ASX Announcement (ASX: HMX)

14th July 2015

Kalman and Overlander North - Two Large High Grade Copper Targets

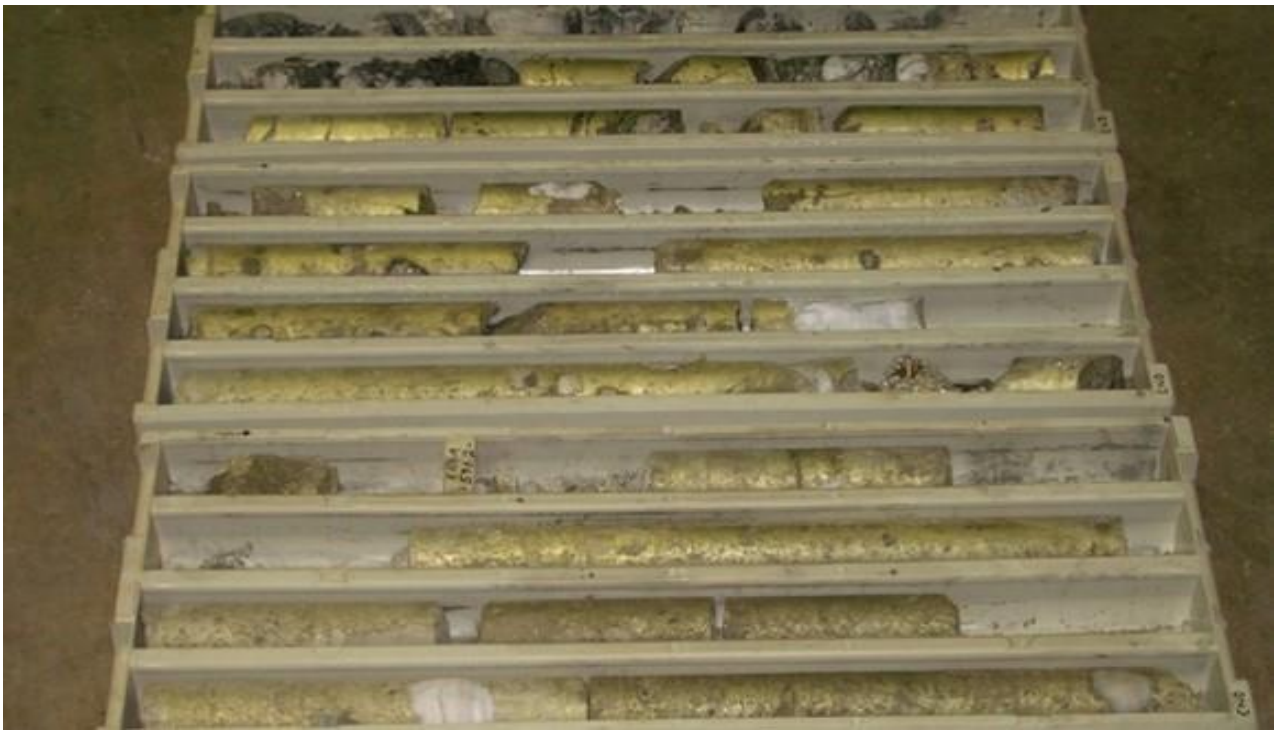
- Reinterpretation and targeting program identifies potential of **Kalman and Overlander North** for large zones of IOCG style copper-gold mineralisation.
- Systems considered geologically analogous to the Ernest Henry deposit (approximately 220 million tonnes at 1.1% Cu and 0.5g/t Au) located within the Mount Isa district and held by Glencore.
- High grade copper-gold intercepts in previous drilling to be followed up on completion of targeting program to test the scale of the systems.

Kalman

Towards the end of the drill-out of the Kalman deposit by the previous owners, high grade copper-gold mineralisation was intercepted at both the southern end of the deposit and the base of the central lens. The intersections remain open down-dip and down-plunge. Refer to the attached long section. Results include:

South Lens

- **53 metres at 2.1% Cu and 0.52g/t Au** from 695 metres including **25 metres at 3.8% Cu and 0.95g/t Au** from 712 metres in K106C.
- **77 metres at 1.4% Cu and 1.3g/t Au** from 698 metres including **15 metres at 2.6% Cu and 1.9g/t Au** from 700 metres in K106A
- **7.6 metres at 23.4% Cu and 0.51g/t Au** from 581.7 metres in K106A.



Kalman South Lens - K106C - 7.6 metres at 23.4% Cu

Central Lens:

- **83 metres at 1.0% Cu and 0.50g/t Au** from 418 metres including **14 metres at 2.1% Cu and 1.8g/t Au** from 440 metres in K20.
- **14 metres at 2.0% Cu and 2.7g/t Au** from 481 metres in K65

These intersections are considered by Hammer to represent some of the most promising copper-gold intercepts drilled in the Mount Isa region in recent years. The mineralisation at the South Lens which appears to be occupying a dilatant zone within the mineralised structure has never been followed up by drilling, with the dimensions and geometry of the body undefined.

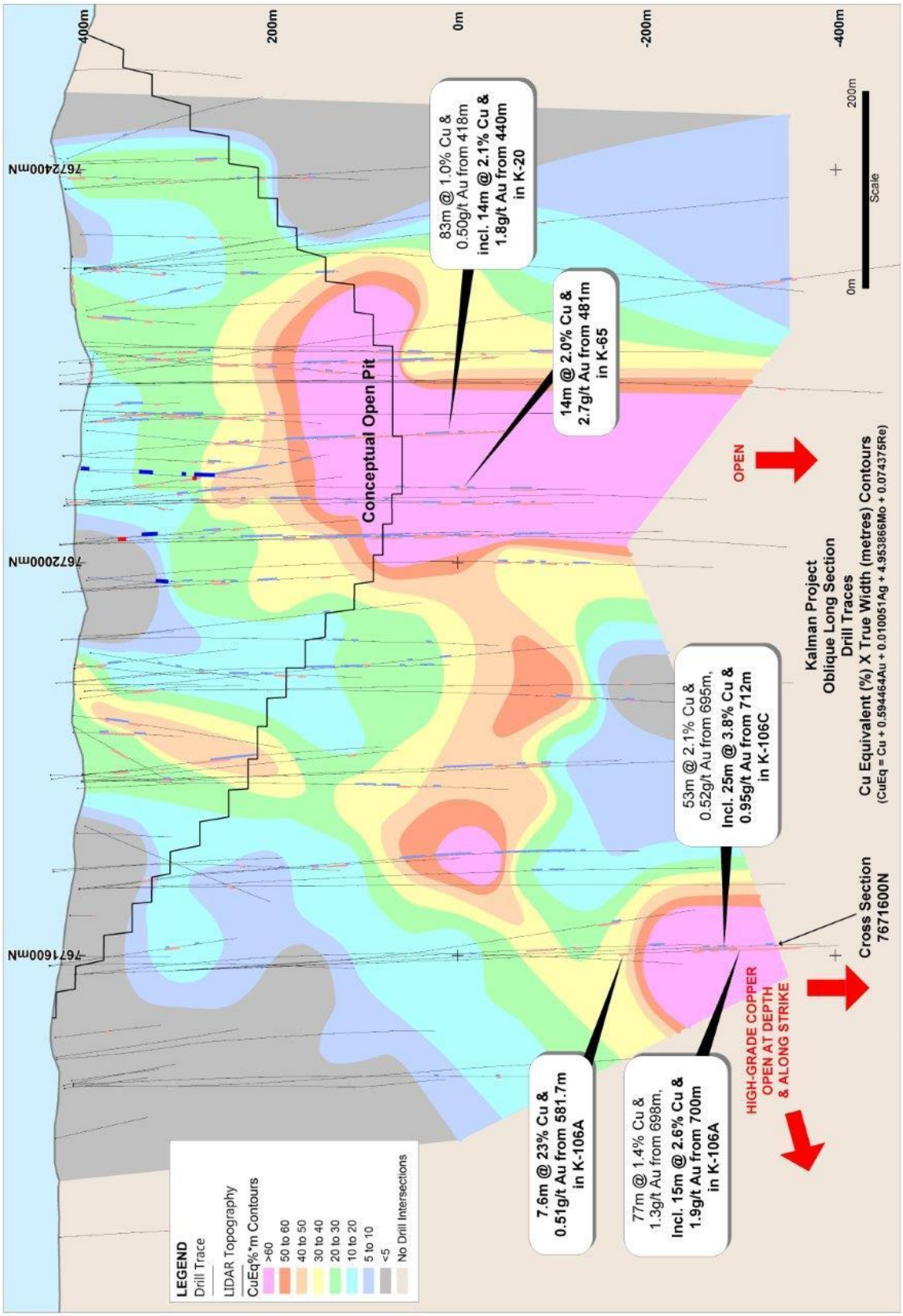
The Kalman deposit is a structurally controlled copper-gold-molybdenum-rhenium deposit containing an estimated 165,000 tonnes of copper, 25 tonnes of molybdenum, 274,000 ounces of gold and 2 million ounces of rhenium. The copper-gold and molybdenum-rhenium mineralisation occurs in several parallel sub-vertical lenses within an altered and mineralised zone up to 120 metres thick that extend to depths of over 700 metres below surface and over 900 metres in length. The principal lenses are open at depth. The Kalman Mineral Resource Estimate was updated in accordance with the JORC Code (2012) which supported the deposit's potential for open pit and underground mining. (Refer to the ASX release dated March 19th 2014 for details of the Kalman Mineral Resource Estimate.)

Kalman K106C

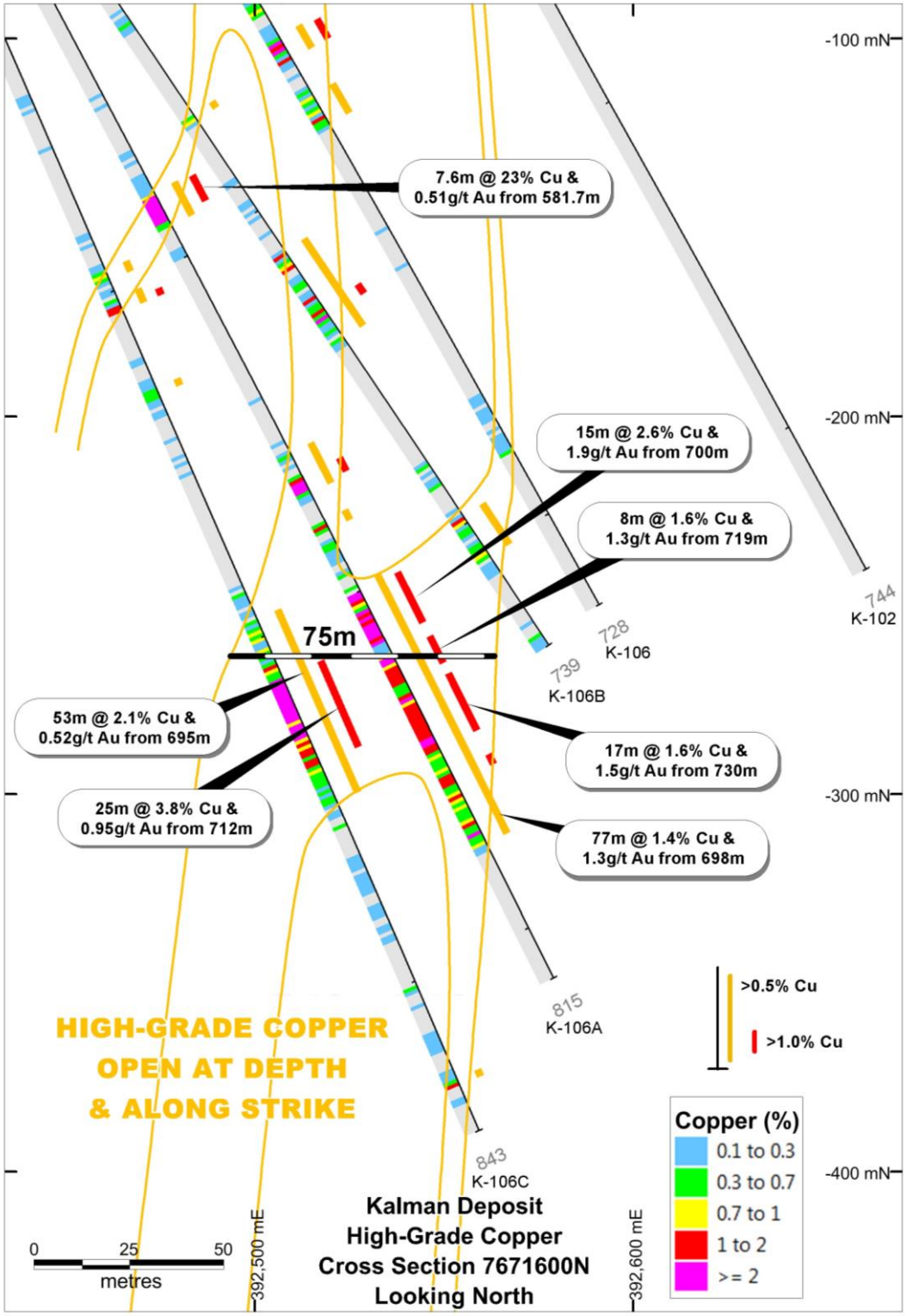
The Kalman deposit has alteration and mineralisation characteristics in common with IOCG deposits and is considered to represent a variant of this deposit type. The copper-gold ratio at Kalman is similar to that at Ernest Henry (circa 220 million tonnes at 1.1% Cu and 0.5g/t Au), providing confidence that higher grade copper zones could contain a significant gold credit. The molybdenum at Kalman also carries a significant rhenium credit - as does the Merlin molybdenum-rhenium deposit owned by Chinova Resources - the world's highest grade molybdenum deposit located 100km to the southeast.

These copper-gold intercepts represent exciting high-priority targets. The geometry and extent of this mineralisation is currently undefined and may represent the top of a copper and gold rich mineralised body. At the Kalman South Lens because of the elevated grades and apparent thickness of approximately 75 metres it has the potential to develop into a significant body of mineralisation.

Hammer is presently focusing on both extending and improving the definition of the higher grade sections of the Kalman resource. A deep drilling program to scope out the potential of the zones is presently being designed with the focus on the down-plunge position to the south and down dip from K106C.

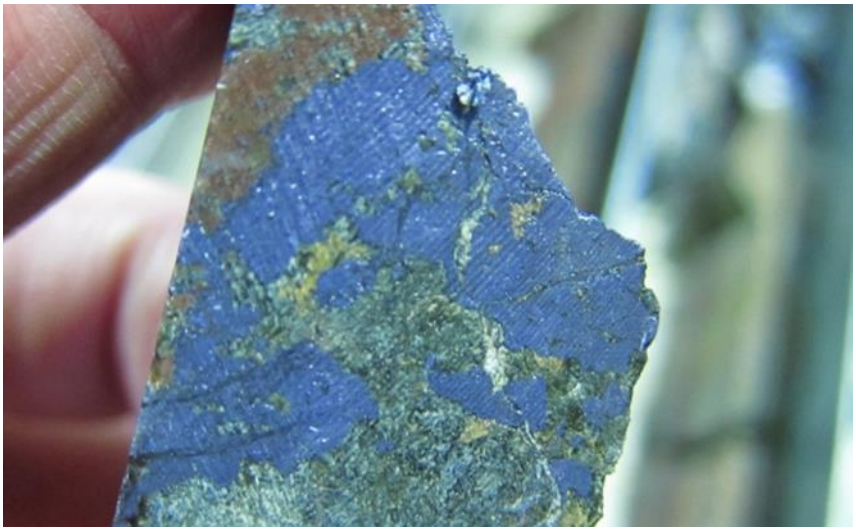


Kalman Long Section



Kalman South Lens - Cross Section through K106A, B &C

Shallow drilling undertaken by Hammer in 2014 was also successful in identifying new near-surface zones of high grade copper-gold and molybdenum-rhenium. (Refer to ASX release dated 15th September 2014.)



Kalman High Grade Molybdenum Core Sample

Results included:

- **62 metres at 0.65% Mo and 11g/t Re** from 152 metres including **7 metres at 3.44% Mo and 57g/t Re and 0.33% Cu** from 206 metres in K132
- **11 metres at 1.2% Cu and 0.41g/t Au** from 55 metres in K132
- **17 metres at 0.54% Mo and 12g/t Re** from 74 metres and
- **24 metres at 0.46% Mo, 11g/t Re and 0.24% Cu** from 139 metres in K135
- **12 metres at 1.2% Cu and 0.5g/t Au** from surface in K139.

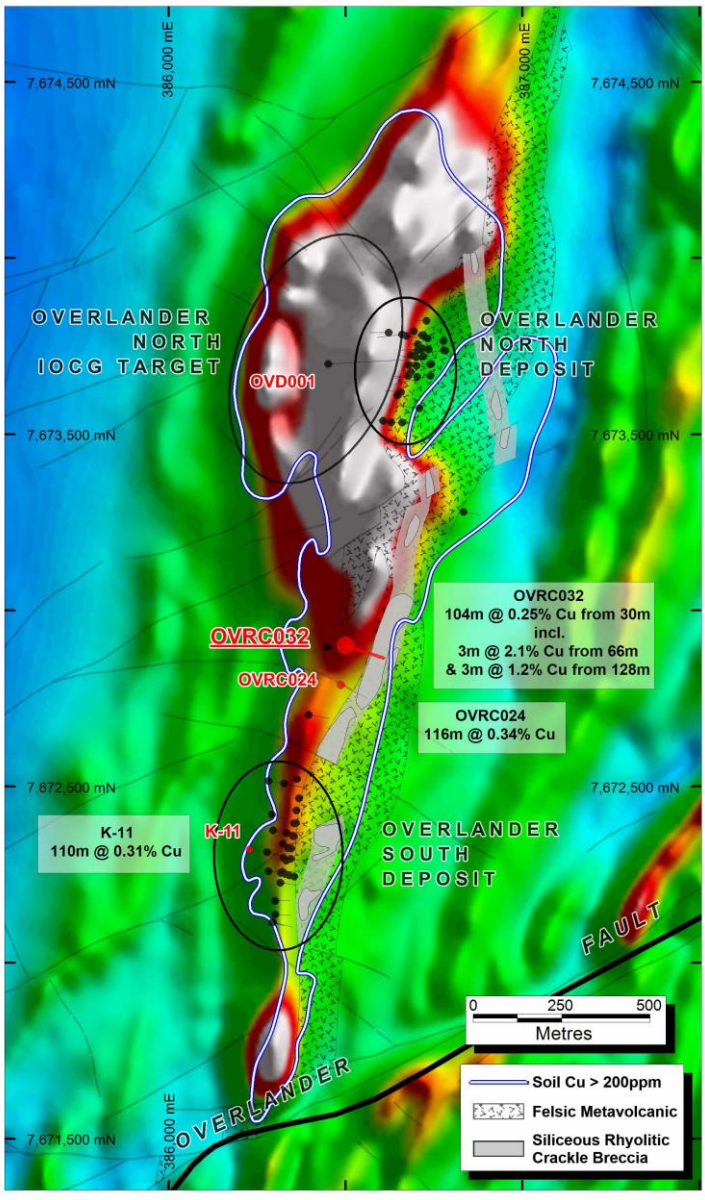
These shallow intersections will be included into the new resource model currently being prepared and are expected to expand the near surface resource blocks thereby potentially enhancing the economics of open-pit mining.

Kalman Project - Aerial View Looking South

Overlander

Hammer commenced drilling at the Overlander copper prospect in late 2013 and quickly demonstrated the area to be a regionally significant zone of alteration and copper mineralisation with IOCG style, shear hosted and rhyolite breccia-hosted copper +/- cobalt mineralisation. (Refer to ASX releases dated March 18th, 2015, April 17th 2015 and May 11th 2015.)

The 200ppm copper-in-soil anomaly which encompasses the entire Overlander area is over 3 kilometres long. Inversion modeling of the recent IP survey data has outlined several strong chargeability and resistivity anomalies below the current depth of drilling. These anomalies are interpreted to be related to the rhyolite breccia zones as well as the Overlander Shear Zone and the Overlander North IOCG target suggesting a large scale alteration system was operating at Overlander and an interrelationship between the mineralisation styles.



Overlander Project – Drilling & Geochemistry on Magnetic Image

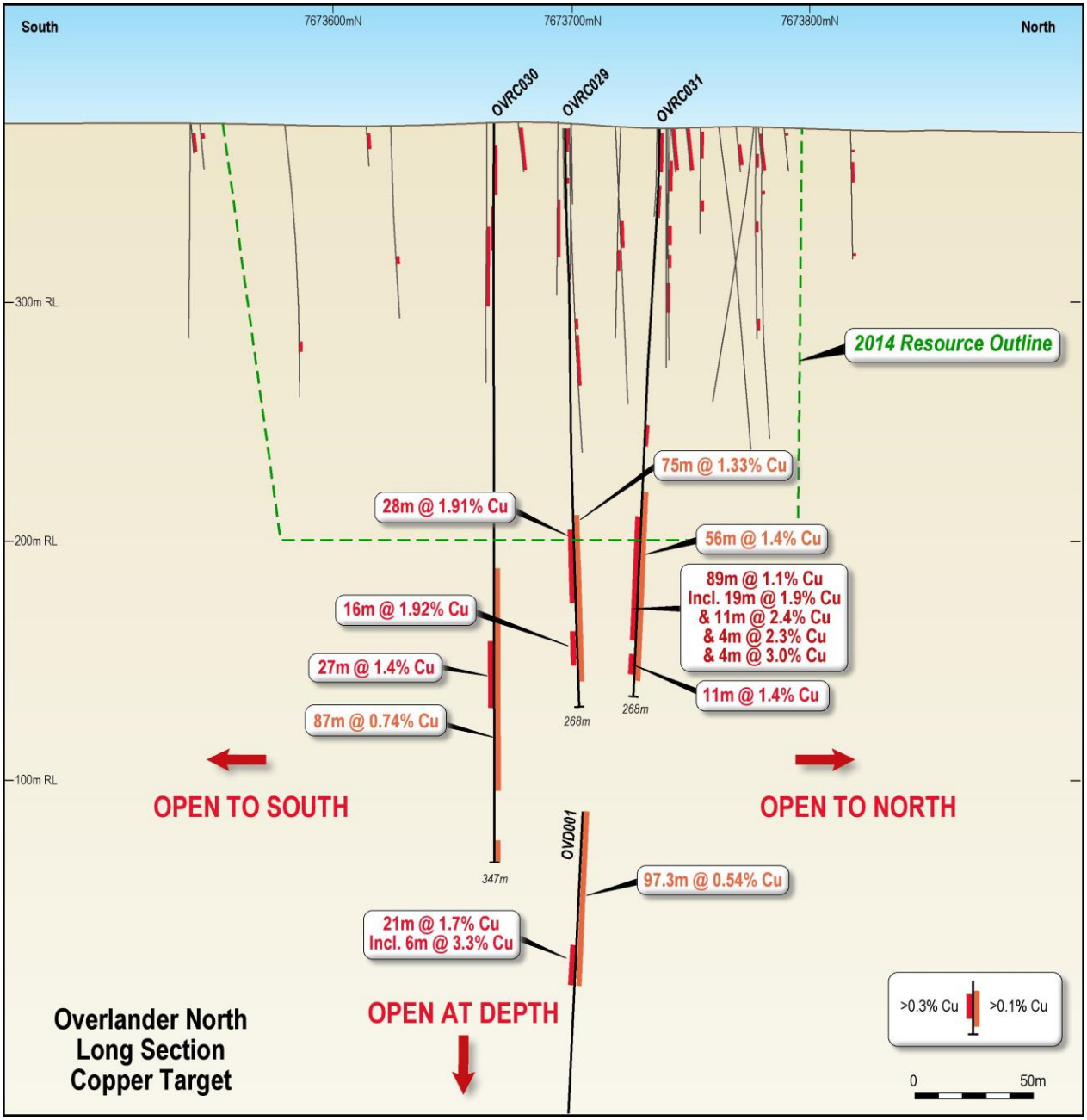
Hammer's RC and diamond drilling at Overlander have intersected a high grade zone at the sheared contact of the Overlander Shear and the Overlander North IOCG alteration zone. Results include:

- **75 metres at 1.33% Cu** from 176 metres including **28 metres at 1.91% Cu** from 189 metres and **16 metres at 1.92% Cu** from 226 metres in OVRC029
- **89 metres at 1.1% Cu** from 173 metres including **11 metres at 2.4% Cu** from 222 metres and 10 metres at 1.6% Cu from 238 metres in OVRC031
- **21 metres at 1.7% Cu** from 435 metres including **6 metres at 3.3% Cu** from 446 metres in OVRD001.

Overlander North - OVD001 Drill Core

This high grade copper lens has now been intersected from surface down to 400 metres depth. Disseminated copper mineralisation within the adjacent albite-magnetite breccia as well the continuity of the shear-hosted mineralisation is appearing to increase with depth. Follow-up drilling will step out to the north and south of the current holes in order to extend the high grade zone.

Mr Hewlett commented: "Hammer continues to demonstrate the considerable size and prospectivity of its IOCG target areas at Mount Isa. We have identified a number of exciting high grade copper-gold targets at Kalman and Overlander and are confident that our measured approach to exploring these large mineralised systems will pay dividends in due course."



Overlander North High Grade Copper Zone

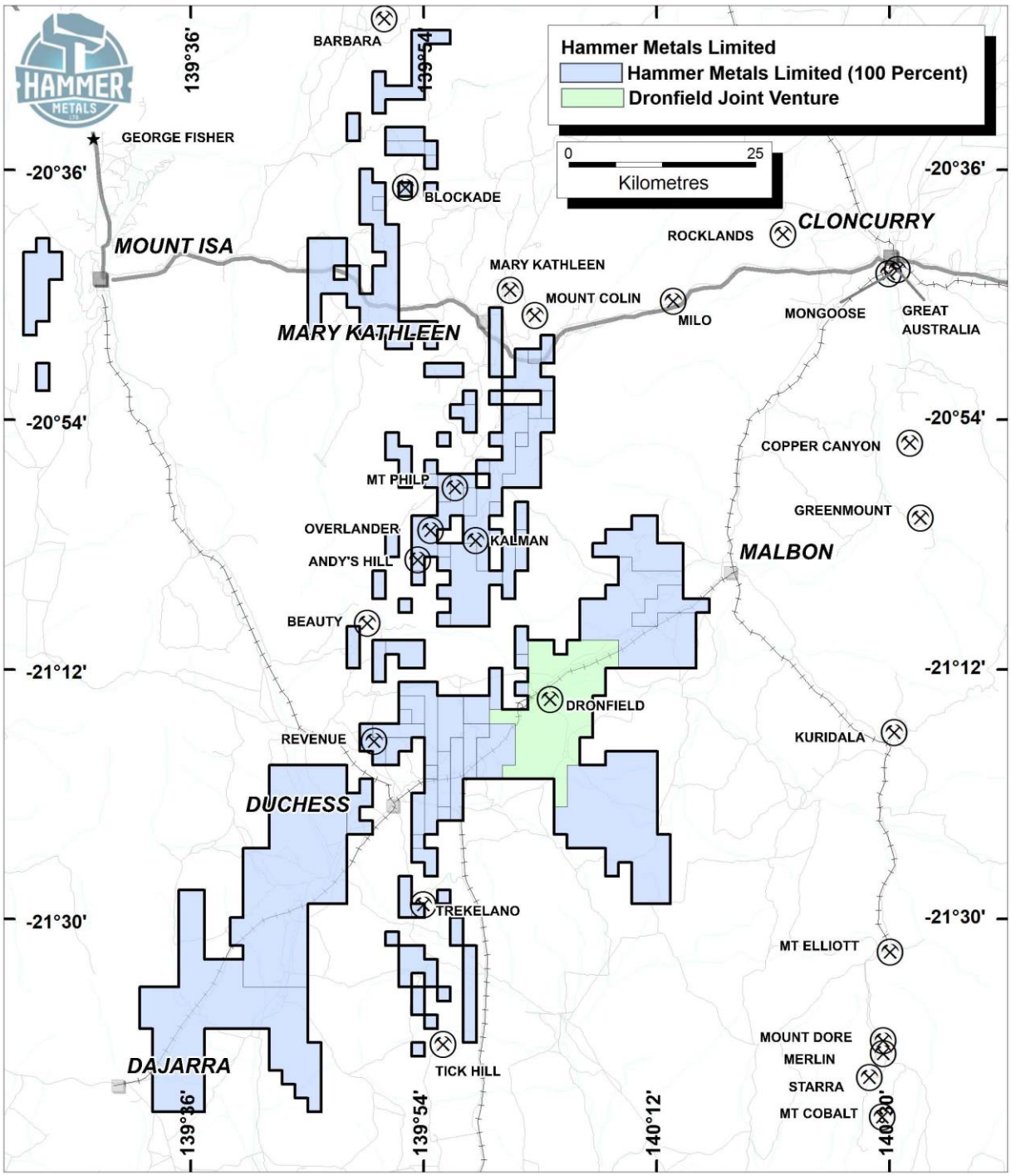
For further information, please contact:

Alex Hewlett

Executive Director

Hammer Metals

Tel: +61 8 9271 0149



Project Location

Competent Person's Statement

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.

JORC Code, 2012 Edition

Table 1 report – Kalman and Overlander North

- The primary subject of this release is the reinterpretation of results from previously conducted drilling at Overlander North and Kalman Deposits within the Mount Isa Project of Hammer Metals Limited. Specifically mentioned in the release are holes OVRC029 to OVRC031 and OVD001 at Overlander North, and K-106A through K-106C and K-132, K-135 and K-139 at Kalman.
- Drillholes K-106A through K-106C were drilled by King Minerals NL (now Cerro Resources Limited), a previous owner of the deposit (ASX:CJO (or KMN) 23/10/2008). Further details of previous drilling are provided in a Kalman Resource Estimate ASX release (ASX:HMX 10/3/2014). All other holes mentioned above were drilled by Hammer Metals Limited and have been reported in previous ASX releases the details of which are listed below.
    - K-132 – ASX:HMX 15/9/2014
    - K135, K-139 – ASX:HMX 19/11/2014
    - OVRC029 – ASX:HMX 16/9/2014
    - OVRC030, OVRC031 – ASX:HMX 19/11/2014

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 (eg 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*	• Samples were selected using geological criteria (visual inspection) and Niton portable XRF analysis. • All samples submitted for assay underwent a fine crush with 1kg riffled off for pulverising to 75 micron. Drilling 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.

Criteria	JORC Code explanation	Commentary
	Public Report. • *In cases where 'industry standard' work has been done this would be relatively simple (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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 Drilling (nominal 5.5" diameter holes). • NQ2 core (nominal diameter 50.5mm)
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%. • The RC was drilled dry using a booster and auxiliary compressor. Care was taken to avoid sample contamination. • 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.*	• Drill chips and Core were geologically logged in detail by Hammer Metals geologists recording lithology, alteration and mineralisation, weathering, colour, 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. • Holes were logged in full.
Sub-sampling techniques and sample preparation	• *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 sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample collection and size is considered appropriate to the target-style and laboratory analytical methods employed. • Half-core samples were cut by diamond saw. RC samples were riffle split. All samples were submitted to

Criteria	JORC Code explanation	Commentary
	• *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.*	ALS Mount Isa for analysis. • RC field duplicates were collected by riffle-splitting on-site 1 metre sample return. 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 are appropriate 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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All reverse circulation samples were analysed by ALS for a range of elements by ME-ICP61 and ME-MS62s after a 4-acid digest. Gold was analysed by Au-AA26. Cu values greater than 1% were reanalysed by ME- OG62. Any other elements which exceeded their maximum analytical limits were re-analysed by the relevant over-grade methods for the particular element. • 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 • None of the holes mentioned in this release have 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 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.

Criteria	JORC Code explanation	Commentary
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 using local digital elevation models (created using the most accurate RL information at the time). • With the exception of OVD001, all holes mentioned in this release have been surveyed by DGPS. OVD001 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.*	• At Overlander and Kalman, drill-hole spacing is sufficient to establish geological continuity however the areas of drilling reported herein relate to zones in both deposits which have not been closed off by drilling.
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.*	• Holes are oriented as close to perpendicular as possible to the interpreted orientation of 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 reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Kalman: Data pertaining to drill-holes K-106A, K-106B, K-106C have been reviewed as part of a resource estimate conducted by Runge Pincock Minarco (ASX:HMX 10/3/2014. Holes K-132, K-135 and K-139 have not been reviewed by personnel outside

Criteria	JORC Code explanation	Commentary
		Hammer Resources Limited. • Overlander: OVRC028 to OVRC030 and OVD001 have not been reviewed by personnel outside Hammer Resources Limited. • Auditing will be conducted as part of any future resource 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 licence to operate in the area.*	• Overlander is located within EPM14232. EPM14232 is held 100% by Mt Dockerell Mining Pty Ltd (which is a 100% owned subsidiary of HMX). No royalties are applicable on EPM14232. • Kalman is located within both EPM13870 and EPM14232. EPM13870 is held 100% by Mt Dockerell Mining Pty Ltd (which is a 100% owned subsidiary of HMX). • A 2% NSR Royalty is applicable on EPM13870. • Both the Overlander and Kalman Deposits are located within the Kalkadoon Native Title claim area. • Both EPM13870 and EPM14232 are in good standing with the Queensland Department of Mines.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Drilling results from K-106A, K-106B and K-106C are discussed in this release. This drilling was conducted in June through November 2008 by a previous owner of the Kalman Property – Kings Minerals NL (now Cerro Resources Limited). • The results from these holes were released to the ASX by Kings Minerals NL on 23/10/2008. • The data from previous owners has been reviewed thoroughly by Hammer Metals Limited personnel and as part of a resource estimation audit conducted by Runge Pincock Minarco (ASX:HMX 10/3/2014

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Overlander: Proterozoic shear hosted and IOCG style copper-(gold-cobalt) mineralisation. • Kalman: Proterozoic shear hosted and IOCG style copper-molybdenum-rhenium-gold 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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is 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.*	• The release summarises and interprets results released to the ASX previously. • The dates of detailed releases pertaining to the drill-holes in this release are: • Kalman • K-106A, 106B, 106C – ASX:KMN 23/10/2008 • K-132 – ASX:HMX 15/9/2014 • K135, K-139 – ASX:HMX 19/11/2014 • Overlander • OVRC029 – ASX:HMX 16/9/2014 • OVRC030, OVRC031 – ASX:HMX 19/11/2014
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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.*	• The intercepts quoted in this release are those mentioned in previous ASX releases cited above. In those releases Interval grades are reported as down-hole length weighted using three copper cut-off grades. 1000, 2000 and 1% Copper. Up to 2m of internal waste has been included. No top-cut applied. • A long section from Kalman is presented which shows contoured sum of copper equivalent and true thickness. The copper equivalent grade is calculated from Cu, Au, Ag, Mo and Re and is shown on the figure. • The formula is a reflection of the relative metals prices at 14/2/2014 and explained in detail in a previous HMX release (ASX:HMX 10/3/2014). The figure is designed to show high grade shoot trends within the Kalman deposit not necessarily the

Criteria	JORC Code explanation	Commentary
		magnitude of any grades.
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 (eg 'down hole length, true width not known').*	• Overlander: • At Overlander the true thickness of intercepts for OVRC029-0.31 would be approximately 25-30% of the quoted intersected thickness. For OVD001 the true thickness is approximately 80% of the downhole thickness. • Kalman: • For K-106A, 106B, 106C the true thickness of the quoted intercepts varies but is between 50-65% of the quoted drill intercept. • For K-132 the estimated true thickness is approximately 35-40% of the intersected thickness. • K-135 and K-139, the estimated true thickness is between 70-73% of the intersected thickness.
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
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.*	• In the primary releases from which intercepts have been sourced for this release, Intersections have been quoted at 3 main cut-off grades to illustrate the distribution of mineralisation.
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. • Aeromagnetics imagery and datasets derived from soil geochemical sampling are shown in figures in this release. This data has been described in previously.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions,*	• It is envisioned that these areas will be further drilled during the 2015 field season.

Criteria	JORC Code explanation	Commentary
	including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	