

HAMMER METALS LIMITED
ABN 87 095 092 158

NOTICE OF GENERAL MEETING

**Suite 8, 7 The Esplanade, Mt Pleasant, Western Australia
at 9:00 am (WST) on Friday, 2 September 2016**

HAMMER METALS LIMITED

ABN 87 095 092 158

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Hammer Metals Limited ("Company") will be held at Suite 8, 7 The Esplanade, Mt Pleasant, Western Australia, at 9:00 am (WST) on Friday, 2 September 2016.

The Explanatory Statement to this Notice of Meeting provides additional information on the matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

RESOLUTION 1- RATIFICATION OF SHARE ISSUE – LISTING RULE 7.1

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 500,000 Shares on the terms and conditions set out in the Explanatory Memorandum."

RESOLUTION 2- RATIFICATION OF PLACEMENT SHARE ISSUE – LISTING RULE 7.1

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 5,521,886 Shares on the terms and conditions set out in the Explanatory Memorandum."

RESOLUTION 3 – RATIFICATION OF PLACEMENT SHARE ISSUE – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 13,401,189 Shares on the terms and conditions set out in the Explanatory Memorandum."

RESOLUTION 4 – RATIFICATION OF OPTION ISSUE – LISTING RULE 7.1

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 5,000,000 Options to acquire ordinary shares on the terms and conditions set out in the Explanatory Memorandum."

RESOLUTION 5 - RATIFICATION OF PLACEMENT SHARE ISSUE – LISTING RULE 7.1

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 9,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

RESOLUTION 6- APPROVAL OF PLACEMENT SHARE ISSUE – LISTING RULE 7.1

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 23,250,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

RESOLUTION 7- APPROVAL OF SHARE ISSUE – LISTING RULE 7.1

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 541,378 Shares on the terms and conditions set out in the Explanatory Memorandum.”

DATED this 2nd day of August 2016

BY ORDER OF THE BOARD



**HAMMER METALS LIMITED
MARK PITTS
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Suite 8, 7 The Esplanade Mt Pleasant, Western Australia, at 9:00 am (WST) on Friday, 2 September 2016.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF SHARE ISSUE

On 4 May 2016 the Company advised the market that it had agreed to acquire 100% interest in 5 Mining Leases near Cloncurry in the Mount Isa 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. The acquisition secures a prospective high-grade cobalt-copper-gold target that complements Hammer's existing tenement portfolio in the region.

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.)

Consideration at completion involved the payment of \$57950 in cash to Elementos Limited to secure the tenements and in addition the issuance of 500,000 ordinary shares to Chinalco Yunnan Copper Resources Ltd.

Listing Rules Chapter 7

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be ratified by shareholders, in order to refresh the Placement Capacity, provided that, at the time the issue was made, the issue was made within the Company's existing Placement Capacity.

By ratifying the issue of the Shares the subject of Resolution 1, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

Resolution 1 is an ordinary resolutions.

Resolution 1 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 1:

- (a) 500,000 Shares were issued at an issue price of \$0.04 per Share;
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares, subject only to voluntary escrow for 18 months from the date of issue;
- (c) The Shares were issued to Chinalco Yunnan Copper Resources Ltd.
- (d) The Shares were issued for a deemed price of 4 cents but for NIL cash.

The Chairman intends to vote all available proxies in favour of Resolution 1.

2. RESOLUTIONS 2 & 3 – RATIFICATION OF PLACEMENT SHARE ISSUE

Background

On 23 May 2016, the Company announced that it had agreed terms for a placement of 18.9 million Shares to sophisticated investors at an issue price of \$0.065 to raise approximately \$1.2million (before costs) ("Placement"). The Company issued the Shares under its placing capacity pursuant to listing rule 7.1 and 7.1A. Ratification of the issue is sought by Resolutions 2 and 3.

Listing Rules Chapter 7

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be ratified by shareholders, in order to refresh the Placement Capacity, provided that, at the time the issue was made, the issue was made within the Company's existing Placement Capacity.

By ratifying the issue of the Shares the subject of Resolutions 2 and 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, and the 10% placement capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolutions 2 and 3 are ordinary resolutions.

Resolution 2 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 2:

- (a) 5,521,886 Shares were issued at an issue price of \$0.065 per Share;
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) The Shares were issued to investors who were eligible to be made offers without disclosure under an exemption under section 708 of the Corporations Act.
- (d) The funds raised from the issue (being in total \$358,922 (before costs)) will be used to fund planned exploration programs at the Company's Mount Isa Projects in Queensland, Australia and for working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 2.

Resolution 3 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 3:

- (a) 13,401,189 Shares were issued at an issue price of \$0.065 per share;
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) The Shares were issued to investors who were eligible to be made offers without disclosure under an exemption under section 708 of the Corporations Act.
- (d) The funds raised from the issue (being in total \$871,078 (before costs)) will be used to fund planned exploration programs at the Company's Mount Isa Projects in Queensland, Australia and for working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 3.

3. RESOLUTION 4 – APPROVAL OF ISSUE OF OPTIONS TO ARGONAUT SECURITIES

Background

On 15 June 2016 the Company confirmed the allotment and issue of 5 million unlisted options to Argonaut Investments Pty Ltd, in consideration of the strategic advisory role Argonaut Securities has been engaged to carry out. The Options are exercisable by payment of 7.5 cents on or before expiry (three years from the date of issue).

The Options are subject to the following vesting conditions:

- a) Hammer maximising or otherwise monetising the value of its Mount Isa / Cloncurry mineral interests through, amongst other things, a centralised processing facility as determined by the Board; or
- b) Hammer's share price closing in excess of 10 cents for a period of three continuous days in the period up to 31 December 2016; or
- c) A change of control event.

The Option terms are set out in Annexure A.

Listing Rules Chapter 7

The Company was able to issue the Options the subject of Resolution 4 without prior Shareholder approval out of its 15% annual placement capacity under ASX listing Rule 7.1.

However, the Shareholder approval sought under Resolution 4 for the Option issue means that the Company's 15% placement capacity under listing Rule 7.1 will not be reduced and the Company will retain the flexibility to issue equity securities in the future in accordance with Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 4 - Information Required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval for Resolution 4 pursuant to Listing Rule 7.4:

- (a) The total number of Options issued was 5,000,000;
- (b) The Options were issued to Argonaut Investments Pty Ltd;
- (c) The unlisted Options were issued for nil cash consideration and are exercisable by payment of 7.5 cents on or before 29 June 2019 (subject to certain vesting conditions);
- (d) Argonaut Investments Pty Ltd is not a related party of the Company;

- (e) The Options were issued as an incentive. No funds were raised from the issue as the Options were issued for nil in cash consideration.

The Chairman intends to vote all available proxies in favour of Resolution 4.

4. RESOLUTIONS 5 & 6 – PLACEMENT SHARE ISSUE

Background

On 1 August 2016, the Company announced that it had agreed terms for a placement of 32.2 million Shares to Resource Capital Fund VI L.P. and other sophisticated investors at an issue price of \$0.07 to raise approximately \$2.25 million (before costs) (“Placement”).

The Company advised that it would complete the Placement in two tranches.

The Company has issued the First Tranche Shares under its placing capacity pursuant to listing rule 7.1 and ratification of this issue is sought by Resolution 5.

In addition the Company seeks approval by Resolution 6 to issue the Second Tranche Shares.

Listing Rules Chapter 7

First Tranche Shares Issued

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be ratified by shareholders, in order to refresh the Placement Capacity, provided that, at the time the issue was made, the issue was made within the Company’s existing Placement Capacity.

By ratifying the issue of the Shares the subject of Resolution 5, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

Second Tranche Shares

This resolution has been proposed so that Shareholders may approve, for the purposes of Listing Rule 7.1, the Second Tranche of Placement Shares during the period of 3 months following the date of the Meeting.

Listing Rule 7.1 requires a company that wishes to issue more than 15% of its securities in any 12 month period to obtain Shareholder approval by way of ordinary resolution (unless the issue is exempted under Listing Rule 7.2).

Listing Rule 7.3 sets out the disclosure requirements for an issue of securities to be made with the approval of shareholders.

Resolutions 5 and 6 are ordinary resolutions.

Resolution 5 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 5:

- (a) 9,000,000 Shares were issued at an issue price of \$0.07 per Share;
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares;
- (c) The Shares were issued to Resource Capital Fund VI L.P.

- (d) The funds raised from the issue (being in total \$630,000 (before costs)) will be used to fund planned exploration programs at the Company's Mount Isa Projects in Queensland, Australia and for working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 5.

Resolution 6 - Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) The maximum number of Second Tranche Shares to be issued is 23,250,000 Shares;
- (b) The Second Tranche Shares are intended to be allotted to applicants on or around 5 September 2016, but in any event within the 3 month time frame permitted under listing rule 7.3;
- (c) The issue price of the Second Tranche Shares will be 7 cents;
- (d) The Second Tranche Placement Shares are to be issued to Resource Capital Fund VI L.P. and other sophisticated investors;
- (e) The funds raised from the issue (being in total \$1,627,500 (before costs)) will be used to fund planned exploration programs at the Company's Mount Isa Projects in Queensland, Australia and for working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 6.

4. RESOLUTION 7 – APPROVAL OF SHARE ISSUE IN LIEU OF INTEREST ON CONVERTIBLE NOTE

Background

The Company proposes to issue 541,378 Shares in lieu of interest payable and in accordance with the terms of a convertible loan of \$650,000 from its largest shareholder Deutsche Rohstoff AG ("DRAG"), a German resources company listed on the Frankfurt Stock Exchange.

The loan has a maturity date of 27 July 2017 with interest accruing at 10% per annum.

The conversion price is set at 6 cents and the loan is convertible by either DRAG or the Company at any time before the Maturity Date subject to the Company's Share price being at or above 6 cents and subject to a minimum of 12 months interest being paid.

Shareholder approval was sought and obtained at a General Meeting held on 11 September 2015 for the issue of the Convertible Note to DRAG, and ultimately for the issuance of shares on its conversion.

Listing Rules Chapter 7

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

This resolution has been proposed so that Shareholders may approve, for the purposes of Listing Rule 7.1, the issuance of shares in lieu of interest payable.

Listing Rule 7.3 sets out the disclosure requirements for an issue of securities to be made with the approval of shareholders.

Resolution 7 - Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) The maximum number of Shares to be issued is 541,378 Shares;
- (b) The Shares are intended to be allotted on 5 September 2016;

- (c) The issue price of the Shares will be 6 cents (in accordance with the terms of the Convertible Note);
- (d) The Shares are to be issued to Deutsche Rohstoff AG;
- (e) There will be no funds raised, however the Shares are being issued in lieu of interest payable.

The Chairman intends to vote all available proxies in favour of Resolution 7.

5. ENQUIRIES

Shareholders are required to contact the Company Secretary on (61 8) 9316 9100 if they have any queries in respect of the matters set out in these documents.

6. VOTING BY PROXY

Entitlement to vote

Voting Entitlement

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at close of business (5pm WST) on 31 August 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxies

Members are advised that:

- each member has a right to appoint a proxy to attend and vote for them;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint either 1 or 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is for 2 proxies and does not specify the proportion or number of votes each proxy may exercise, then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

- (a) by post to Hammer Metals Limited, Suite 8, 7 The Esplanade Mt Pleasant, Western Australia, 6153;
- (b) deliver to the Company Secretary at Level 1, Suite 8, 7 The Esplanade, Mt Pleasant, Western Australia, 6153; or
- (c) by facsimile to the Company on facsimile number (61 8) 9315 5475, so that it is received not later than 9:00 am (WST) on 8 June 2016.

Proxy forms received later than this time will be invalid

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a body corporate, in a manner permitted by the Corporations Act. In the case of Shares jointly held by two or more persons, at least one joint holder must sign the proxy form. A proxy form is attached to this Notice.

Voting Prohibition Statements

Resolutions 1, 2, 3, 4 and 5

A vote on Resolutions 1, 2, 3, 4 and 5 must not be cast (in any capacity) by a person who participated in the relevant issue, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolutions 6 and 7

The Company will disregard any votes cast on Resolutions 6 or 7 respectively by any person who is to receive the securities the subject of the relevant Resolution; any person who might obtain a benefit if the relevant Resolution is passed, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons respectively.

Notwithstanding the above, the Company will not disregard a vote on Resolution 6 or 7 respectively if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolutions 1 to 7 (inclusive). Shareholders may also choose to direct the Chair to vote against any of Resolutions 1 to 7 (inclusive) or to abstain from voting.

GLOSSARY

"ASIC" means the Australian Securities and Investments Commission;

"ASX" means the Australian Stock Exchange Limited;

"ASX Listing Rules" or "Listing Rules" means the Listing Rules of the ASX.

"Board" means the board of Directors of the Company from time to time;

"Company" or "Hammer" or "HMX" means Hammer Metals Limited (ACN 095 092 158);

"Corporations Act" means Corporations Act 2001 (Cth);

"Constitution" means the Company's constitution

"Director" means a director of the Company and, where the context required;

"Options" means the Options the subject of Resolution 4 issued on the terms and conditions set out in Annexure A;

"Explanatory Statement" means the Explanatory Statement accompanying this Notice of Meeting;

"Listing Rules" means the official listing rules of the ASX;

"Notice of Meeting" means the Notice of General Meeting accompanying this Explanatory Memorandum;

"Share" means a fully paid ordinary share in the Capital of the Company;

"WST" means Western Standard Time

ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS THE SUBJECT OF RESOLUTION 4

A summary of the terms and conditions of the Options the subject of Resolution 4 are set out below:

The Options entitle the holder to subscribe for Shares on the following terms:

- a) Each Option entitles the holder to subscribe for and be allotted one Share at an exercise price of 7.5 cents.
- b) The Options are exercisable prior to 5.00 pm WST time on 29 June 2019 by notice in writing to the Company accompanied by:
 - (i) A properly executed Notice of Exercise;
 - (ii) payment of the exercise price;
 - (iii) the notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date and subject to the options the subject of the notice vesting in accordance with any Exercise Conditions stipulated in these terms and conditions.
- d) The Options shall vest upon the occurrence of any one of the following:
 - (i) Hammer Metals maximizing or otherwise monetizing the value of its Mount Isa / Cloncurry mineral interest through, amongst other things, a centralized processing facility as determined by the Board, or
 - (ii) Hammer Metals' share price closing in excess of \$0.10 for a period of three continuous days in the period up to 31 December 2016; or
 - (iii) a change of control event.
- e) Subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are not transferable.
- f) Shares will be allotted and issued pursuant to the exercise of Options within 10 business days following receipt of a properly executed notice of exercise of the Options.
- g) Shares issued upon exercise of the Options will rank equally in all respects with the other quoted Shares then on issue. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options, subject to the requirements of the Listing Rules.
- h) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes for determining entitlements to any such issue, the record date will be the date as is prescribed by the Listing Rules. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- i) In the event of any new or bonus issues, there are no rights to a change in the exercise price or the number of underlying securities over which the Options can be exercised. Except that the exercise price of an Option may be reduced in accordance with the ASX listing rules in the event that a pro-rata issue is made to the holders of the underlying securities in the Company.
- j) In the event of any re-organisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Company on or prior to the expiry date, the rights of the optionholder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of re-organisation.
- k) The Company will as required by the Listing Rules send notice to the optionholders stating the name of the optionholder, the number of the Options held and the number of Shares to be issued on exercise of the Options, the exercise price, the due date for payment, and the consequence of non-payment.
- l) The Company will not apply for quotation of the Options on ASX.

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PROXY FORM

APPOINTMENT OF PROXY - HAMMER METALS LIMITED - ABN 87 095 092 158

GENERAL MEETING

I/We

being a Member of Hammer Metals Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

☐

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 9:00 am (WST), on 2 September 2016 at Suite 8, 7 The Esplanade, Mt Pleasant, Western Australia and at any adjournment thereof.

Voting on Business of the General Meeting

FOR

AGAINST

ABSTAIN

- Resolution 1 – Ratification of Share Issue (Listing Rule 7.1)
- Resolution 2 – Ratification of Placement Share Issue (Listing Rule 7.1)
- Resolution 3 – Ratification of Placement Share Issue (Listing Rule 7.1A)
- Resolution 4 – Ratification of Option Issue (Listing Rule 7.1)
- Resolution 5 – Ratification of Placement Share Issue (Listing Rule 7.1)
- Resolution 6 – Approval of Placement Share Issue (Listing Rule 7.1)
- Resolution 7 – Approval of Share Issue in Lieu of Interest (Listing Rule 7.1)

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THE CHAIRMAN INTENDS TO VOTE ALL UNDIRECTED PROXIES IN FAVOUR OF EACH RESOLUTION.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

_____ %

Signed this _____ day of _____ 2016

By:

Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

HAMMER METALS LIMITED

ABN 87 095 092 158

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form and send the proxy form:
 - (a) by post to Hammer Metals Limited
Suite 8, 7 The Esplanade
Mt Pleasant
Western Australia, 6153;
 - (b) deliver to the attention of the Company Secretary at Level 1, Suite 8, 7 The Esplanade, Mt Pleasant, Western Australia, 6153; or
 - (c) by facsimile to the Company on facsimile number (61 8) 9315 5475,

so that it is received not later than 9:00 am (WST) on 31 August 2016.

Proxy forms received later than this time will be invalid.