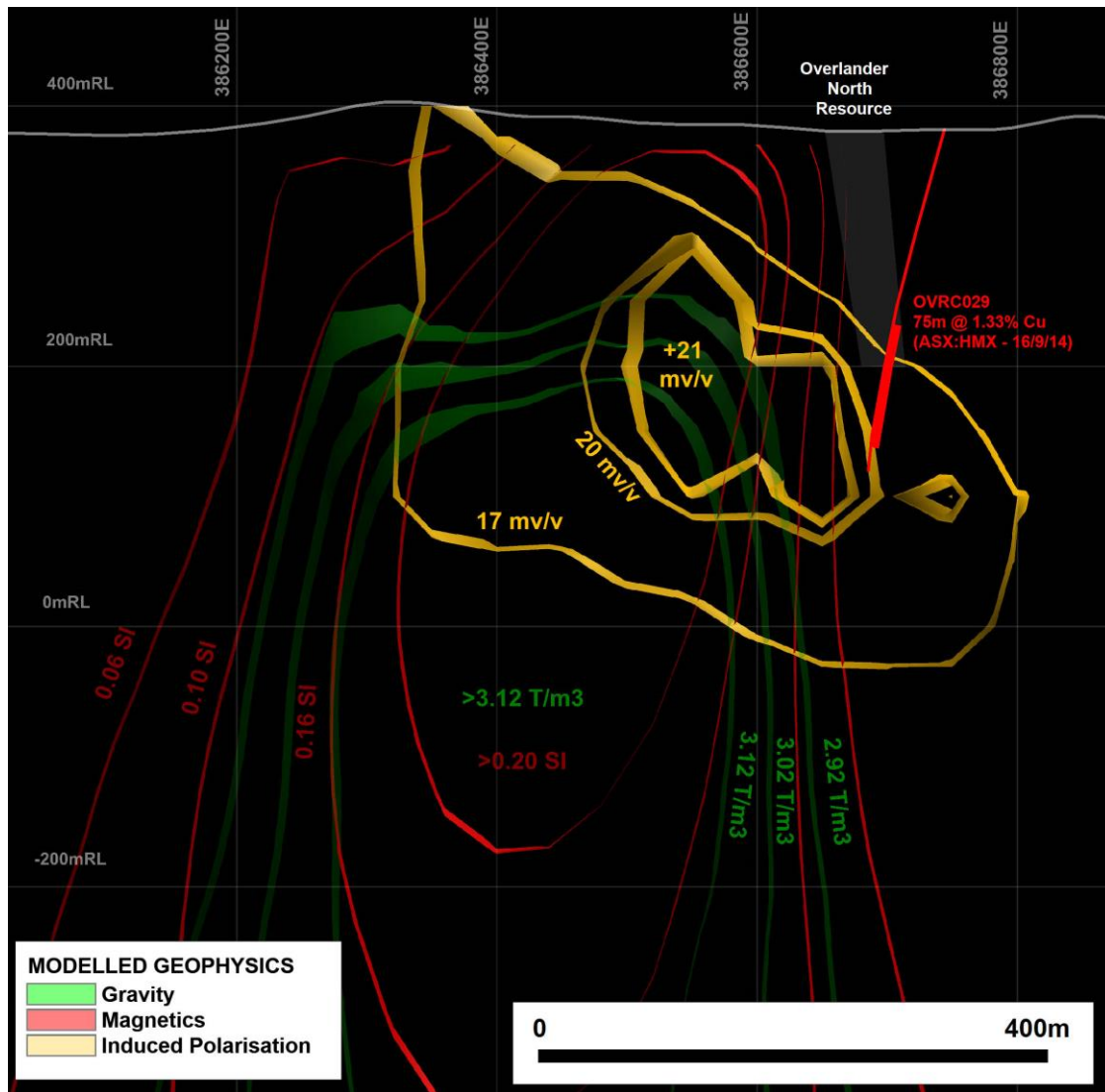
The geological mapping completed at Overlander confirmed extensive magnetite alteration and secondary copper mineralisation at surface above the overlapping IP, gravity and magnetic targets.

A program of RC and diamond drilling commenced late in the quarter with the first hole collared to provide an initial test of the Overlander North IP, magnetic and gravity target.

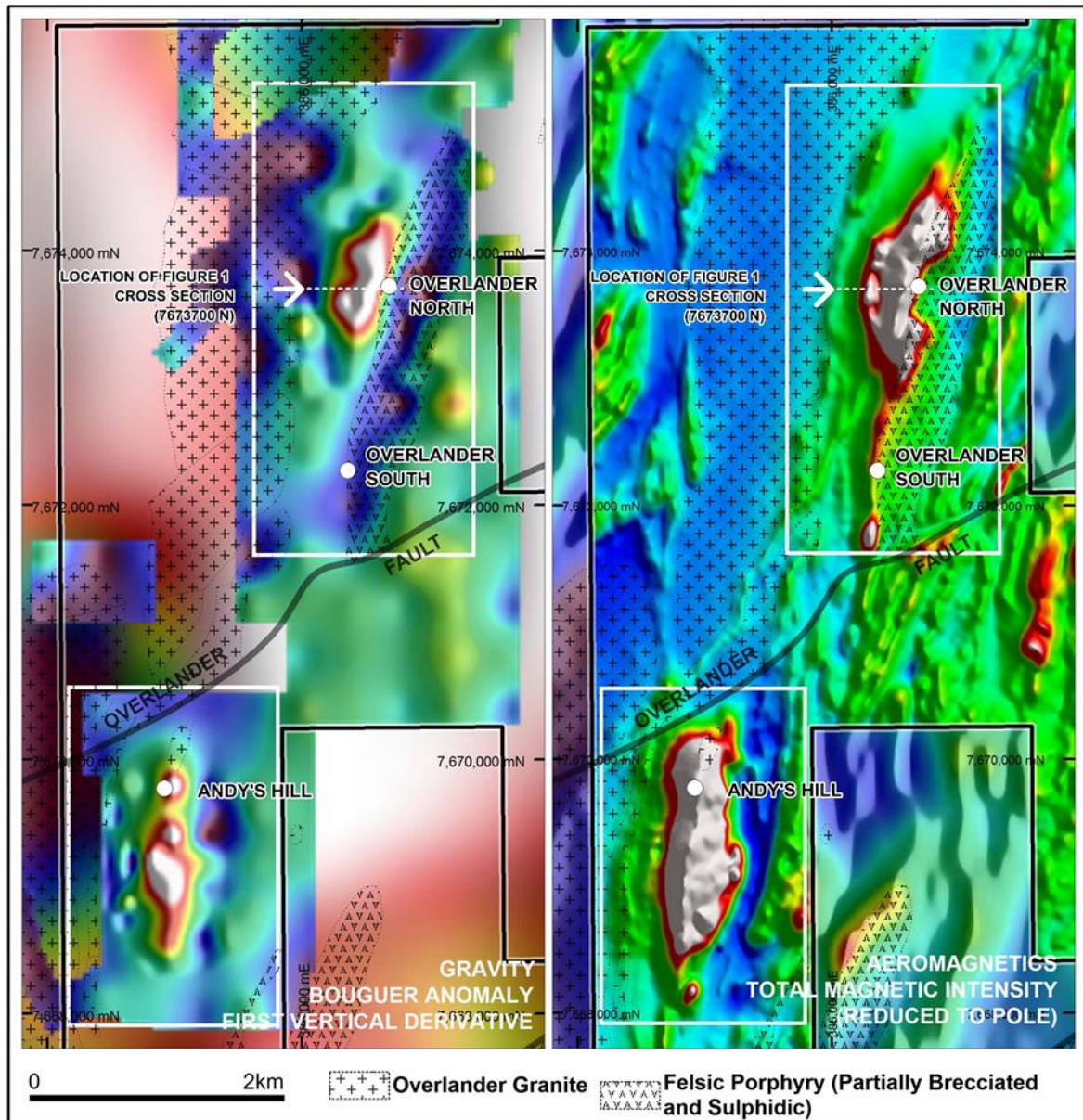
The proposed combined RC and diamond drilling program will comprise approximately 2000 metres of diamond and RC drilling in 5 holes to test IOCG targets at Overlander Central, Hammertime and Andy's Hill as well as Overlander North.



Project Locations



Overlander Modelled 3D Gravity, Magnetics and IP - Cross Section 7673700



Overlander and Andy's Hill IOCG Project Areas

Future Activities at Mount Isa

The priority in the second quarter of 2015 will be to complete the processing and inversion modelling of the 3D IP data at Overlander and Andy's Hill and in conjunction with the existing geological and geophysical data, finalise the drill targets and undertake the initial drilling program at Overlander and Andy's Hill. The existing IP and geochemical anomalies at Hammertime (located 2 kilometres to the west of Kalman) will also be drilled.



GOLDEN PEAKS PROJECT (QLD) – (Farm-in Agreement with Perilya Limited)

No field work was completed. A review of the new ground EM data and previous geochemical and geological data was completed over the Mount Dick North area where a cluster of EM conductors was located by the VTEM survey flown by Hammer in 2013. Several drill targets for volcanic hosted massive base metal sulphide mineralisation were generated and an application for drill funding under the Queensland Government's Collaborative Drilling Initiative was submitted. The outcome of this application is awaited.

CORPORATE

A capital raising of \$1.25 million was completed in February to German resources company Deutsche Rohstoff AG who are listed on the Frankfurt Stock Exchange. The placement was completed at 8c for 15,625,000 shares and 3,811,953 options with a 15c strike price. The proceeds will enable Hammer to continue with planned field work and specifically to fund the current drilling campaign at Mount Isa.

- ENDS -

For further information, please contact:

Alex Hewlett

Executive Director

Hammer Metals

Tel: +61 8 9271 0149

Competent Person's Statements:

Exploration Results

The information in this report as it relates to exploration results and geology was compiled by Mr Mark Whittle, who is a Member of the AusIMM and a consultant to the Company. Mr Mark Whittle 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.



Appendix 1

TENEMENT INTERESTS AT END OF MARCH 2015 AS PER LISTING RULE 5.3.3					
Project	ID	Status	Interest at End of the Quarter	Acquired During Quarter	Comment
Western Australia - Leonora	E40/295	Granted	100%	No	
	E40/312				
Western Australia - Pilbara Iron Ore	M08/506	Application	100%	No	
Queensland - Mount Isa	EPM 13870	Granted	100%	No	
	EPM 14232				
	EPM 15972				
	EPM 16726				
	EPM 16987				
	EPM 17453				
	EPM 17762				
	EPM 18116				
	EPM 18320				
	EPM 19782				
	EPM 19783				
	EPM 19784				
	EPM 19785				
	EPM 19805				
	EPM 19818				
	EPM 25145				
	EPM 25369	Application			
	EPM 25402	Granted			
	EPM 25425				
	EPM 25452				
	EPM 25486				
	EPM 25523	Applications			
	EPM 25666				
	EPM 25686				
	EPM 25777	Applications			
	EPM 25859				
	EPM 25866				
	EPM 25867				
	EPM 25892				
	EPM18084	Granted	0%	No	Can earn 80% from Kabiri Resources Pty Ltd
Queensland - Golden Peaks	EPM 15810	Granted	0%	No	Can earn 60% from Perilya Limited
	MDL 13				Can earn 60% from Perilya Limited
	EPM 19831	Granted	100%	No	