ASX Announcement (ASX: HMX)

11th May 2015

Drill hole intersects IOCG at Overlander North

Hammer Metals Limited (**ASX: HMX**) ("Hammer" or "the Company") wishes to update shareholders on the results for the first drill hole at the Overlander North IOCG target within the Company's Mount Isa project.

- OVD001 targeted an IP chargeability anomaly on the flanks of gravity and magnetic highs;
- Hole returned an intercept of **97.3 metres at 0.54% Cu** from 358.7 metres including **21 metres at 1.7% Cu** from 435 metres and a higher grade zone of **6 metres at 3.3% Cu** from 446 metres;
- Hole intercepted strong magnetite and albite alteration zone containing copper mineralisation above the gravity and magnetic features in the footwall of the mineralisation for its entire length;
- The presence of an extensive mineralised IOCG system is now confirmed;
- High priority resistivity, gravity and magnetic targets adjacent to intersection in OVD001 remain to be tested;
- Assay results for other holes at Hammertime, Andy's Hill and Overlander Central are awaited.

Drill hole OVD001 is Hammer's first drill hole into the Overlander North IOCG alteration system and was targeted on an IP chargeability feature on the eastern flanks of the gravity and magnetic inversion shells. The hole was RC pre-collared to 248.7 metres and diamond cored to 522 metres.

The drill hole intercepted strong albite-magnetite +/- biotite IOCG-style altered sediments and volcanics with disseminated copper mineralisation (chalcopyrite) on the flanks of the gravity and magnetic inversion shells to a depth of approximately 360 metres, followed by brecciated and altered sediments which hosted the strongest copper mineralisation to 470 metres, followed by strongly red-rock altered and pyritic rhyolitic volcanics to the end of the hole at 522 metres.

The best mineralised zone totaled 97.3 metres at 0.54% Cu downhole with internal high grade intersections of 21 metres of 1.7% Cu including 6 metres at 3.3% Cu and 0.13% Co with a peak copper grade of 7% Cu over a one metre interval. The higher grades are approximately 150 metres below a previous intersection of 75 metres at 1.33% Cu in OVRC029.

The true width of the mineralised zone is estimated to be approximately 70 metres.

The results of this hole are considered highly encouraging and confirms the potential of this large and untested alteration zone at Overlander North for significant IOCG mineralisation. The next planned hole will commence testing the core of the adjacent overlapping gravity, magnetic and IP resistivity responses after updating the inversion modelling of the geophysical data on the basis of the results of OVD001.

For further information, please contact:

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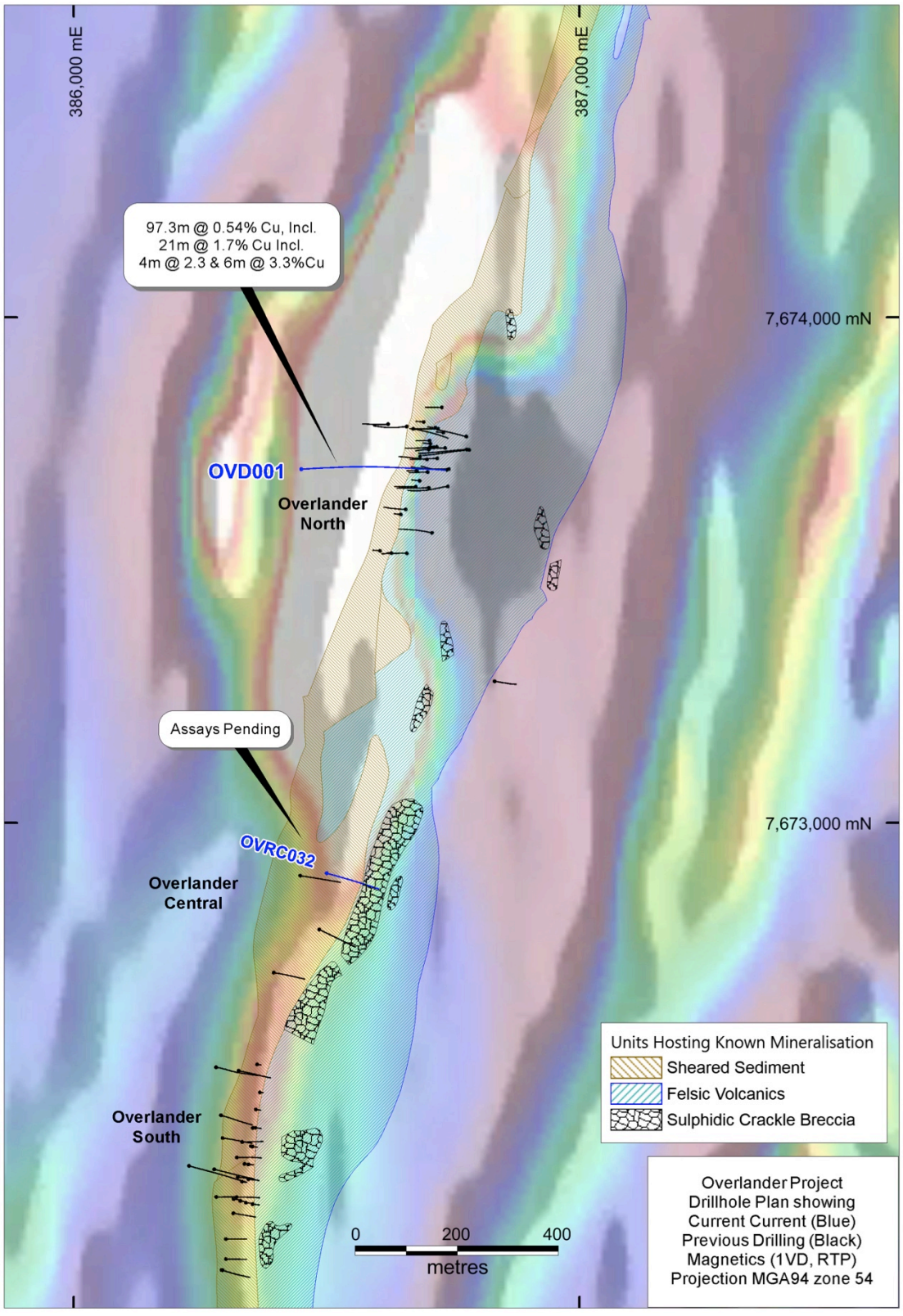
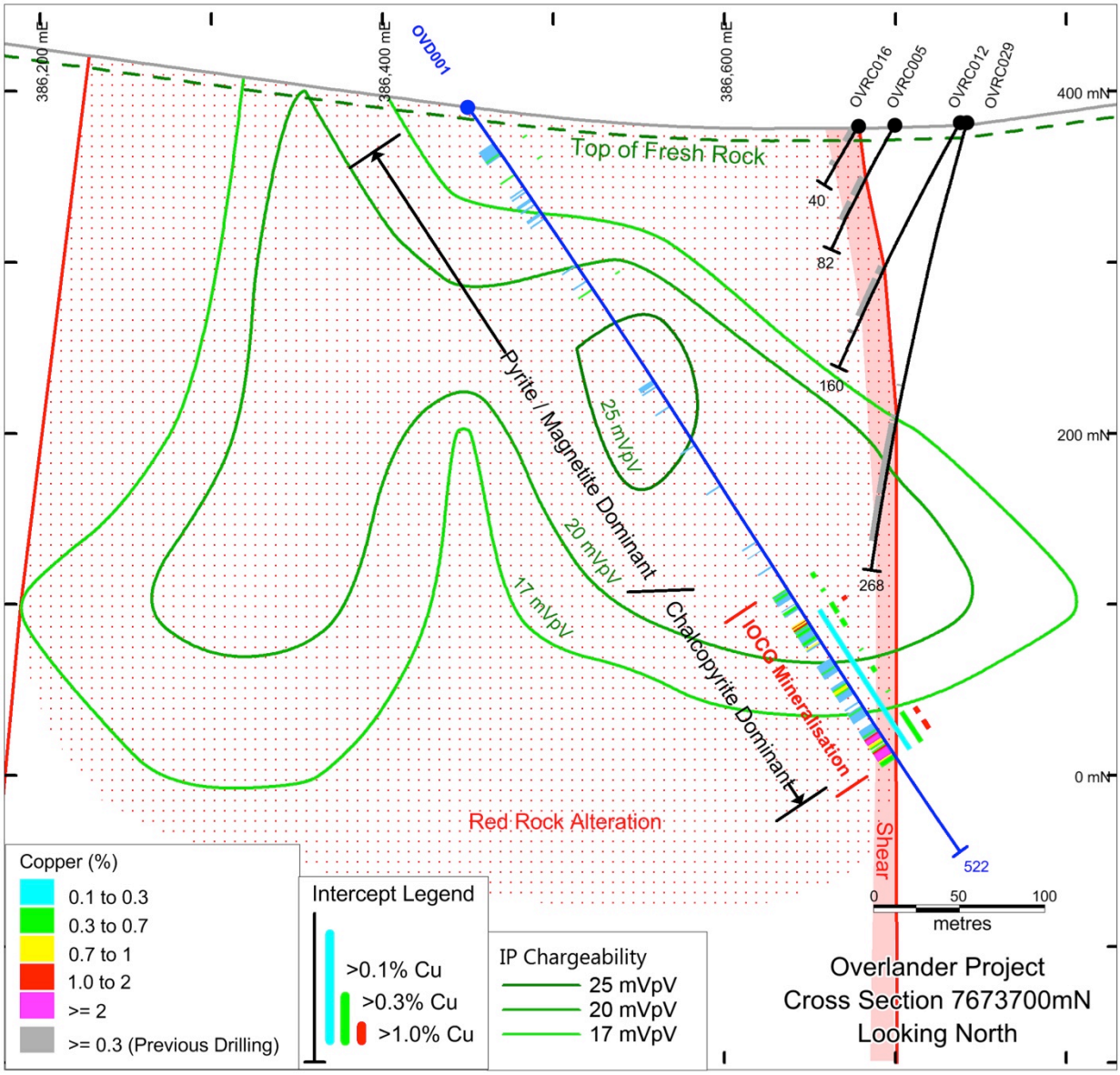
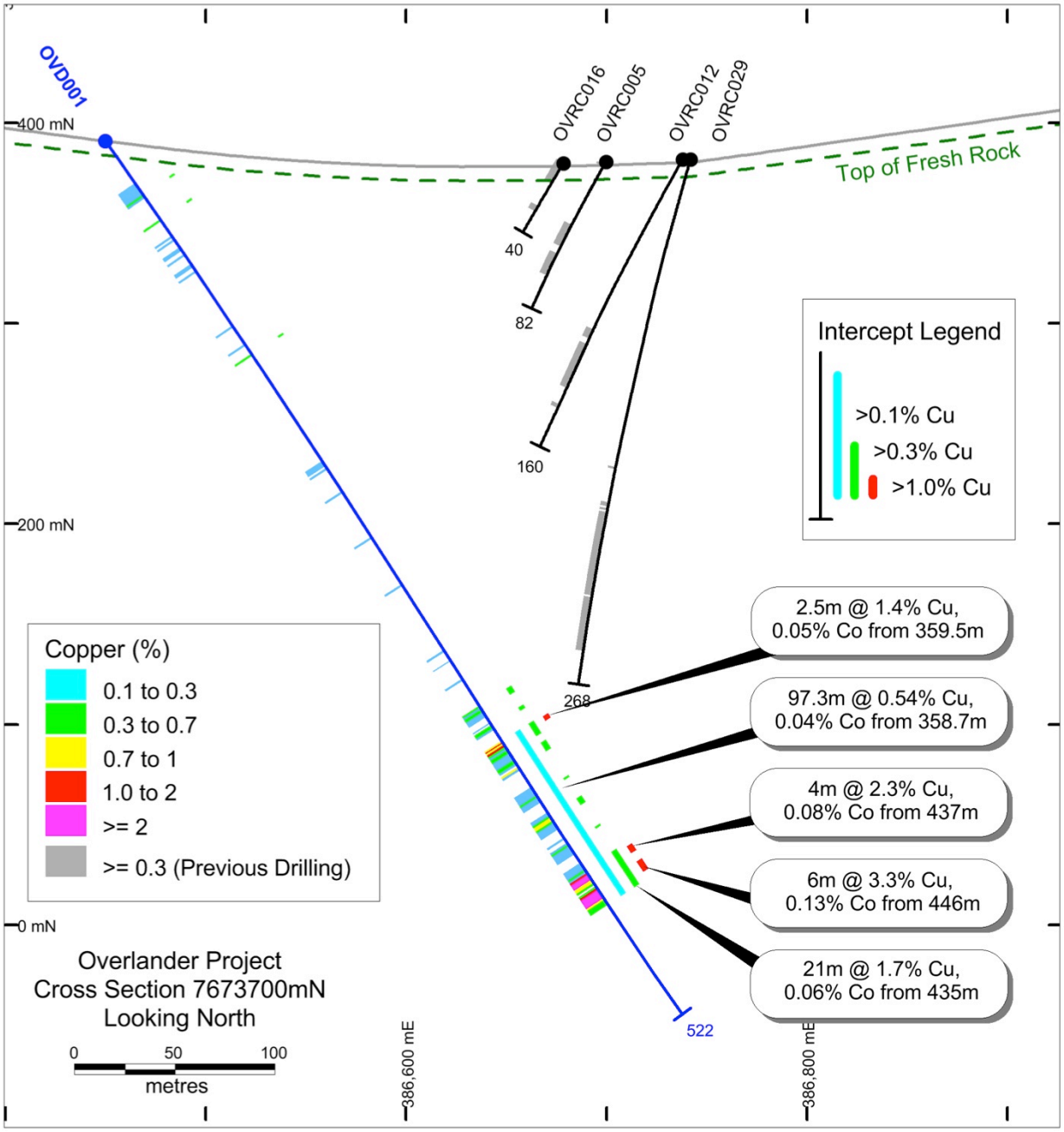


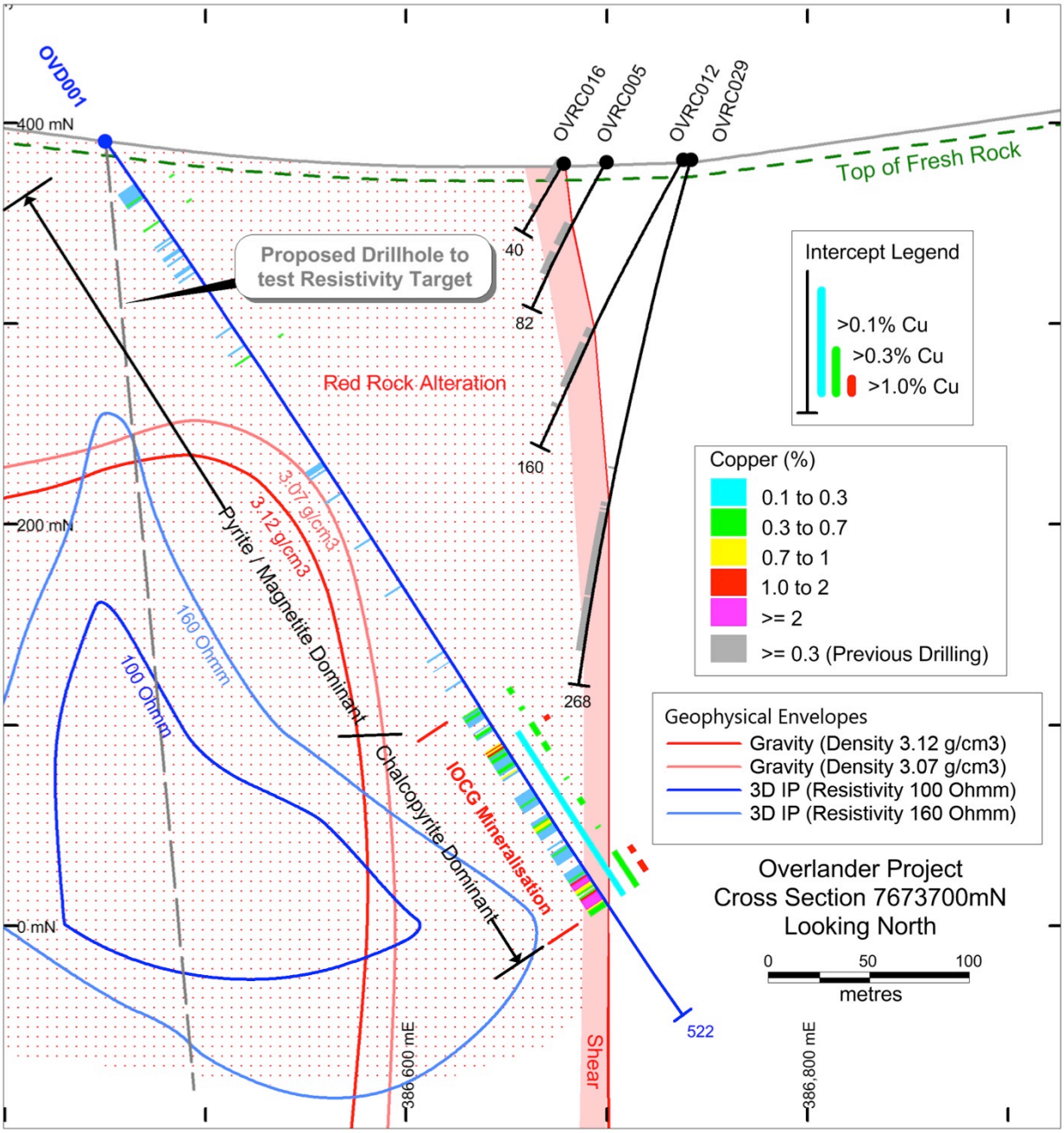
Overlander Magnetics and Drilling Plan



Overlander North Section 7673700N with IP Chargeability Inversion shells



Overlander North Cross Section 7673700N



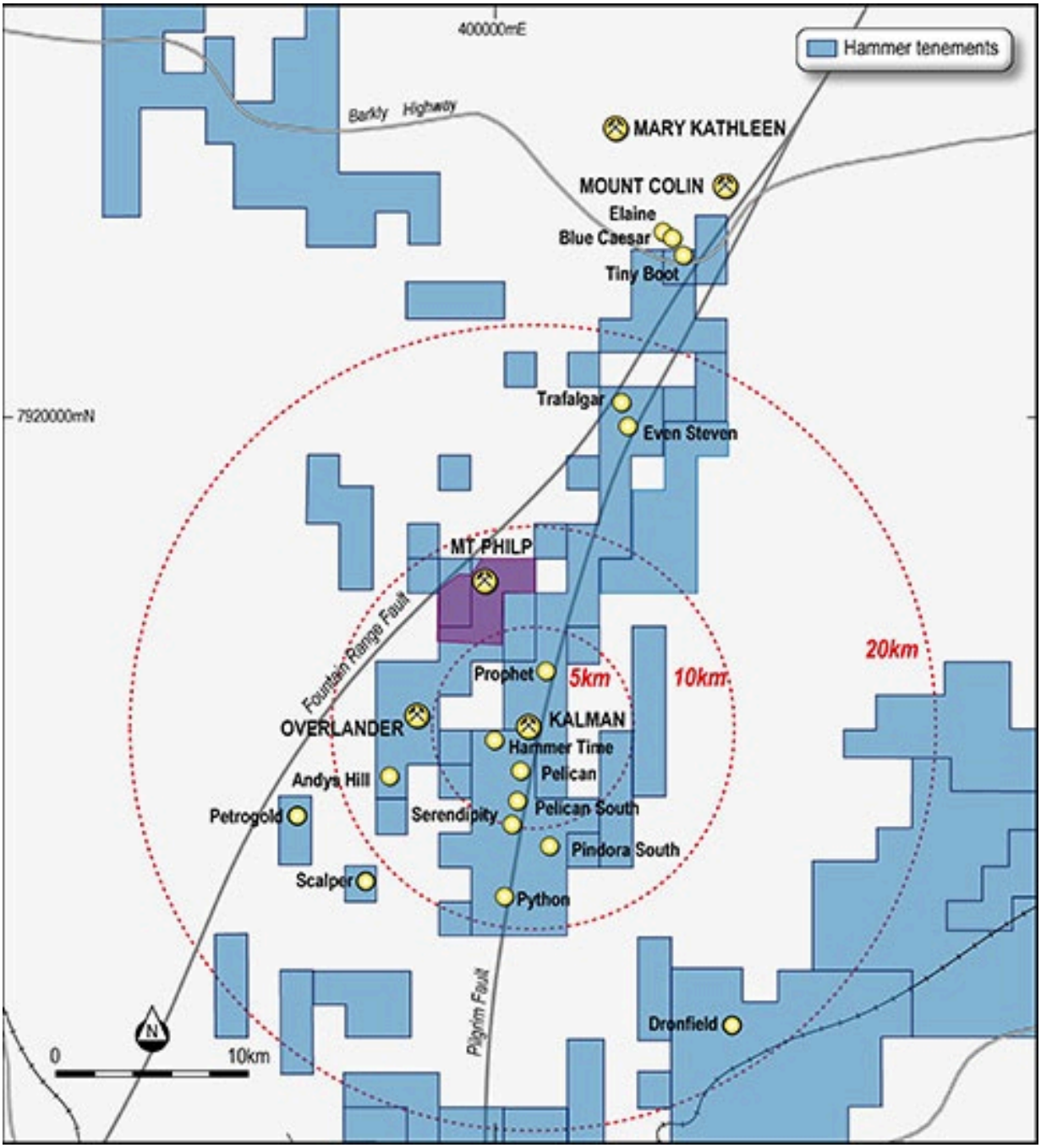
Overlander North Cross Section 7673700N with IP Resistivity/Gravity Inversion Shells

OVD001 – Magnetite, Albite, Chalcopyrite, Pyrite Rock

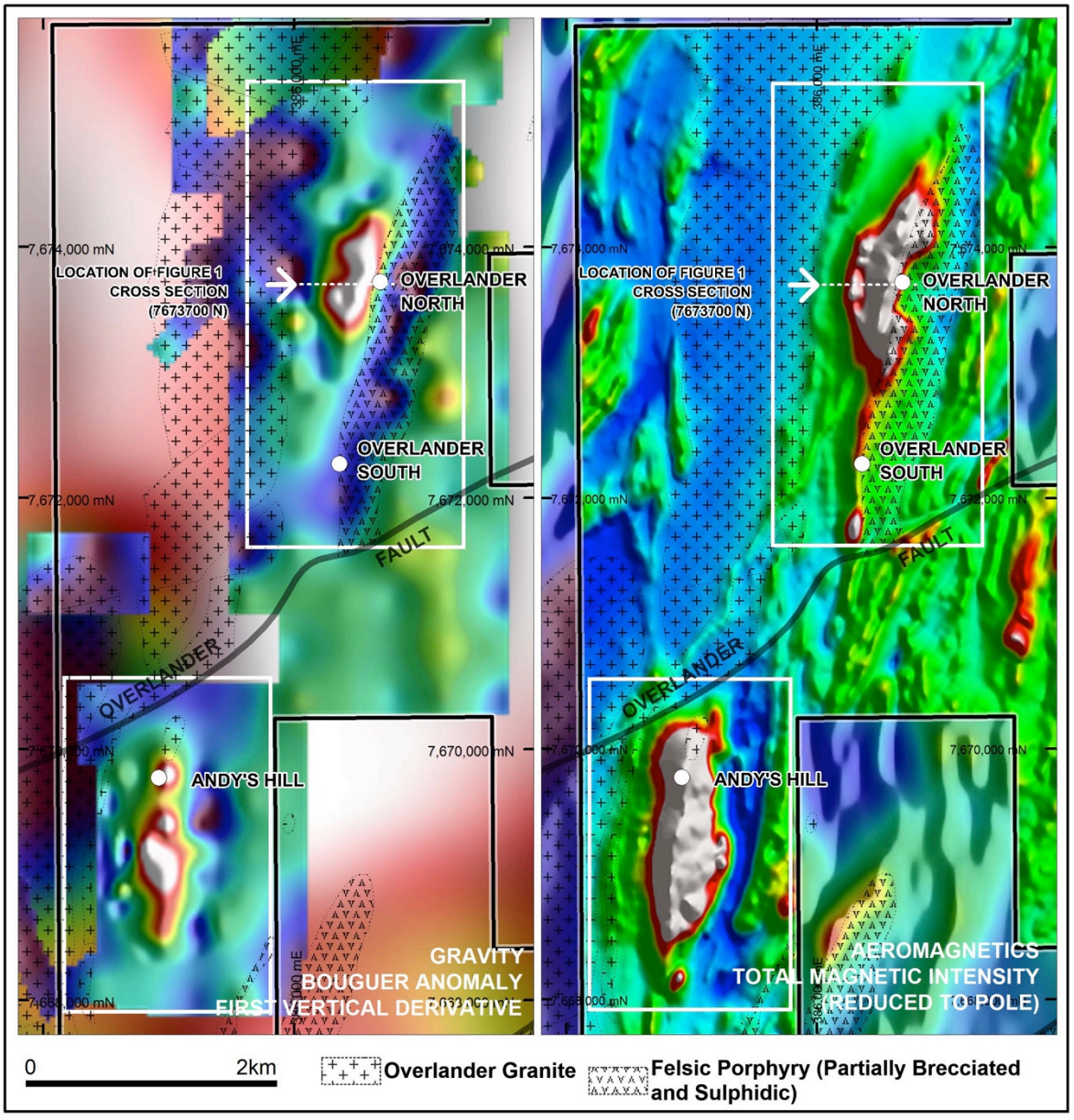
OVD001 Chlorite, Biotite, Albite, Chalcopyrite, Pyrite Breccia

OVD001 Chalcopyrite, Pyrite Mineralisation in Sheared Metasediment

OVD001 – Footwall Alteration



Project Location Map



Andy's Hill and Overlander IOCG Targets

Competent Person's Statement

Exploration Results – Overlander

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.

Overlander Drillhole OVD001 Drill Summary and Significant Intercepts. Drilled April 2015. RC to 248.7m, DDH to 522m. Projection UTM, MGA94 zone 54.													
Collar East	**Collar North**	**RL**	**Dip**	**Azimuth (UTM)**	**Cu Threshold (%)**	**Interval**			**From (m)**	**To (m)**	**Cu (%)**	**Au (ppm)**	**Co (ppm)**
386450	7673700	391	-55	87	0.3	1			33	34	0.35	0.005	97
					0.3	1			48	49	0.32	0.005	72
					0.3	1			129	130	0.48	0.01	94
					0.3	3.6			338	342	0.34	0.011	208
					0.3	1.9			349	351	0.36	0.01	247
					0.1	97.3	Incl.		359	456	0.54	0.017	242
					0.3	7.3		Incl.	359	366	0.68	0.013	262
					1	2.5			360	362	**1.4**	0.027	493
					0.3	5			370	375	0.42	0.012	146
					0.3	1			391	392	0.3	0.005	183
					0.3	4			403	407	0.64	0.015	164
					0.3	1			420	421	0.48	0.01	200
					0.3	21		Incl.	435	456	**1.7**	0.048	622
					1	4			437	441	**2.3**	0.05	780
					1	6			446	452	**3.3**	0.107	**1334**

JORC Code, 2012 Edition

Table 1 report – Overlander Drilling

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections in this information release.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• The primary subject of this release is to report on the results of an RC / DDH hole drilled during April 2015 on the Overlander Prospect; following completion of an IP survey and modelling of IP, Gravity and Magnetic datasets. Sampling was done over 1 metre intervals using reverse circulation (RC) drilling down to 248.7m; followed by diamond drilling to 522 metres. • RC samples were obtained by rig-mounted riffle-splitting of 1 metre sample return. Duplicate samples were taken at 25 metre intervals by riffle-splitting the remaining bulk sample return. Multi-element standard reference samples and blanks were each inserted into laboratory submissions at 25-sample intervals. Sample collection equipment was regularly inspected for function, cleanliness and appropriate operation. Wet or poor sample return was logged. Diamond drill samples comprised half-cut core. • Samples were selected using geological criteria (visual inspection) and niton XRF analysis. • All samples submitted for assay underwent a fine crush with 1kg riffled off for pulverising to 75 micron. • The RC samples were submitted for 4 acid digest followed by fire assay for gold and ICP analysis for a range of elements including copper, silver, cobalt and molybdenum. Half-core samples were submitted for 4-acid digest followed by fire assay for gold and ICP analysis for a range of elements including Copper, Silver, Cobalt, Molybdenum and Arsenic.

Criteria	JORC Code explanation	Commentary
		• The specifics of the IP Survey were reported to the ASX on the 17th of April 2015. The specifics of the gravity and magnetic modelling were reported to the ASX on the 26th of November 2014.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Reverse circulation (RC) drilling down to 248.7m; followed by diamond drilling to 522 metres.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Recovery of RC samples were visually estimated. Average recovery of the samples was estimated to be in the range of 80-90%. Recovery of core samples was determined by measuring recovered core and comparing with drilled intervals. • The RC was drilled dry using a booster and auxiliary compressor. Care was taken to avoid sample contamination. Core was washed immediately. • No sample recovery bias was observed through mineralised zones.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill chips were geologically logged in detail by Hammer Metals geologists recording lithology, alteration and mineralisation, weathering, colour and structure, and any other features of the sample to a level of detail to support appropriate studies. • Small washed samples from each one metre RC interval were collected and stored in a chip tray. Full core was collected and logged prior to half-core sampling. • The hole was logged in full.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether*	• Half-core samples were cut by diamond saw. RC samples were riffle split. All samples were submitted to ALS Mount Isa for analysis.

Criteria	JORC Code explanation	Commentary
preparation	*sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample collection and size is considered appropriate to the target-style and analysis. • RC Field duplicates were collected by riffle-splitting on-site 1 metre sample return. Half-core duplicate samples have not been collected at this stage. Standard reference samples and blanks were each inserted into the laboratory submissions at 25 sample intervals. ALS applied industry-standard QAQC procedures throughout the sample stream. • The 3kg riffle split samples from the sample return, and the sample preparation procedures used by ALS maintained appropriate grains size for the material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All RC samples were analysed by ALS for Copper, Silver, Cobalt, Molybdenum and Arsenic by ME-ICP41 after an aqua regia digest. Gold was analysed using Au-AA26. Cu values greater than 10000ppm were reanalysed by ME-OG62. All diamond core samples were analysed by ALS for a range of elements by ME-ICP61 after a 4-acid digest. Gold was analysed by Au-AA26. Cu values greater than 10000ppm were reanalysed by ME- OG62. • Standard reference samples and blanks were inserted at 25 sample intervals. ALS Laboratories also maintained a regime of check samples, duplicates, standard reference samples, blanks and calibration standards.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All results were checked by alternative company personnel • This is an initial exploration hole. It has not been twinned. • All field logging is done into laptops on site and later checked and entered into the company database. • Assay files are received electronically from the laboratory. Repeat results are kept independent and are not

Criteria	JORC Code explanation	Commentary
		averaged. Below-detection limit (BDL) results are saved in the database as -BDL values. BDL results are converted to half the detection limit value on export from the database.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars were measured using a hand-held GPS unit with an estimated positional accuracy of approximately 5 metres. • Grid used is UTM MGA 94_Zone 54 • RL's for the drill hole collars are initially captured by GPS and subsequently adjusted to local digital elevation models. Hole positions will be re-surveyed with DGPS in due course.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drillhole spacing at Overlander Project is sufficient to establish geological and grade continuity. • NA • No sample compositing was applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes are orientated perpendicular to the interpreted strike of the mineralisation.
Sample security	• *The measures taken to ensure sample security.*	• Pre-numbered bags are used and transported by company personnel to the ALS Laboratory in Mount Isa. ALS transports samples to its laboratories in Townsville or Brisbane as required.
Audits or	• *The results of any audits or reviews of*	• No audits or reviews have been

Criteria	JORC Code explanation	Commentary
reviews	*sampling techniques and data.*	undertaken at this stage however an audit will be conducted as part of future estimation processes.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Overlander Project is located in EPM 14232, held 100% by Mt Dockerell Mining Pty Ltd (which is a 100% owned subsidiary of Hammer Metals Limited). No royalties are applicable on EPM14232. The area is within the Kalkadoon claim area The tenement is in good standing with the Qld DME
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• At Overlander previous exploration in the 1970's by CEC (including one diamond drill hole) and in the 2005-2006 period by Kings Minerals Limited.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Proterozoic shear hosted and IOCG style copper-(gold-cobalt) mineralisation.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* · *If the exclusion of this information is*	• See attached table

Criteria	JORC Code explanation	Commentary
	justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Interval grades are reported as down-hole length weighted using three copper cut-off grades. 1000, 3000 and 10000ppm Copper. Up to 2m of internal waste included. No top-cut applied. • Aggregated results also separately report the internal high-grade intervals. • No metal equivalent values reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The drillhole was drilled at -55 degrees dip. Mineralisation dips were approximately vertical. Estimated true width of reported intercepts is therefore 80% of the down hole thickness. • The true width of mineralised intersections cannot be accurately determined until a thorough geological interpretation is conducted.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See attached figures

Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Intersections have been reported using 3 main cuts to illustrate the grade distribution in mineralised areas.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Refer to the release.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drilling is planned during the current dry season. Specific Gravity analysis using Gas Pycnometry will be conducted as soon as possible. • Refer to the release.