ASX Announcement (ASX: HMX)

17 August 2017

New Joint Venture with Mount Isa Mines (Glencore) on High Grade Copper Gold Targets

Hammer Metals Limited (Hammer or the Company) (ASX: HMX) is pleased to announce completion of the purchase of the 51% interest in EPM 14467 held by AuKing Mining Ltd. (formerly Chinalco Yunnan Copper Resources Limited) (ASX:AKN). EPM 14467 is located adjacent to the Mary Kathleen Uranium Mine, 60km east of Mount Isa and covers the Mary Kathleen Shear Zone that hosts several copper-gold, uranium and REE prospects including Jubilee, Koppany and Blue Caesar. As a pre-condition of the purchase a new Joint Venture Agreement with Mount Isa Mines Limited (MIM), which holds a 49% interest in the tenement, was negotiated.

Commercial Terms

The outstanding consideration for the acquisition is the issue to AuKing of 250,000 ordinary Hammer shares.

Key terms of the Joint Venture Agreement with MIM are as follows:

- The Joint Venture Agreement is between Mulga Minerals Pty Ltd (Mulga) a 100%-owned subsidiary of Hammer Metals Limited, and Mount Isa Mines Limited a 100% owned subsidiary of Glencore PLC.
- Each Party to the Joint Venture will contribute exploration expenditure according to their participating interest (HMX - 51% / MIM – 49%).
- Dilution provisions apply if a Party elects not to contribute to a programme. If a Party's participating interest falls below 10% their interest will convert to a 3% Net Profits Royalty.
- Mulga has agreed to act as the initial manager of the Joint Venture and will remain manager whilst its interest exceeds 50%.
- MIM has the right to match the terms of any proposed sale of ore or concentrate from the tenement by Hammer to a third party.

Previous Exploration

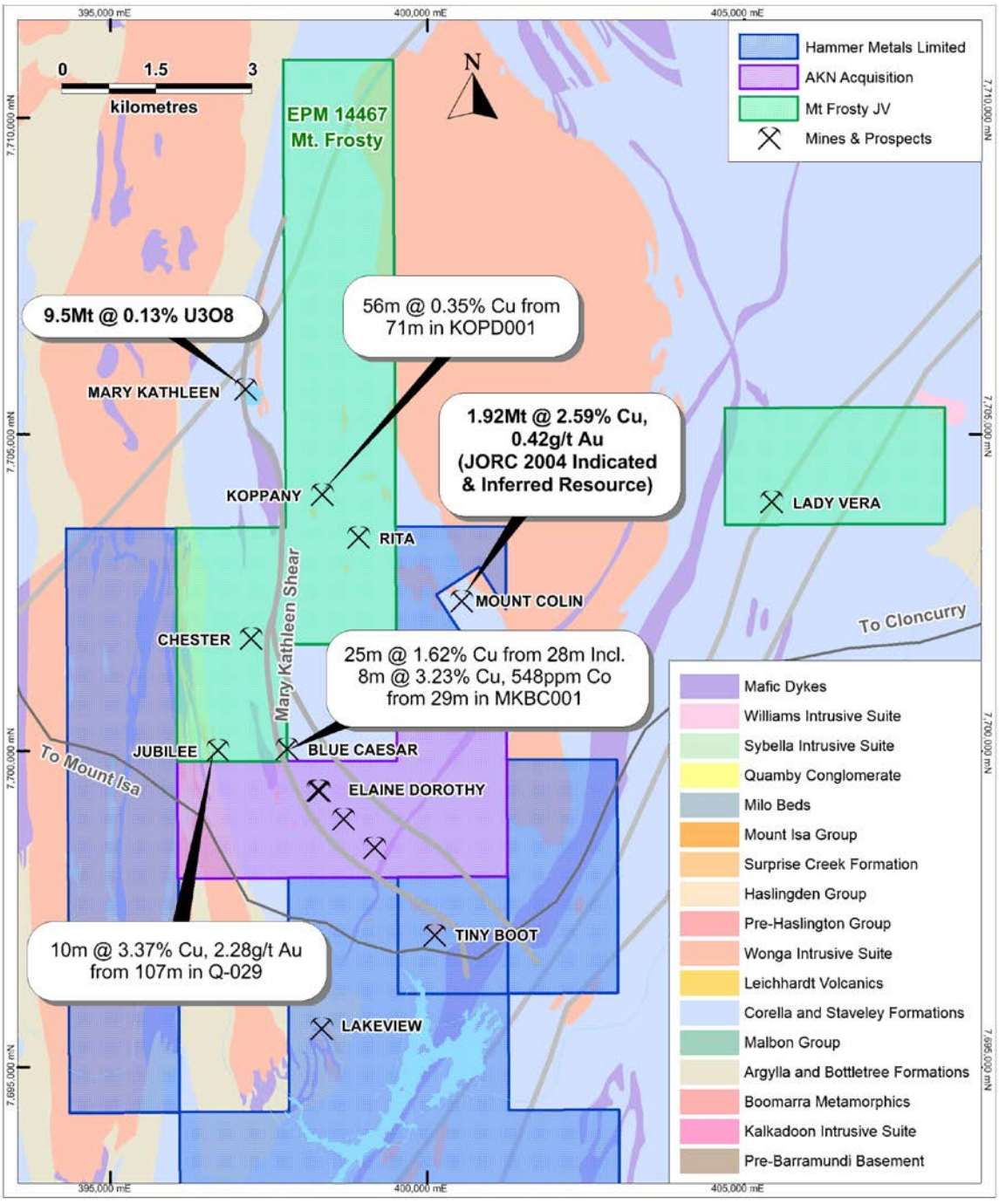
Because of the tenements proximity to the Mary Kathleen Mine much of the historical exploration was focused on uranium mineralisation. In recent years the focus has been on copper, with MIM conducting comprehensive geochemical and geophysical programs followed up with nine diamond drill holes on the Koppany prospect located 2km along strike to the south east of Mary Kathleen.

Diamond drilling (9 holes) by MIM at Koppany intercepted a mineralised skarn sequence with zones of massive and disseminated pyrrhotite and chalcopyrite. Anomalous Rare Earth Elements (REE's) were also intersected in the drilling included cerium (up to 1.7%), lanthanum (up to 1.2%) and neodymium (0.26%). Key intercepts are summarised in Table 1.

AuKing extended the Koppany copper soil anomaly to the south with extensional sampling resulting in an anomaly (>500ppm Cu) of approximately 3.5km long and 400m wide.

AuKing also drilled 19 RC drill holes at the Jubilee copper-gold workings (the details of which are summarised in Table 2) returning results including:

- 10m at 3.37% Cu and 2.27g/t Au from 107m in Q-029
- 9m at 2.8% Cu and 1.44g/t Au from 73m in Q-028
- 11m at 1.76% Cu and 0.44g/t Au from 78m in Q-020



Location EPM14467[1].

Planned Activity

Hammer considers the tenement to be highly prospective. The tenement covers a sequence of altered rocks adjacent to the Mary Kathleen Shear Zone with known copper, gold, uranium and REE deposits to the north and south.

[1] Mt Colin JORC 2004 sourced from (ASX:EXS. 7th September 2012 – Mt Colin Drilling Update). MKBC001 and Q-029 intercepts sourced from AKN ASX releases (17/6/2013 and 2/10/2014).

Several soil anomalies and drill intersections within the tenement remain to be followed up with drilling. In addition, there is a significant gap in recent surface geochemistry coverage between Koppany North and Koppany – a distance of 1.8km.

During the current Quarter, the data will be fully reviewed and an initial program of work will be prepared and presented to the joint venture committee for review.

An Appendix 3b requesting quotation of the shares, together with an s708A Notice in respect of the issue are attached for immediate release.

Alexander Hewlett, CEO of Hammer Metals said that: *"Hammer is very pleased to now be working side by side with Glencore in the Mount Isa district. This JV now completes Hammer's acquisition of AuKing's tenement interests in the Mount Isa region. The range of prospective copper-gold targets acquired are considered to significantly enhance Hammer's current tenement portfolio in the Mount Isa region."*

"The acquisition includes a 100% interest in EPM's 14019, 14022 and 12205 which cover the previously defined Elaine-Dorothy copper-gold inferred resource (CYU ASX release 18/10/2012), the GEM copper-gold resource (CYU ASX release 9/06/2010) and the Elaine uranium prospect (CYU ASX release 24/03/2010) as well as a range of other copper-gold drill intersections at the Jubilee, Koppany, Mt Dorothy, Pindora and Prince of Wales prospects. The tenements also cover strike extensions of mineralised trends and favorable host rocks identified within Hammer's adjacent tenements."

Hammer Metals Limited (ASX: HMX) Hammer Metals holds a strategic tenement position covering approximately 3,200km^2 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, the Millennium (Cu-Co-Au) deposit as well as the recently acquired Elaine-Dorothy (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of the Ernest Henry style and has a range of prospective targets at various stages of testing.

For further information, please contact:

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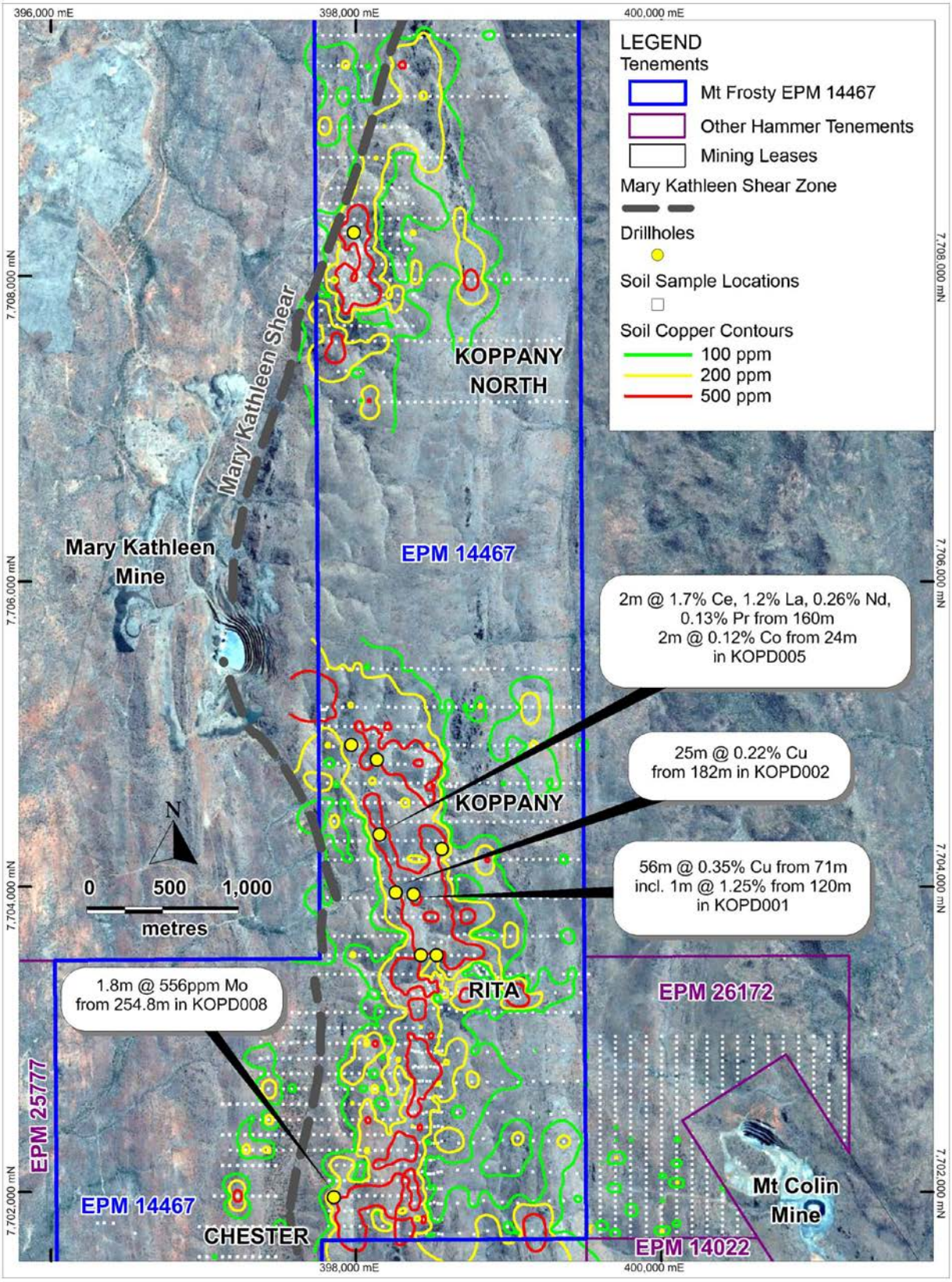
Competent Person's Statement:

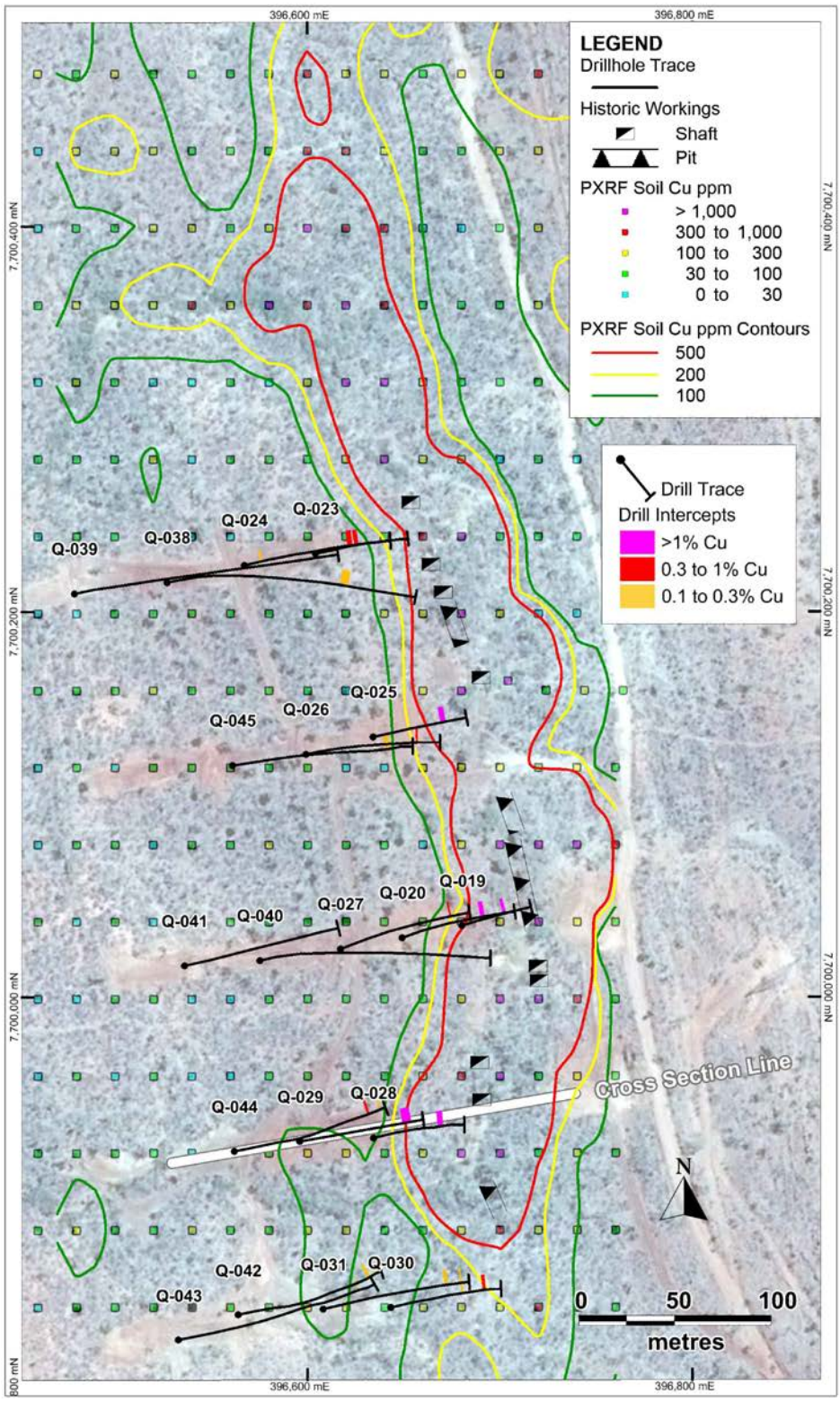
Exploration Results

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. Whittle who is a shareholder and option-holder, 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.

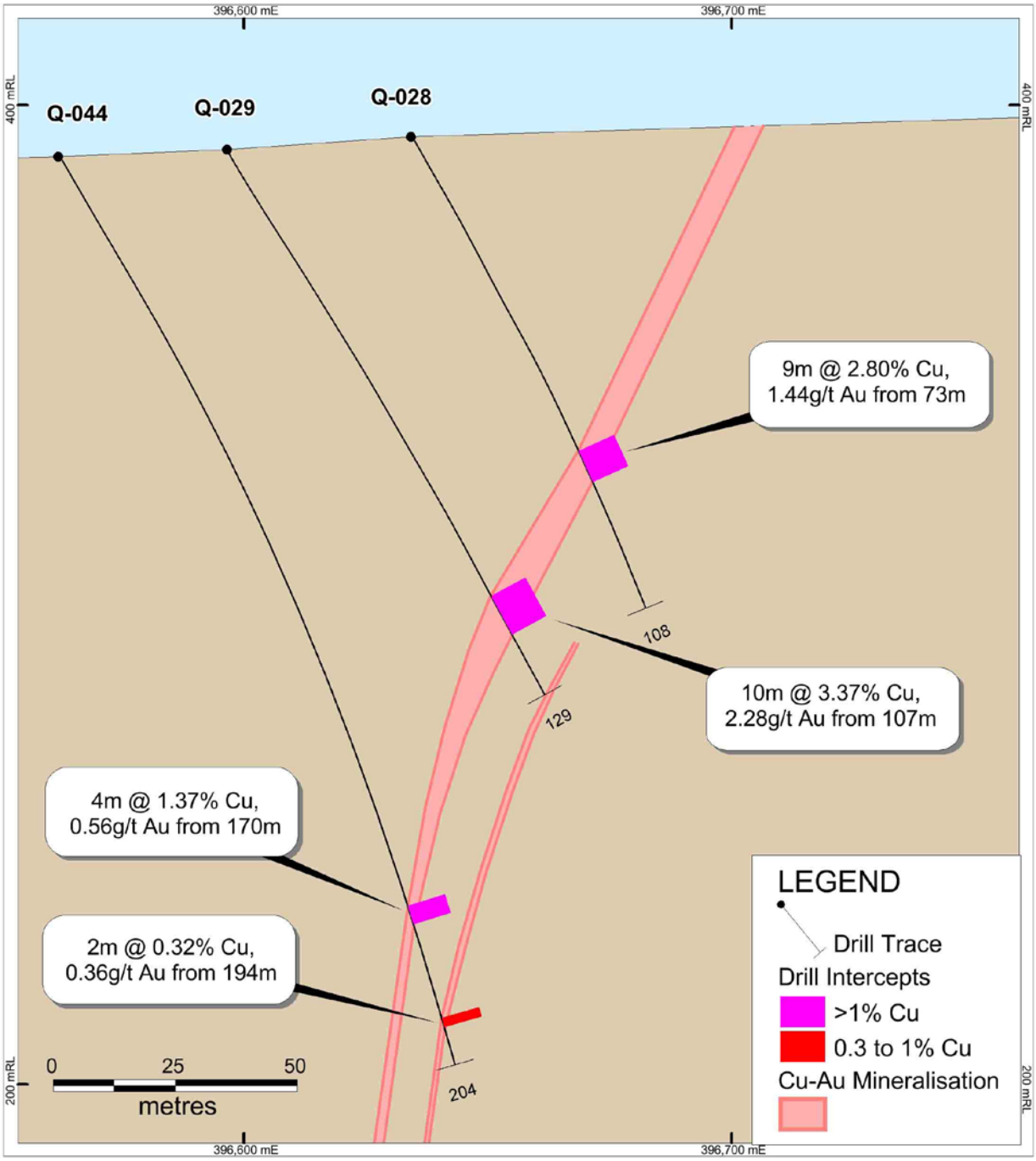
Where references are made to previous ASX announcements relating to Exploration results, Mineral Resource Estimates and updates provided to the market, the Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning those announcements continue to apply and have not materially changed.



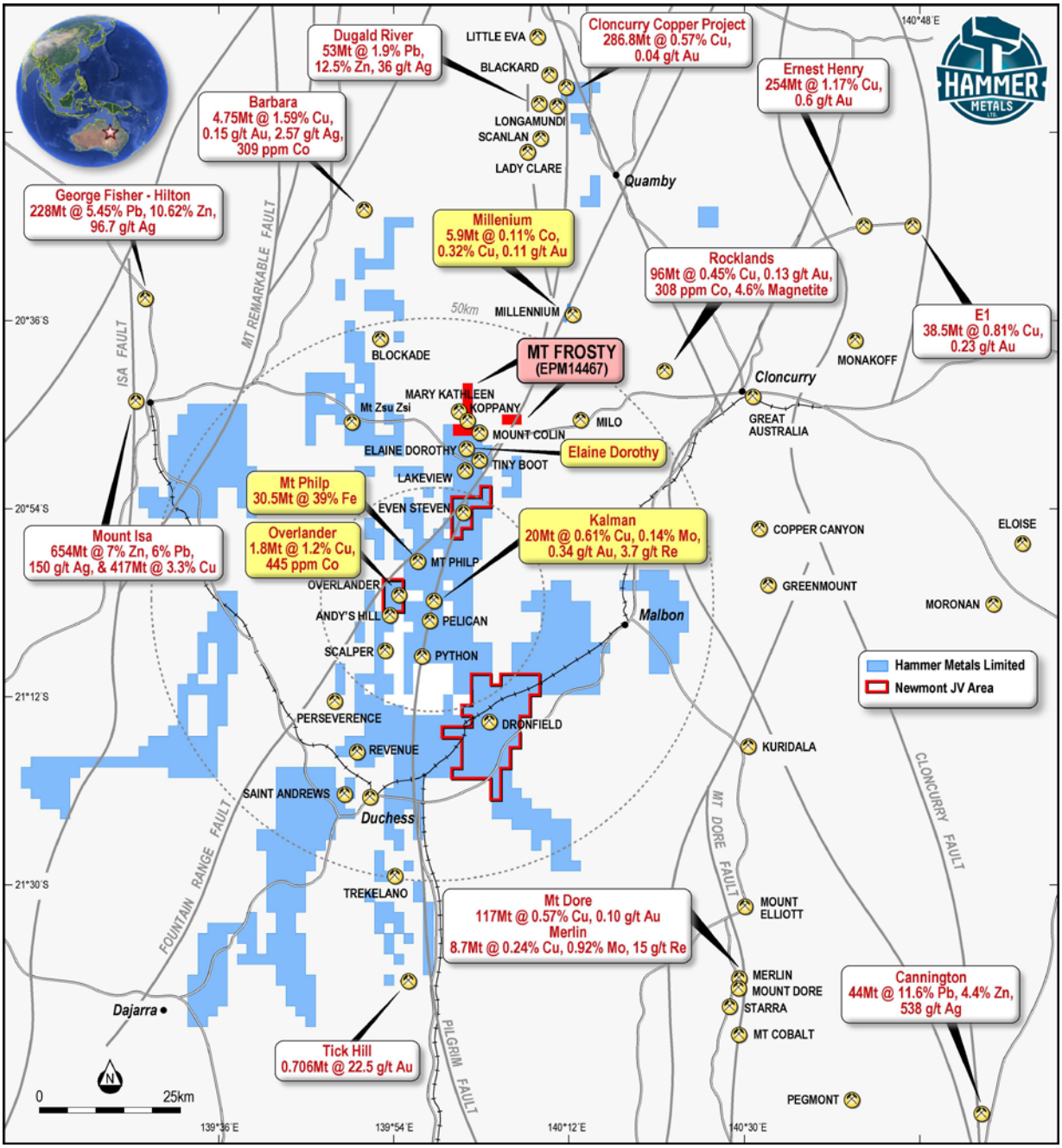
Koppany soil geochemistry, drilling and significant intercepts



Jubilee drilling and soil geochemistry



Jubilee section



Mount Isa Project showing the location of the Mt Frosty JV area[2].

[2] See notes at the end of this release which give background to the HMX resources highlighted in the figure.

Table 1. Koppany Prospect – Significant Intersections

KOPPANY PROSPECT - INTERSECTIONS AT 0.2% COPPER CUT-OFF												
Hole	**E_AGD84**	**N_AGD84**	**RL**	**TD**	**Dip**	**Az_GRID**		**From**	**To**	**Int**	**Cu (%)**	**Comment**
KOPD001	398256	7703789	462	201.3	-45	100		10	14	4	0.22	
								43	57	14	0.20	
								71	127	56	0.35	
							incl.	101	102	1	0.84	
							&	120	121	1	1.25	
KOPD002	398140	7703802	436	300.3	-45	100		182	207	25	0.22	
							incl.	186	187	1	0.47	
								231	237	6	0.29	
KOPD003	398408	7703390	506	201	-45	60		36	38	2	0.24	
KOPD004	398303	7703390	515	278.9	-45	75		238	242	4	0.26	
								108	110	2	0.28	
								222	224	2	0.23	
KOPD005	398033	7704181	483	246.5	-60	90		14	22	8	0.20	Downhole maximum Bismuth (to 3.65ppm), Cobalt to 0.12% associated with Pyrrhotite Veins between 18 an 33m. Hole maximum Cerium up to 1.7%, 1.15% Lanthanum, 0.26% Neodymium and 0.13% Praseodymiun. Massive Pyrrhotite Breccia 18-33m
								24	36	12	0.32	
								76	86	10	0.33	
								234	236	2	0.22	
KOPD006	398016	7704670	482	234.5	-60	105		All intersections below 0.2%				
KOPD007	397849	7704767	480	276.1	-60	105		48	50	2	0.24	Bismuth downhole maximum of 6.74ppm (162-162.7m)
								162	166	4	0.45	
								174	178	4	0.43	
							incl.	176	177	1	0.67	
								257	265	8	0.33	
							incl.	263	264	1	0.75	
KOPD008	397735	7701806	491	254.8	-45	105		132	138	6	0.26	134-136m 0.13% downhole maximum Cobalt, Molybdenum maximum 556ppm
								152	154	2	0.39	
								182	188	6	0.30	
KOPD009	397864	7708124	396	146.9	-45	105		No significant Cu intersections - 100-102m Bismuth 11.51ppm				
Note:												
1. Locations are quoted relative to AGD84 Zone 54 Datum												
2. Drill Core assayed at 2m Intervals by Genalysis Townsville												
3. Multielements analysed via ICP (MS-OES), Gold analysed via AAS												

Table 2. Jubilee Prospect – Significant intersections from AKN drillholes previously reported to the ASX

JUBILEE PROSPECT - SIGNIFICANT INTERSECTIONS - PREVIOUSLY REPORTED TO THE ASX													
Hole	E_GDA94	N_GDA94	RL	TD	Dip	Az_GRID		From	To	Int	Cu (%)	Au (g/t)	Note
Q-019	396680	7700037	356	70	-60	75		40	46	6	1.01	0.9	
							incl.	44	46	2	2.42	2.97	
Q-020	396649	7700031	364	112	-60	74		78	88	11	1.76	0.44	1
							incl.	80	88	4	4.29	1.17	
							&	82	83	1	10.7	1.37	
Q-023	396604	7700230	399	90	-60	80		39	49	10	0.38	0.26	
							incl.	40	41	1	1.35	1.43	
Q-024	396567	7700224	397	144	-60	80		102	109	7	1.25	0.68	
							incl.	103	106	3	2.01	0.52	
Q-025	396634	7700135	407	90	-60	80		65	72	7	1.25	0.81	
							incl.	68	71	3	3.63	1.49	
Q-026	396599	7700126	405	138	-60	80		111	117	6	0.44	0.17	
							incl.	112	115	3	0.95	0.27	
Q-027	396617	7700025	102	144	-60	80		120	127	7	1.3	0.22	
							incl.	122	123	1	7.15	1.21	2
Q-028	396634	7699927	394	108	-60	79		73	82	9	2.8	1.44	
							incl.	73	74	1	7.32	1.35	
							incl.	78	79	1	10	1.71	
Q-029	396596	7699925	391	129	-60	80		107	117	10	3.37	2.27	
							incl.	109	115	6	5.34	3.72	
							&	111	114	3	8.83	4.94	
Q-030	396643	7699839	392	108	-60	79		91	95	4	1.2	0.38	
							incl.	92	94	2	2.16	0.67	
Q-031	396608	7699838	391	174	-60	78		131	136	5	0.2	0.04	
								138	144	6	0.41	0.14	
Q-038	396527	7700215	352	180	-60	76		135	143	8	0.3	0.15	
							incl.	135	136	1	1.27	0.47	
Q-039	396479	7700209	352	276	-60	76		195	197	2	2.31	0.22	
Q-040	396575	7700019	359	204	-60	76		153	159	6	0.77	0.1	
							incl.	153	155	2	2.01	0.26	
Q-041	396536	7700016	352	318	-65	76		261	266	5	0.21	0.12	
Q-042	396564	7699835	351	270	-60	76		213	223	10	0.5	0.2	
							incl.	219	221	2	0.85	0.33	3
							&	238	248	10	0.52	0.12	
							incl.	241	244	3	1.11	0.2	
Q-043	396533	7699822	350	354	-57	77		237	246	9	0.22	0.1	
								312	315	3	0.4	0.04	
Q-044	396562	7699920	353	204	-60	77		169	177	8	0.76	0.3	
							incl.	170	174	4	1.37	0.56	
Q-045	396561	7700120	261	172	-55	78		142	150	8	0.48	0.09	
							incl.	144	145	1	2.24	0.2	

Note		
	1	ASX:AKN - 5th June 2014: Significant Copper-Gold discovery at Jubilee
	2	ASX:AKN - 2nd October 2014: Outstanding Copper results from Mt Isa Drilling Program
	3	ASX:AKN - 30th January 2015: Outstanding Copper-Gold results from Jubilee
	4	Locations relative to GDA94 Zone54
	5	Analysis methods have been previously reported by AKN

Notes on the Kalman Resource Estimate on Copper Equivalence Calculation

The Kalman Mineral Resource Estimate was updated in August 2016 in accordance with the JORC Code (2012 Edition). (Refer to the ASX Release dated 27th September 2016 for full details of the Resource Estimate.)

Kalman Deposit Inferred Mineral Resource Estimate

(Reported at 0.75% CuEq cut-off above 100m RL and 1.4% CuEq cut-off below 100m RL)

Classification	Mining Method	CuEq Cut-Off	Tonnes Kt	CuEq %	Cu %	Mo %	Au ppm	Ag Ppm	Re ppm
Indicated	Open Pit	0.75%	7,100	1.5	0.48	0.12	0.27	1.4	2.9
Inferred	Open Pit	0.75%	6,200	1.6	0.44	0.15	0.24	1.5	3.9
Inferred	Underground	1.40%	7,000	2.4	0.89	0.16	0.50	2.9	4.5
Total			**20,000**	**1.8**	**0.61**	**0.14**	**0.34**	**1.9**	**3.7**

- *Note: (1) Numbers rounded to two significant figures*
- *Note: (2) Totals may differ due to rounding*
- *Note: (3) CuEq = Cu + (0.864268 * Au) + (0.011063 * Ag) + (4.741128 * Mo) + (0.064516 * Re)*

Copper equivalent (CuEq) grades were calculated using estimated block grades for Cu, Au, Ag, Mo and Re.
The CuEq calculation is based on commodity prices and metallurgical recovery assumptions as detailed in this release. Prices agreed to by Hammer were a reflection of the market as at 14/02/2014 and forward-looking forecasts provided by consensus analysis. Metal prices provided are:

The CuEq calculation is based solely on commodity prices without assumptions about recovery or payability of the different metals. Prices agreed to by Hammer were a reflection of the market as at 14/02/2014 and forward-looking forecasts provided by consensus analysis. Metal prices provided are:
Cu: US$7,165/t
Au: US$1,324.80/oz
Ag: US$22.40/oz
Mo: US$16.10/lb
The forward-looking price for Rhenium was estimated using available historical and current prices - Re: US$5,329/kg
The CuEq equation is CuEq = Cu + 0.594464Au + 0.010051Ag + 4.953866Mo + 0.074375Re and was applied to the respective elements estimated within the resource block model.

Assumed Metallurgical Recoveries

Based on the testing completed and the current understanding of the material characteristics it has been assumed that the Kalman material can be processed using a "typical" concentrator process flowsheet. The mass balance and stage metallurgical recovery of the four major elements were based on the metallurgical test results from the molybdenum zone sample and benchmarks. The final overall recovery (Table 3) was established from the mass balance and benchmarked against other operations and projects.

Assumed Metallurgical Recoveries

Process Stage	Molybdenum Recovery (%)	Rhenium Recovery (%)	Copper Recovery (%)	Gold Recovery (%)	Silver[1] Recovery (%)
Bulk Rougher	95	86	95	82	82
Overall	86	77	86	74	74

- *No data available for Silver recoveries so they have been assumed similar to Gold Recoveries*

It is the company's opinion that the metals used in the metal equivalent equation have reasonable potential for recovery and sale based on metallurgical recoveries in flotation test work undertaken to date. There are a number of well-established processing routes for copper molybdenum deposits and the sale of resulting copper and molybdenum concentrates.

Notes on the Millennium Resource Estimate and Notes on Copper Equivalence Calculation

The Millennium Mineral Resource Estimate was conducted in December 2016 in accordance with the JORC Code (2012 Edition). (Refer to the ASX Release dated 6th December 2016 for full details of the Resource Estimate.)
Millennium Deposit Inferred Mineral Resource Estimate
(Reported at 0.7% CuEq and 1% CuEq cut-offs across four domains)

Millennium November 2016 Mineral Resource – Inferred

CuEq Cut-off	Tonnes	CuEq (%)	Cu (%)	Co (%)	Au (ppm)
1.0%	3,070,000	1.29	0.35	0.14	0.12
0.7%	5,890,000	1.08	0.32	0.11	0.11

- *Note: (1) Totals may differ due to rounding*
- *Note: (2) CuEq= Cu_pct+(Co_pct*5.9)+(Au_ppm*0.9)+(Ag_ppm*0.01)*

- The Copper Equivalent (CuEq) equation has been calculated to reflect current and forecast pricing. CuEq grades were calculated using estimated block grades for Co, Cu, Au and Ag. The CuEq calculation is based solely on commodity prices without assumptions about recovery or payability of the different metals. Prices used by Hammer were a reflection of the market as at October 1st 2016 and forward looking forecasts provided by consensus analysis.

Metal prices used were:

- Cu: US$4,600/t;
- Co: US$27,000/t;
- Au: US$1,330/oz; and
- Ag: US$20/oz.

The copper equivalent equation is:

$$CuEq = Cu\_pct + (Co\_pct * 5.9) + (Au\_ppm * 0.9) + (Ag\_ppm * 0.01)$$

Notes on the Overlander Mineral Resource Estimate

The 100%-owned Overlander Project is situated 60 kilometres to the southeast of the mining centre of Mount Isa in North West Queensland and 6 kilometres to the west of Hammer's Kalman copper-gold-molybdenum-rhenium deposit. It is a high-priority target area for both shear-hosted copper and IOCG copper mineralisation. The Overlander North and South Copper Deposits are situated approximately one kilometre apart within a common shear zone.

Drilling in the Overlander North deposit extends to a vertical depth of approximately 430m and the mineralisation was modelled from surface to a depth of approximately 420m below surface. Drilling in the Overlander South deposit extends to a vertical depth of approximately 215m and the mineralisation was modelled from surface to a depth of approximately 180m below surface. The resource estimates are based on good quality RC and diamond drilling data. Drill hole spacing is predominantly on a 40m by 20m spacing with additional drill holes between sections targeted at the higher-grade cores of the deposits.

Following additional drilling in 2014 and 2015, The Mineral Resource Estimates for the Overlander North and South shear-hosted copper Deposits were revised by Haren Consulting and reported in accordance with the guidelines of the JORC Code (2012 Edition). They contain combined resources of 1,772,000 tonnes at 1.2% copper in the indicated and inferred categories (Refer to the ASX release dated August 26th 2015).

Overlander North and South Mineral Resource Estimate

(Reported at 0.7% Cu cut-off)

Overlander North Resource					
Classification	Tonnes	Cu	Co	Cu	Co
		%	ppm	Tonnes	Tonnes
Indicated	253,000	1.4	254	3,414	64
Inferred	870,000	1.3	456	11,350	396
Total	**1,123,000**	**1.3**	**410**	**14,764**	**461**

Overlander South Resource					
Classification	Tonnes	Cu	Co	Cu	Co
		%	ppm	Tonnes	Tonnes
Indicated	-	-	-	-	-
Inferred	649,000	1	500	6,352	327
Total	**649,000**	**1**	**500**	**6,352**	**327**

Overlander North and South Combined Mineral Resource					
Classification	Tonnes	Cu	Co	Cu	Co
		%	ppm	Tonnes	Tonnes
Indicated	253,000	1.4	254	3,414	64
Inferred	1,518,000	1.2	476	17,700	723
Total	**1,772,000**	**1.2**	**445**	**21,112**	**788**

Notes on the Mt Philp Resource Estimate

The Mineral Resource Estimate is based on 48 diamond and reverse circulation (RC) drillholes completed in 2011 for a total of 3,801 metres (m). Drilling comprises fans located on a nominal 100 m pattern along the strike length of the ironstone. The Mineral Resource was estimated and reported in-house by Cerro Resource NL.

The current resource totals 19.1 million tonnes (Mt) grading 41.4% iron and 37.9% silica (Table 1-1) in the Indicated category and 11.4 million tonnes (Mt) grading 33.8% iron and 47.4% silica in the Inferred category. This resource is open at depth.

A resource estimate was first completed and reported to ASX by previous owners on 28th September 2012 and there has been no material change to the resource base during the financial year. A review of the resource estimate was completed for the purpose of compiling this statement and the principles and methodology of the resource estimation procedure and the resource classification procedure have been reconciled with the CIM Resource Reserve definitions and found to comply.

Mt Philp Deposit Mineral Resource Estimate

Mt Philp Deposit Resource							
Classification	Tonnes	Fe	P	SiO2	Al2O3	TiO2	LOI
		%	%	%	%	%	%
Indicated	19,110,000	41	0.02	38	1.3	0.38	0.29
Inferred	11,400,000	34	0.02	48	2	0.46	0.31
Total	**30,510,000**	**39**	**0.02**	**42**	**1.6**	**0.41**	**0.3**

- *Note: (1) Numbers rounded to two significant figures to reflect appropriate levels of confidence*
- *Note: (1) Totals may differ due to rounding*

JORC Code, 2012 Edition

Table 1 report – Mt Frosty Joint Venture Finalised

- This table is to accompany an ASX release notifying the market that the Mt Frosty (EPM14467) joint venture with Mount Isa Mines Limited has been finalised.
- The release mentions drilling conducted by MIM in 2009 (KOPD001-KOPD009) and drilling conducted by AuKing Limited over the period 2014-2015.
- The details of the AuKing Limited (AKN) drilling at Blue Caesar and Jubilee were reported to the ASX on 17/6/2013, 5/6/2014, 2/10/2014 and 30/1/2015 and the reader is referred to these reports.
- The drilling conducted by Mount Isa Mines Limited has not been reported to the market therefore the details that follow refer to this drilling program.

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 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 (KOPD001-009) • Half core samples were taken at 2 metre intervals but where significant mineralisation was encountered the sample length was reduced to 1m. • All samples submitted for assay underwent a fine crush with 1kg riffled off for pulverising to 75 micron. • Samples were submitted for 4 acid digest followed by AAS assay for gold and ICP (MS and OES) analysis for 59 element suite including copper, silver, cobalt and molybdenum. The samples were also analysed for rare earth elements.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details*	DRILLING (KOPD001-009) • Holes were drilled by Major Drilling

Criteria	JORC Code explanation	Commentary
	(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).	utilising a UDR200D track mounted drilling rig. • Holes were started using HQ (63.5mm core diameter) and swapped to NQ (47.6mm core diameter) where ground conditions permitted. Usually this was around 20m.
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.*	• Diamond core recoveries were generally in excess of 90%. Exceptions being in the shallow portion of holes where recoveries could drop to 70% over small distances. • No sample recovery bias was noted.
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.*	DRILLING (KOPD001-009) • All drill core and chips were geologically logged in detail by Mount Isa Mines Geologists. • Diamond core was photographed and stored appropriately. • 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.* • *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 insitu 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.*	DRILLING (KOPD001-009) • Samples consist of half sawn core. • Sample collection and size is considered appropriate to the target-style and laboratory analytical methods employed. • Standard reference samples were each inserted into the laboratory submissions at a rate of 1 per 25 samples. • No duplicate samples were noted. • The sample sizes submitted for analysis were appropriate for the style of mineralisation sought and methods employed.

Criteria	JORC Code explanation	Commentary
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.*	DRILLING (KOPD001-009) • All drilling samples were analysed by Genalysis for a range of elements by ICP (OES and MS) after a 4-acid digest. Gold was analysed via flame AAS • Standard reference samples and blanks were inserted at 25 sample intervals. Genalysis 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.*	DRILLING (KOPD001-009) • It is not known whether all results were checked by alternative company personnel. • These holes have not been twinned. • All field logging was later checked and entered into the company database. • Assay files are received electronically from the laboratory. • It is not known what alterations were made to primary assay data for further processing.
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.*	DRILLING (KOPD001-009) • Drill hole collars were measured using a hand-held GPS unit with an estimated positional accuracy of approximately 5 metres. • Datum used is AGD 84 Zone 54. This is a legacy Datum used by Mount Isa Mines Limited at the time of this drilling. • 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 available).

Criteria	JORC Code explanation	Commentary
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.*	DRILLING (KOPD001-009) • Drill density is not sufficient to establish grade continuity. • Assays were taken on 1 and 2m sample lengths. 1m length was preferred in areas of increased mineralisation.
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.*	DRILLING (KOPD001-009) • Drill holes were oriented as close to perpendicular as possible to the interpreted orientation of the geophysical targets and surface geological features.
Sample security	• *The measures taken to ensure sample security.*	• Pre-numbered bags were used. • It is not known conclusively but it is suspected that samples were transported to Genalysis in Townsville.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• It is not known whether audits or reviews of this dataset have been undertaken.

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.*	DRILLING (KOPD001-009) • This drilling occurred on EPM14467 - partially owned by Mount Isa Mines Limited (49%) and AuKing Limited (51%). • The subject of this release is the transferal of this AuKing Limited 51% ownership to Mulga Minerals Pty Ltd. Mulga Minerals Pty Ltd is a 100% owned subsidiary of Hammer Metals Limited.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• KOPD001 to 009 were drilled by Mount Isa Mines Pty Ltd prior to the initiation of the Joint Venture with AuKing Limited.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Drillholes are located within the skarn altered portions of the Corella Formation on the eastern limb of the Mary Kathleen syncline. • The style of mineralisation at Koppany is copper skarn style. This style of mineralisation is poorly represented in the Mount Isa region however similarities exist with the Mt Elliot Cu-Au Deposit south of Cloncurry. Mt Elliot had a resource of 2.9 Mt @ 3.33% Cu, 1.47 g/t Au prior to mining in 1994. It also has IOCG affinities.
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 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.*	• See the attached tables.
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*	• Intervals quoted in this release are reported primarily on their copper grades at 0.2% cut-off (in the case of KOPD001-009. • In relation to the Jubilee drillholes drilled by AuKing Limited, the intercepts quoted are those which have been previously released to the ASX (AKN). .

Criteria	JORC Code explanation	Commentary
	reporting of metal equivalent values should be clearly stated.	
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').*	DRILLING (KOPD001-009) • In both plan and section drill-holes are oriented close to perpendicular to the interpreted position of the modelled geophysical features. • The drilling is not at a sufficient density to enable any grade continuity to be established. The true width of any quoted intercept is not known with any certainty.
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.*	DRILLING (KOPD001-009) • Intersections have been quoted at 0.2% Cu cut-off grades
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 (eg 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.*	• The area will be subject to detailed data compilation and ground review culminating in the preparation of a program which will include further soil geochemical sampling and drilling.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Hammer Metals Limited

ABN

87 095 092 158

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	250,000
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Ordinary shares rank equally with the existing fully paid ordinary shares of the Company from the date of allotment.
5	Issue price or consideration	Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	250,000 shares issued in consideration of Mt Isa tenement acquisition in accordance with ASX release dated 14 August 2017.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	18 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	250,000

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 28,058,951 Rule 7.1A 19,705,967 Total: 47,764,918
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	16 August 2017

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	198,559,674	Fully Paid Ordinary Shares (including 1,500,000 shares subject to voluntary escrow until 17/11/17)

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		1,000,000	$0.20 option exp 11/09/2017
		7,100,000	$0.135 option exp 30/11/2017
		3,811,953	$0.15 option exp 6/2/2018
		1,000,000	$0.10 option exp 30/11/2017
		12,800,000	$0.06 option exp 30/06/2020
		5,000,000	$0.075 option exp 29/06/2019
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements *in full* through a broker?	N/A
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A

+ See chapter 19 for defined terms.

33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	
39	+Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 17 August 2017

(Director/Company secretary)

Print name: Mark Pitts

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	153,434,961
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	43,624,713
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	None
"A"	197,059,674

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	29,558,951
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	1,500,000
"C"	**1,500,000**
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	29,558,951
Subtract "C" *Note: number must be same as shown in Step 3*	1,500,000
Total ["A" x 0.15] – "C"	28,058,951 *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	197,059,674
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	19,705,967
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	-
"E"	-

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	19,705,967
Subtract "E" *Note: number must be same as shown in Step 3*	-
Total ["A" x 0.10] – "E"	19,705,967 *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.

17 August 2017

Notice under Section 708A (5)

The Company has today confirmed the issue of 250,000 fully paid ordinary shares issued in consideration for the acquisition of an interest in exploration tenements.

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Act").

The shares were issued without disclosure to investors under Part 6D.2 of the Act.

The Company as at the date of this notice has complied with

a) the provisions of Chapter 2M of the Act as they apply to the Company; and

b) section 674 of the Act.

As at the date of this notice, there is no excluded information for the purposes of sections 708A(7) and 708A(8) of the Act.

Yours faithfully

By Order of the Board

Mark Pitts
Company Secretary
Hammer Metals Limited