

ASX RELEASE

30 May 2023

DIRECTORS / MANAGEMENT

Russell Davis
Chairman

Daniel Thomas
Managing Director

Ziggy Lubieniecki
Non-Executive Director

David Church
Non-Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Chief Operating Officer

CAPITAL STRUCTURE (PRE-PLACEMENT)

ASX Code: HMX

Share Price (25/05/2023)	\$0.069
Shares on Issue	821m
Market Cap	\$57m
Options Unlisted	23.6m
Performance Rights	8m
Cash (31/03/2022)	\$2.6m

HAMMER SECURES \$3.72M TO FUND ACTIVE MOUNT ISA COPPER EXPLORATION PROGRAM

**Strongly supported raising coincides with re-commencement of drilling
underway at highly prospective South Hope prospect**

Hammer Metals Ltd (ASX: HMX) (“**Hammer**” or the “**Company**”) is pleased to advise that it has received binding commitments to raise \$3.72 million through a share placement (“**Placement**”) at \$0.06 per new share (“**New Shares**”).

The Placement was well supported by existing shareholders and several new high-quality institutional and sophisticated investors, representing a strong endorsement of Hammer’s upcoming planned exploration programs in the Mount Isa region of North Queensland.

Directors have committed to contributing \$220,000 in the Placement, subject to Shareholder Approval to be obtained at an upcoming General Meeting.

The Placement will position Hammer with a cash balance of \$6.3 million¹ to underpin:

- Follow-up drilling of key copper-gold targets and rare earth targets at Hardway, plus multiple targets in the Mount Hope region of Mount Isa (South Hope, Mascotte, Mascotte Junction and The Stubby);
- Advancing mining and processing studies on the Kalman deposit, with a focus on updating metallurgy to determine processing requirements to improve molybdenum and copper recoveries;
- Ongoing exploration activities at the Company’s IOCG targets – investigating VTEM anomalies along the Pilgrim fault and advancing the IOCG target at Bullrush;
- Geophysical and geochemical surveys across the Mount Isa portfolio with a view to generating and refining high profile drill targets;
- An initial 10km air-core drilling program at key lithium, nickel and gold targets at the Yandal Project in WA; and
- General working capital requirements.

The Placement coincides with the commencement of a new phase of Reverse Circulation (RC) drilling at Hammer’s 100%-owned South Hope prospect, located just 600m from Carnaby Resources’ (ASX:CNB) Mount Hope Copper Project.

Additional targets at nearby prospects, The Stubby, Mascotte and Mascotte Junction, will also be tested during the current program.

¹ Comprises \$3.72M proceeds from Placement (before costs) and cash balance as at 31 March 2023.



Table 1: Hammer Metals Upcoming Work Programs

Hammer's Managing Director, Daniel Thomas said:

"We are very pleased with the outcome of the Placement, which was well supported by existing shareholders and a number of new institutional investors. With the recent success generated by our drilling programs across numerous copper-gold targets in the Mount Isa region, we are very excited to continue the momentum by accelerating exploration efforts throughout the remainder of the year."

Placement Details

The issue price of \$0.06 represents a 13% discount to Hammer's last closing price of \$0.069 per share on 25 May 2023 and an 18% discount to the 5-day VWAP of \$0.073 per share. New Shares pursuant to the Placement will rank equally with existing shares on issue. Allotment and trading of the New Shares issued under the Placement is expected to be Friday, 2 June 2023. The Placement will be conducted pursuant to the Company's existing placement capacity, with all 62.0 million New Shares to be issued under ASX Listing Rule 7.1.

Canaccord Genuity (Australia) and Ord Minnett Limited acted as Joint Lead Managers to the Placement.

Foster Stockbroking Limited acted as Co-Manager to the Placement.

This announcement has been authorised for issue by the Board of Hammer Metals Limited in accordance with ASX Listing Rule 15.5.

For further information please contact:

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About Hammer Metals

Hammer Metals Limited (ASX:HMX) holds a strategic tenement position covering approximately 2,200km² within the Mount Isa mining district, with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits and the Elaine (Cu-Au) deposit. Hammer also has a 51% interest in the emerging Jubilee (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of Ernest Henry style and has a range of prospective targets at various stages of testing.

Hammer also has a 100% interest in the Bronzewing South Gold Project located adjacent to the 2.3 million-ounce Bronzewing gold deposit in the highly endowed Yandal Belt of Western Australia.

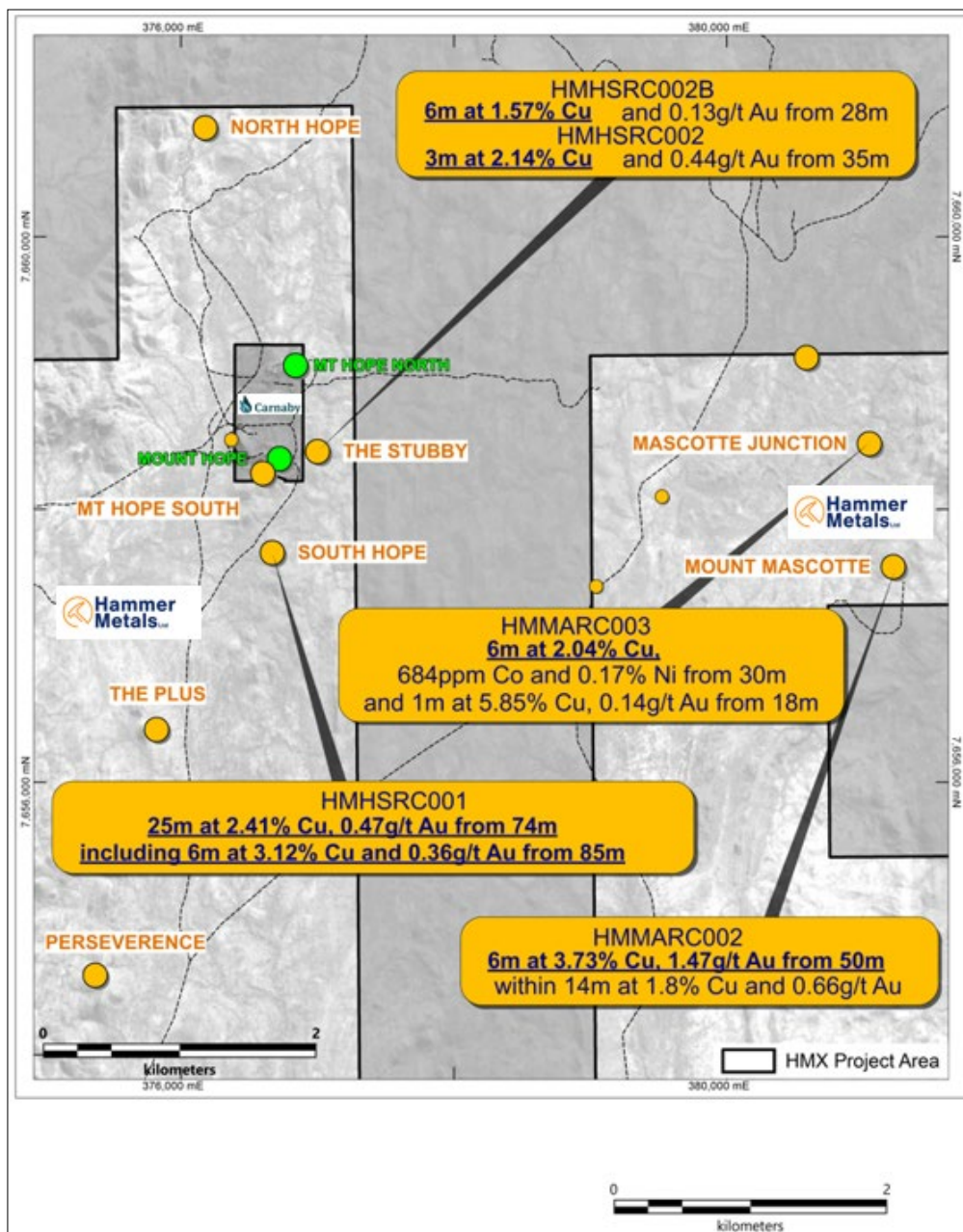


Figure 1: Hammer's Mount Hope and Mascotte tenements and current drilling targets
(See ASX Announcements: 22 November 2022, 19 December 2022 and 23 December 2022)

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Competent Person Statement

The information in this report as it relates to exploration results and geology was compiled by Mr. Mark Whittle, who is a Fellow of the AusIMM and an employee of the Company. Mr. Whittle, who is a shareholder and option-holder, has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities 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.