



May 4th 2016

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## High Grade Cobalt and Copper Mining Leases Acquired

Hammer Metals Limited (**ASX:HMX**) is pleased to announce it has agreed to acquire a 100% interest in 5 Mining Leases near Cloncurry in the Mount Isa region.

The acquisition secures a prospective high-grade cobalt-copper-gold target that complements Hammer's existing tenement portfolio in the region.

ML's 2512, 2761, 2762, 7506 and 7507 (the "Millennium" leases) are situated on the northern projection of the Pilgrim Fault, approximately 50km north of the Company's Kalman deposit and 16km west of the Rocklands copper-cobalt mine. Previous drilling indicates the potential for significant copper-cobalt-gold mineralisation in the area of the historical workings including previous drill intersections of up to **19m at 1.27% Cu, 0.38% Co and 0.7g/t Au** including **6m @3.45% Cu, 0.32% Co and 2.0g/t Au**. (Refer to the CYU ASX release dated 4/12/2013 and the attached figures for details.)

Cobalt is a significant contributing metal in the Millennium mineralisation and is a critical metal in the production of Lithium Ion batteries which require approximately 15% Cobalt Oxide content depending on the maker. According to analysts a global supply shortage is possible with Tesla alone likely to increase the global demand by 10% PA.

At completion, Hammer will issue 0.5 million shares to Chinalco Yunnan Copper Resources Ltd (**ASX:CYU**) and pay \$57,950 (including the replacement of an environmental bond) to Elementos Ltd (**ASX:ELT**) for the Millennium Mining Leases.

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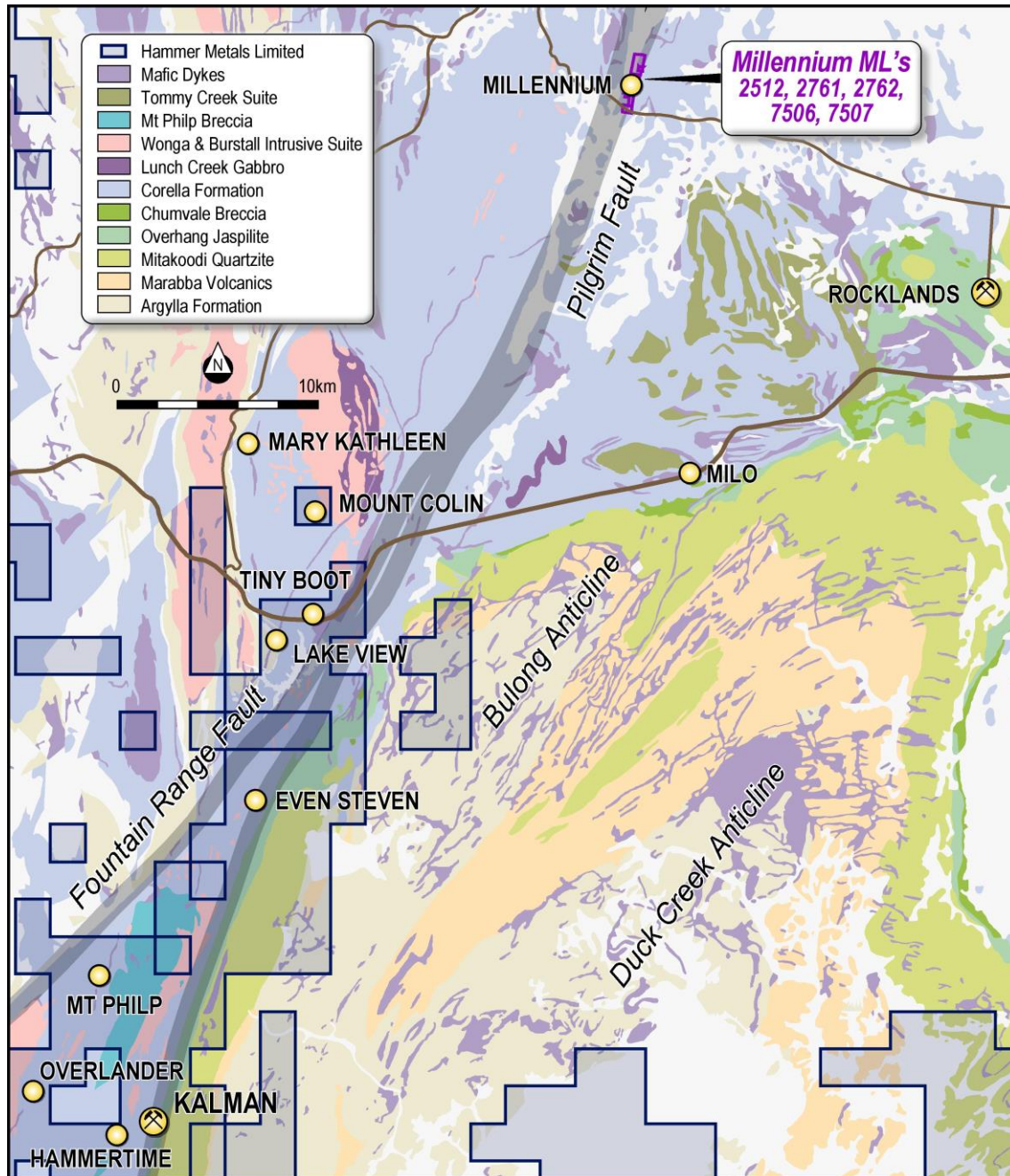
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**Mount Isa Project**