



28th November 2014

Sale of Paterson Joint Venture Interest to Encounter Resources Limited

Hammer Metals Limited (**ASX: HMX**) (“Hammer” or “the Company”) is pleased to announce it has reached agreement with Encounter Resources Limited (Encounter) for the sale of Hammer’s ‘Paterson Tenements’ (E45/3768 and E45/4091). This sale formerly brings to a close the joint venture arrangement Hammer had with Encounter.

The main terms of the sale are:

- The issue of 750,000 fully paid ordinary Encounter shares (subject to a voluntary restriction agreement)
- The restriction agreement provides for a period of eighteen months escrow from the date of issue, however the escrow may be lifted if the market value of Encounter shares listed on ASX exceeds 50 cents per share subject to the terms of the restriction agreement and the relevant ASX listing rules.

Hammer Executive Director Alex Hewlett said, “This is a great outcome for both Encounter and Hammer shareholders, Encounter can continue with its field work and Hammer shareholders still have some exposure to this exciting project area.”

- ENDS -

For further information, please contact:

Alex Hewlett
Executive Director
Hammer Metals
Tel: +61 8 9271 0149

Media:

Karen Oswald
Marko Communications
Tel: + 61 423 602 353