
Hammer Metals Limited ABN. 87 095 092 158

2017 Exploration Presentation

April



CORPORATE SUMMARY (April 2017)



Russell Davis

Chairman

Technical



Alex Hewlett

Executive Director

Commercial



Nader El-Sayed

Director

Finance



Simon Bodensteiner

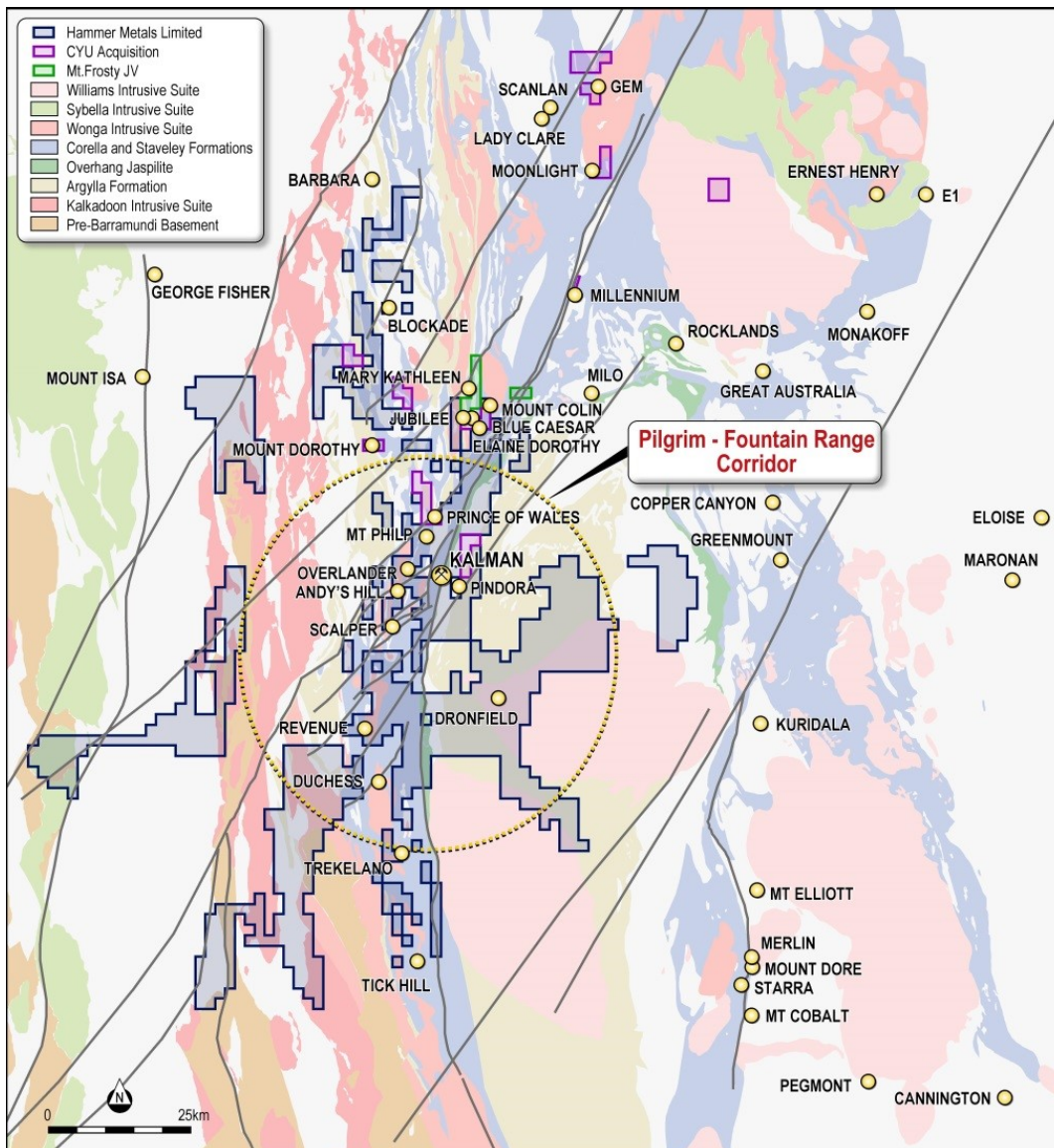
Director

Mining

Corporate Snap Shot	
ASX Code	HMX
Ordinary Shares	198,309,674
Market Cap	\$11M @ 5.5c
Cash (December Qtr)	\$2.4M

Significant Shareholders
Deutsche Rohstoff $\approx$ 17.8%
Resource Capital Fund VI $\approx$ 12.7%
Ziggy Lubieniecki $\approx$ 5.5%
Russell Davis $\approx$ 4.1%

MOUNT ISA PROJECT OVERVIEW



Hammer has a major land position (3000km²) located in the Mount Isa province “sandwiched” between several major players;

- Glencore (Mount Isa, E1, George Fisher, Ernest Henry).
- South 32 (Cannington).
- Chinova Resources (Osborne, Merlin, Mt Elliott, Starra).
- CopperChem (Mt Colin, Cloncurry).
- Cudeco (Rocklands).

STRATEGY

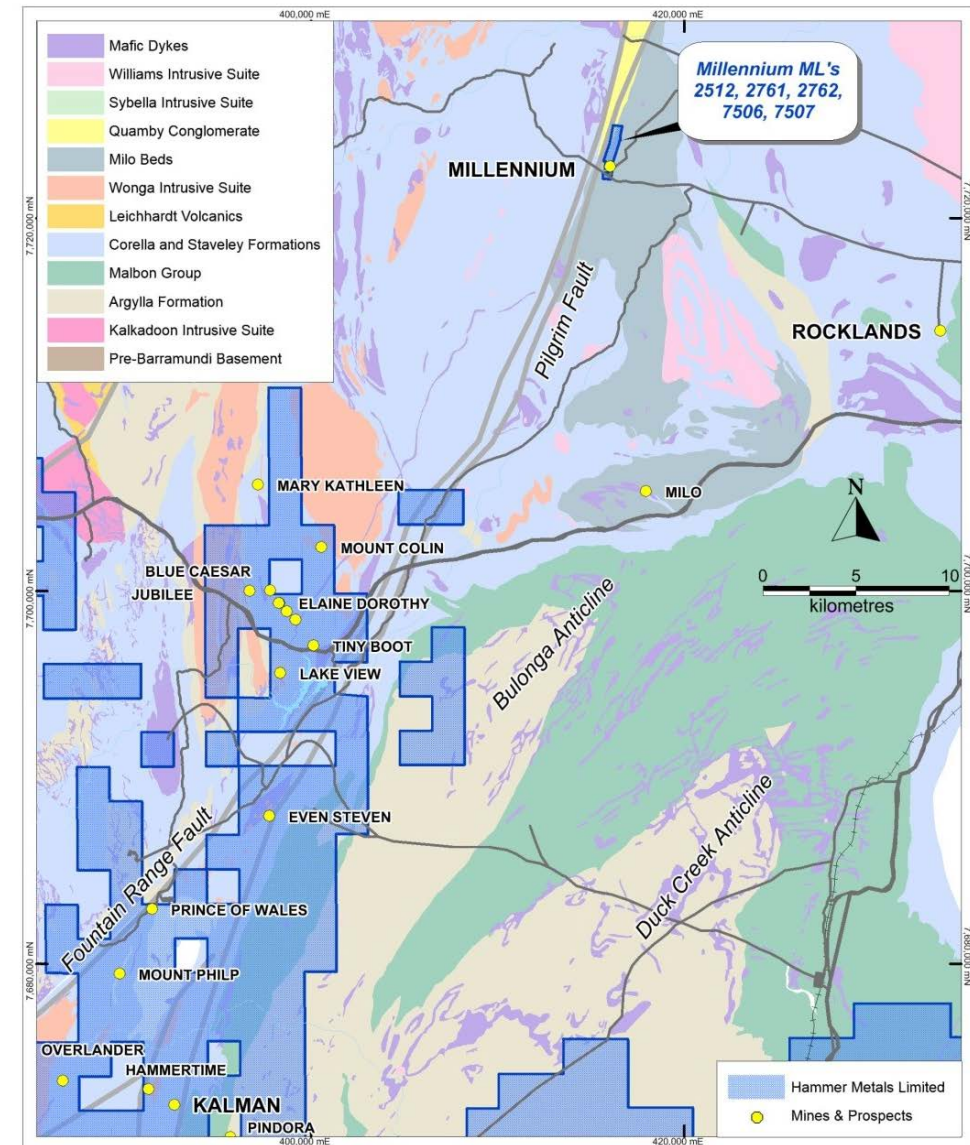
Corporate Strategy:

- To discover large copper-gold orebodies in the Mount Isa Mineral Province.

How:

- Sustained and systematic exploration of a large tenement position within a known major copper province.
- By drilling holes.

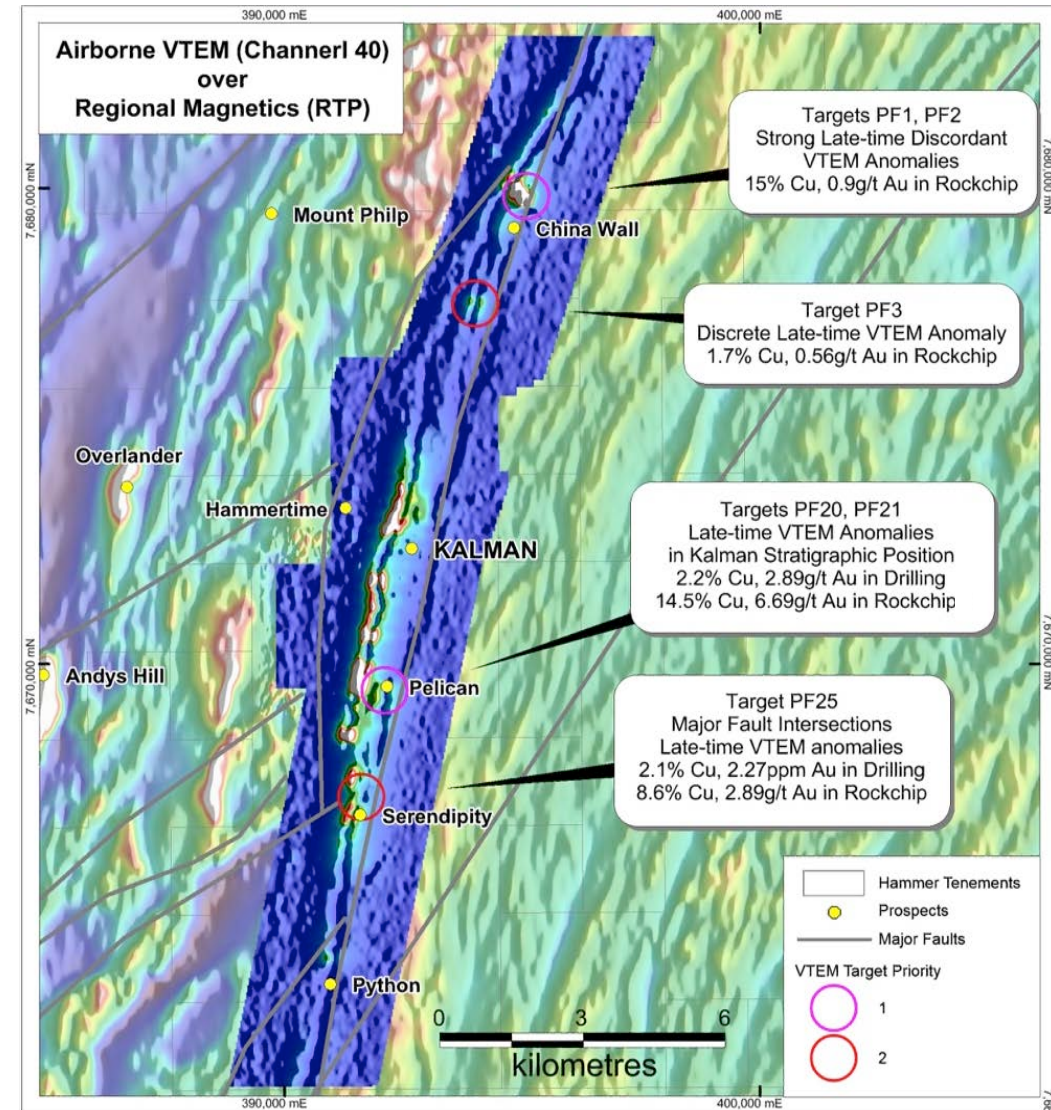
Hammer is well funded to explore with \$2.4 M cash in the bank as at the end of December Quarter and additional spend to be incurred through the existing Newmont Farmin and JV



Priority Exploration Targets for 2017

Pilgrim Fault VTEM Targets

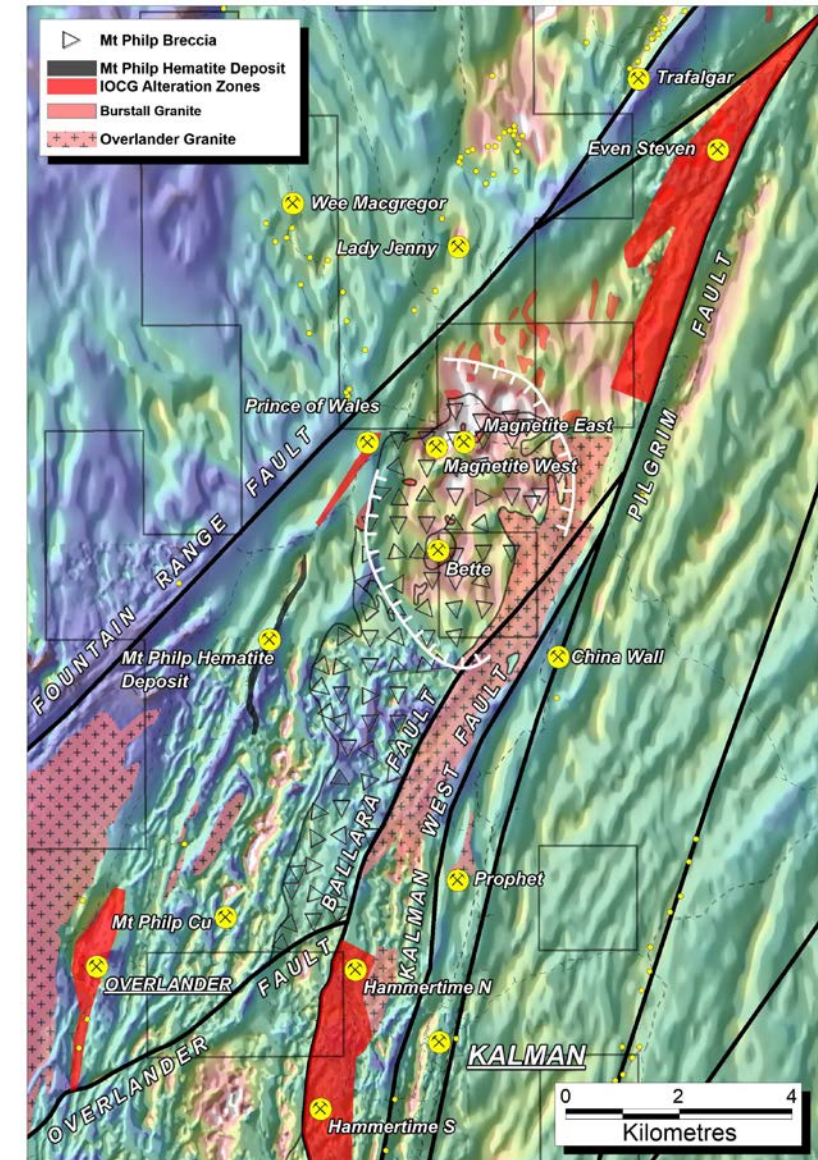
- 23km stretch of the Pilgrim Fault was flown by a VTEM survey late 2016 to look for massive sulphide zones such as those seen in Kalman South.
- Several conductors have been identified for drill testing after the Dronfield drilling program, likely late Q2 2017.



Priority Exploration Targets 2017

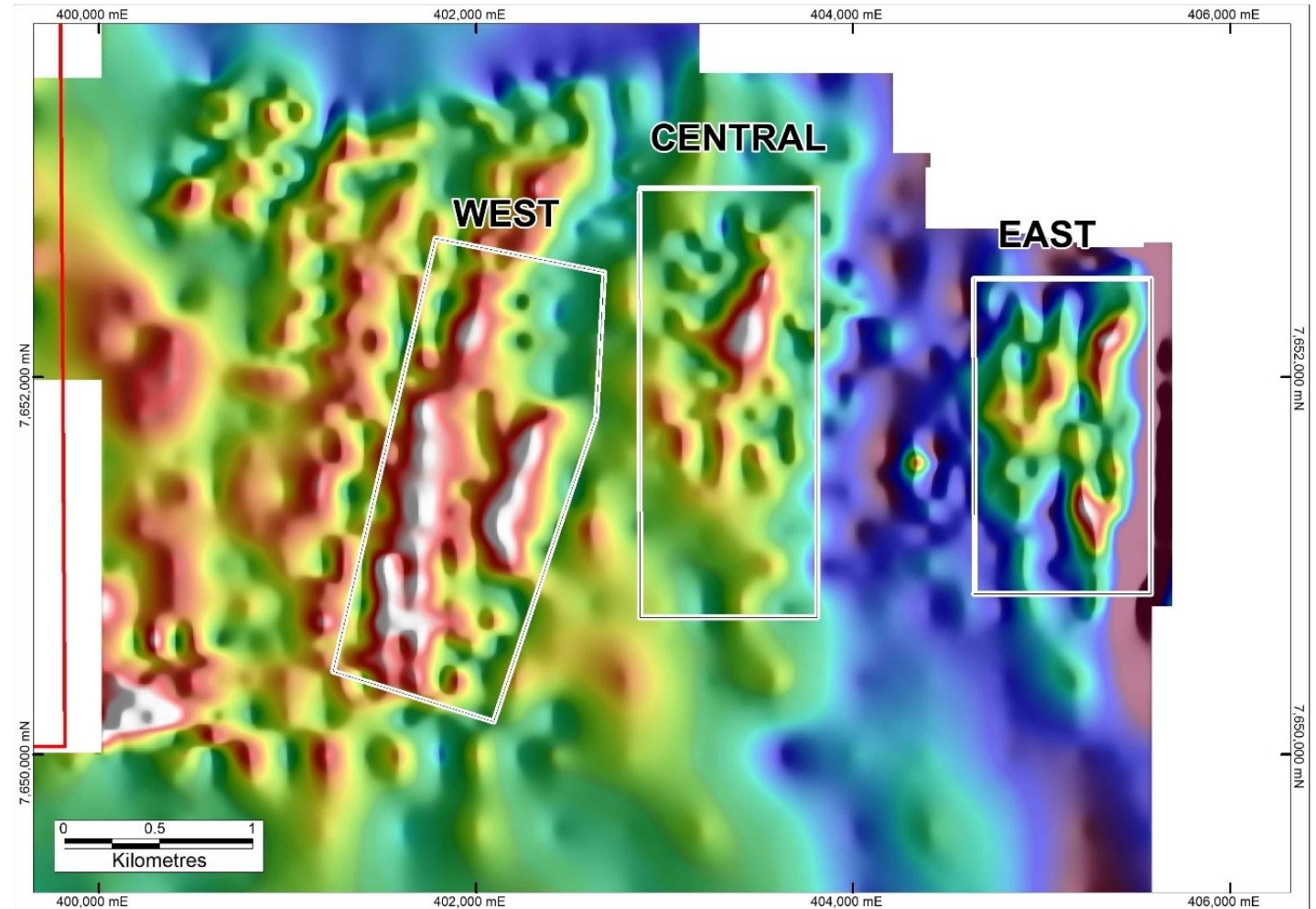
Mt Philp Breccia

- Large breccia body located north of Kalman between the Fountain Range and Pilgrim Faults.
- Extensive untested areas of red-rock (mt-ksp) alteration, brecciation and intrusive activity.
- Target is a large breccia hosted IOCG.
- Hammer potentially looking to partner with a major on this target.



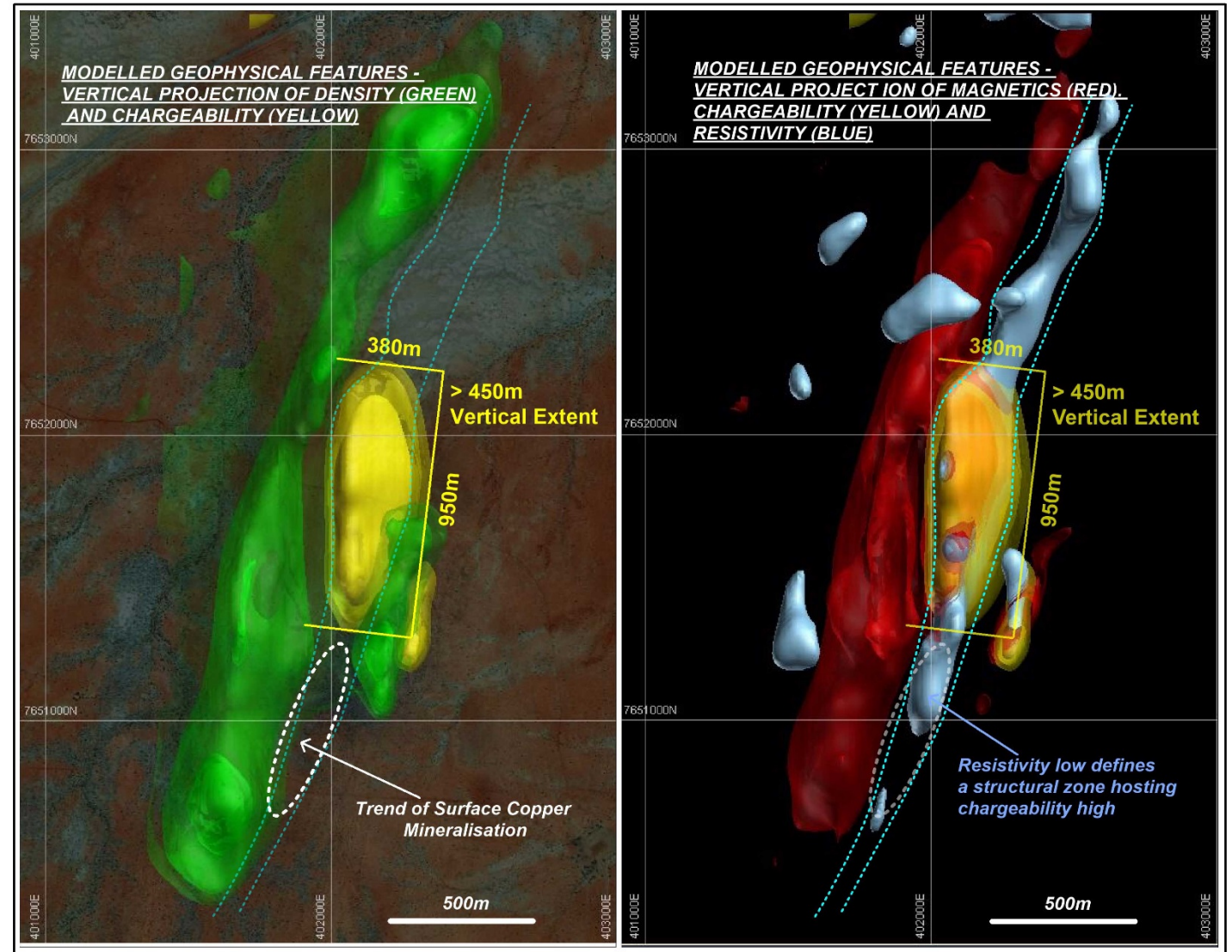
DRONFIELD – Newmont JV

- Drilling to commence late April
- Williams granite suite.
- Coincident gravity - magnetic and IP anomalies.
- Copper - gold anomalism.
- 2m @ 6.1% Cu + 1.54g/t Au from 37m in HDRC001



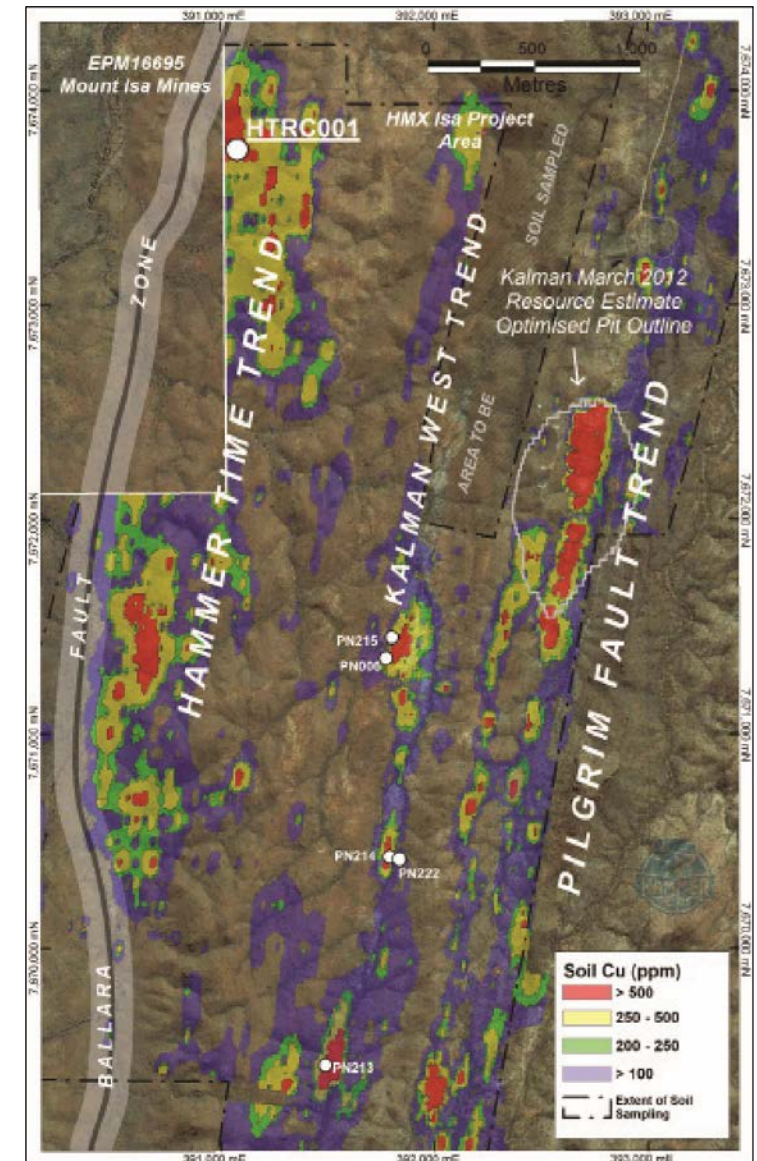
DRONFIELD – Newmont JV

- Geochemical, Gravity, Magnetic and NEWDAS (IP) Surveys completed
- Drilling target outlined at Dronfield West
- Drilling Q2 2017



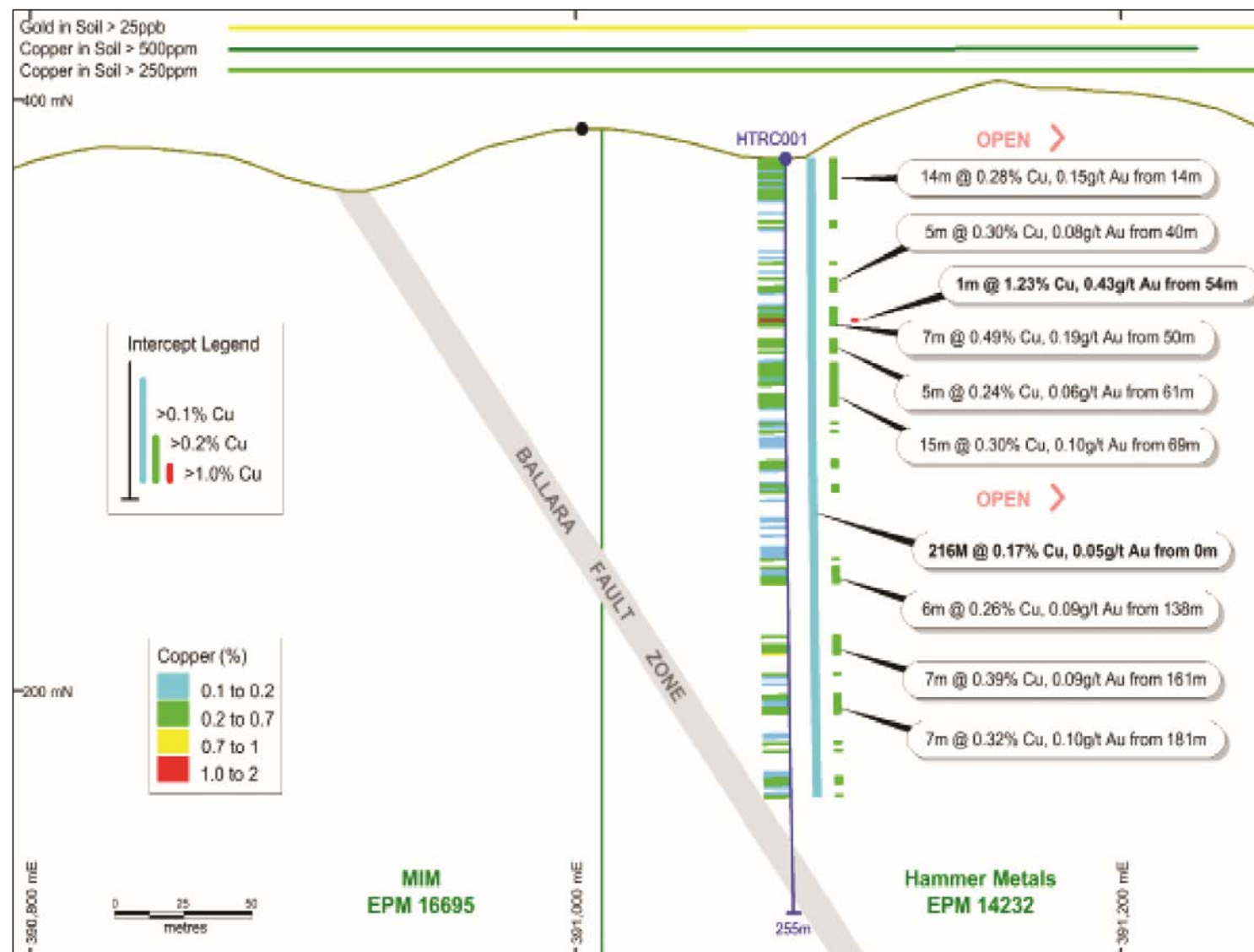
HAMMERTIME

- Coincident soil geochemistry (Cu and Au) and IP anomaly.
- 3.4km in length and 1km in width.
- Less than 2km West of Kalman
- Prospect crosses the tenement boundary with Glencore Copper.



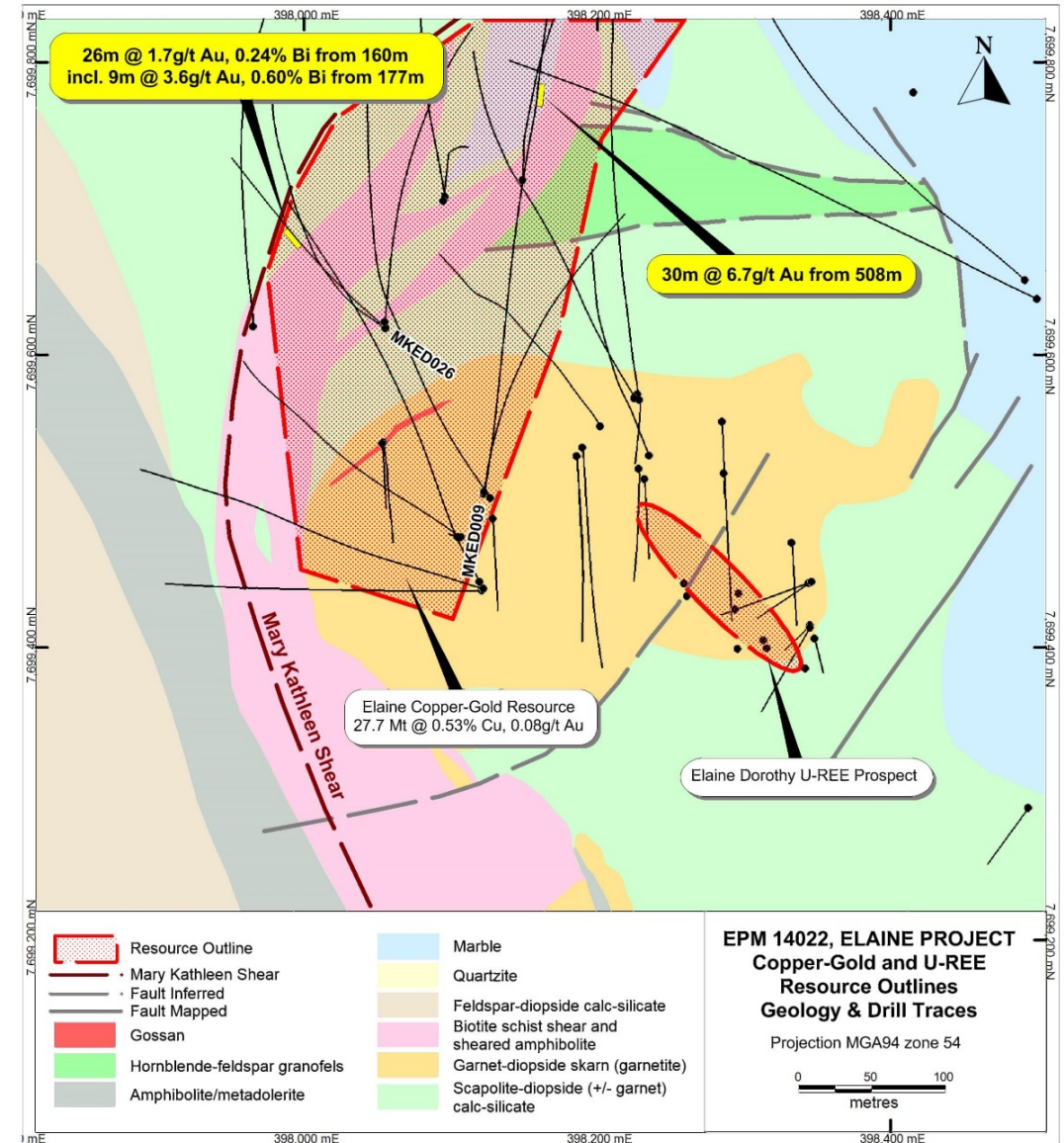
HAMMERTIME

- Intersected thick zone of alteration and mineralisation in first RC hole
 - 216m @ 0.17% Cu and 0.05g/t Au



NEW AQUISITION

- High grade gold in drilling
- Purchase of Chinalco's Mount Isa region tenement interests
- Includes Elaine Dorothy Copper-Gold Deposit, Gem Copper Deposit and several IOCG targets
- Priority is high-grade gold potential of Elaine Dorothy



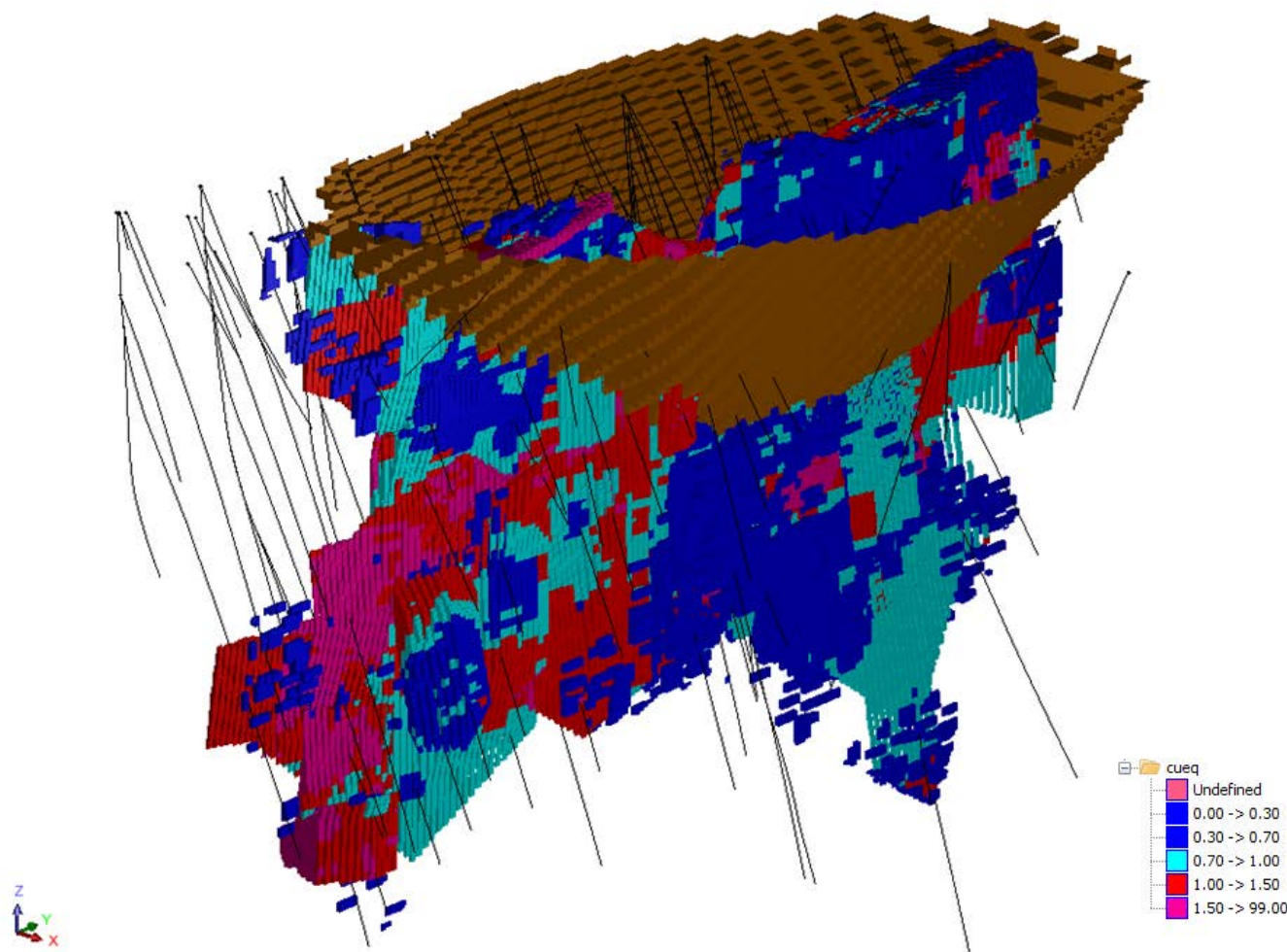
KALMAN RESOURCE

Kalman Deposit Mineral Resource Estimate

(Reported at 0.3% CuEq cut-off above 100m RL and 1.0% CuEq cut-off below 100m RL)
Refer to ASX release dated 27/9/16 for details

Classification	Mining Method	Tonnes (t)	CuEq (%)
Indicated	Open Pit	7,100,000	1.5
Inferred	Open Pit	6,200,000	1.6
Inferred	Underground	7,000,000	2.4
TOTAL		20,000,000	1.8

-Note: (1) Numbers rounded to two significant figures
-Note: (2) Totals may differ due to rounding
-Note: (3) $(\text{CuEq} = \text{Cu} + 0.594464\text{Au} + 0.010051\text{Ag} + 4.953866\text{Mo} + 0.074375\text{Re})$
[Refer to Appendix for notes on CuEq grade calculation]



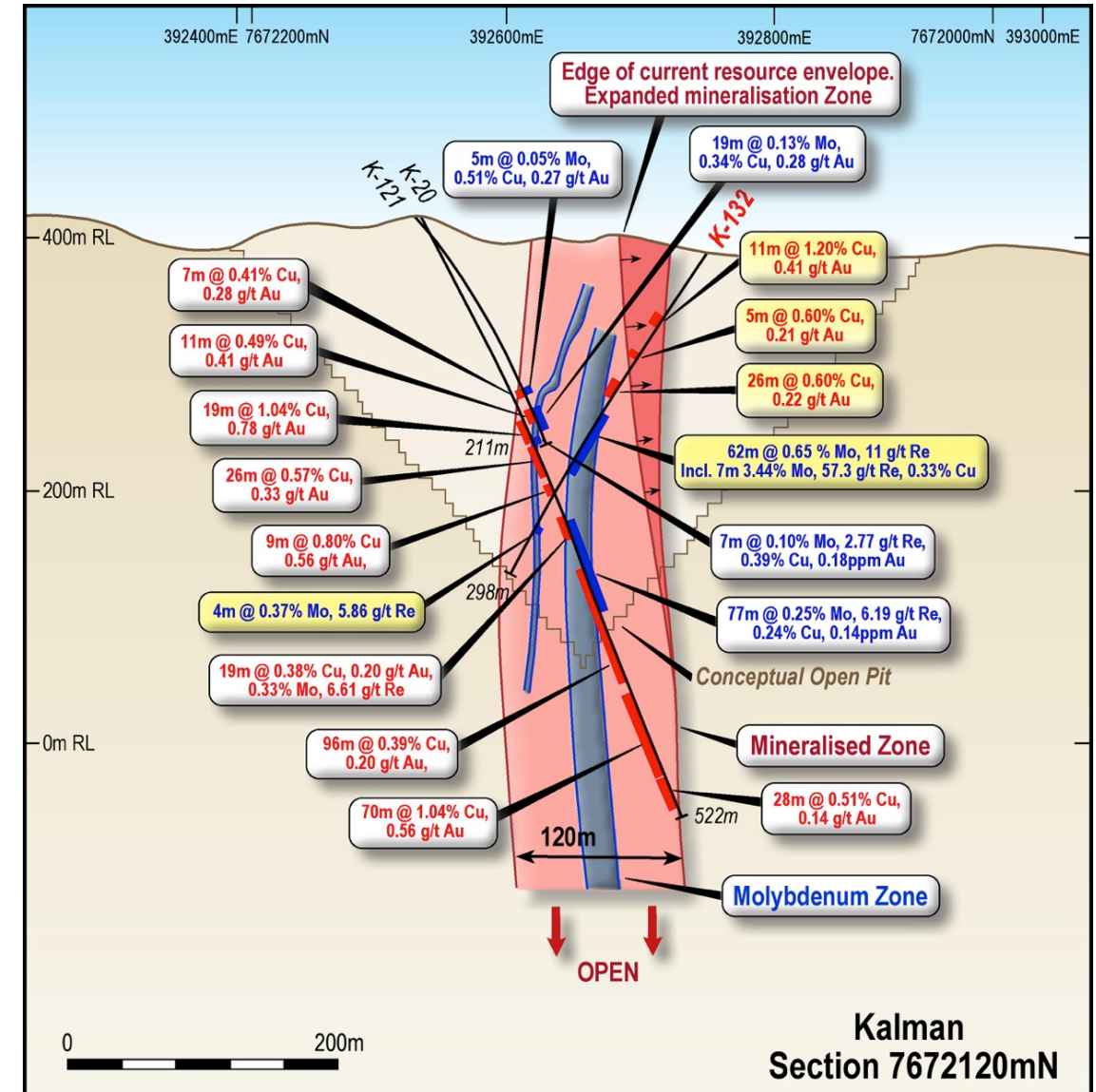
Perspective of Kalman Conceptual Optimised Pit Shell showing drill traces - looking North West.

KALMAN - HIGH GRADE Mo-Re

Extensions of high-grade molybdenum and copper-gold zones enhance open pit mining potential

- High grade molybdenum & rhenium intersections:
 - 62 metres at 0.65% Mo, 11.4g/t Re, 0.16% Cu, 0.07g/t Au and 1.5g/t Ag (62 m at 4.3% CuEq*) from 152 metres,
 - including 7 metres at 3.44% Mo, 57g/t Re, 0.33% Cu, 0.16g/t Au and 5.5g/t Ag (7 m at 21.8% CuEq*) from 206 metres
- New near-surface copper-gold zone outside current resource model in same hole:
 - 11 metres at 1.20% Cu and 0.41g/t Au from 55 metres
 - 26 metres at 0.60% Cu and 0.22g/t Au from 112 metres

*Refer to appendix for notes on CuEq calculation



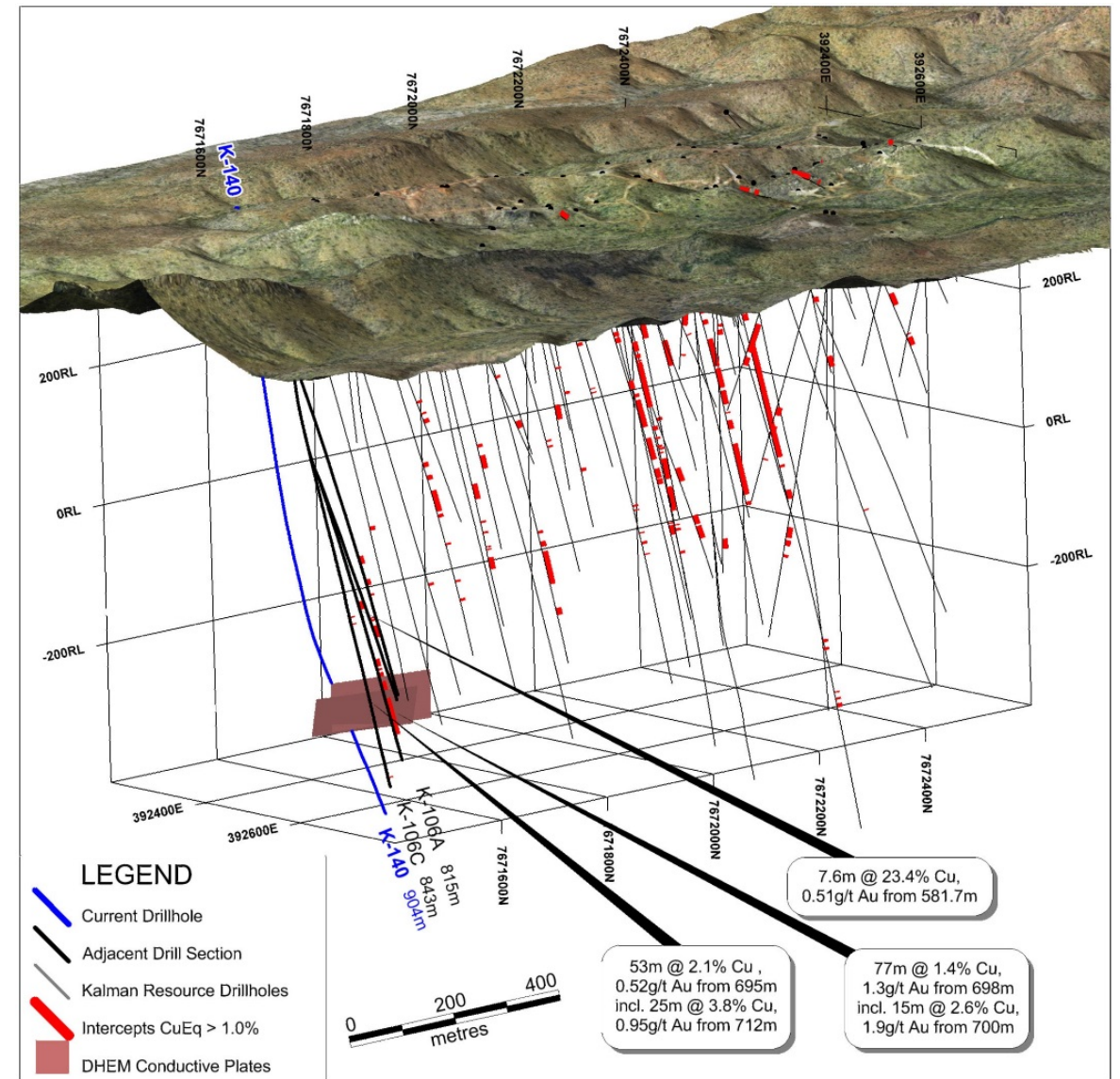
KALMAN HIGH GRADE COPPER

- High-grade copper-gold:
 - 7.6m at **23.4% Cu**, 0.5g/t Au & 20g/t Ag from 581.65m in K106A
 - 77m at **1.4% Cu** & 1.3g/t Au from 700m in K106A
 - 53m at **2.1% Cu** and .52g/t Au including 25m at **3.8% Cu** & 0.94g/t Au from 712m in K106C



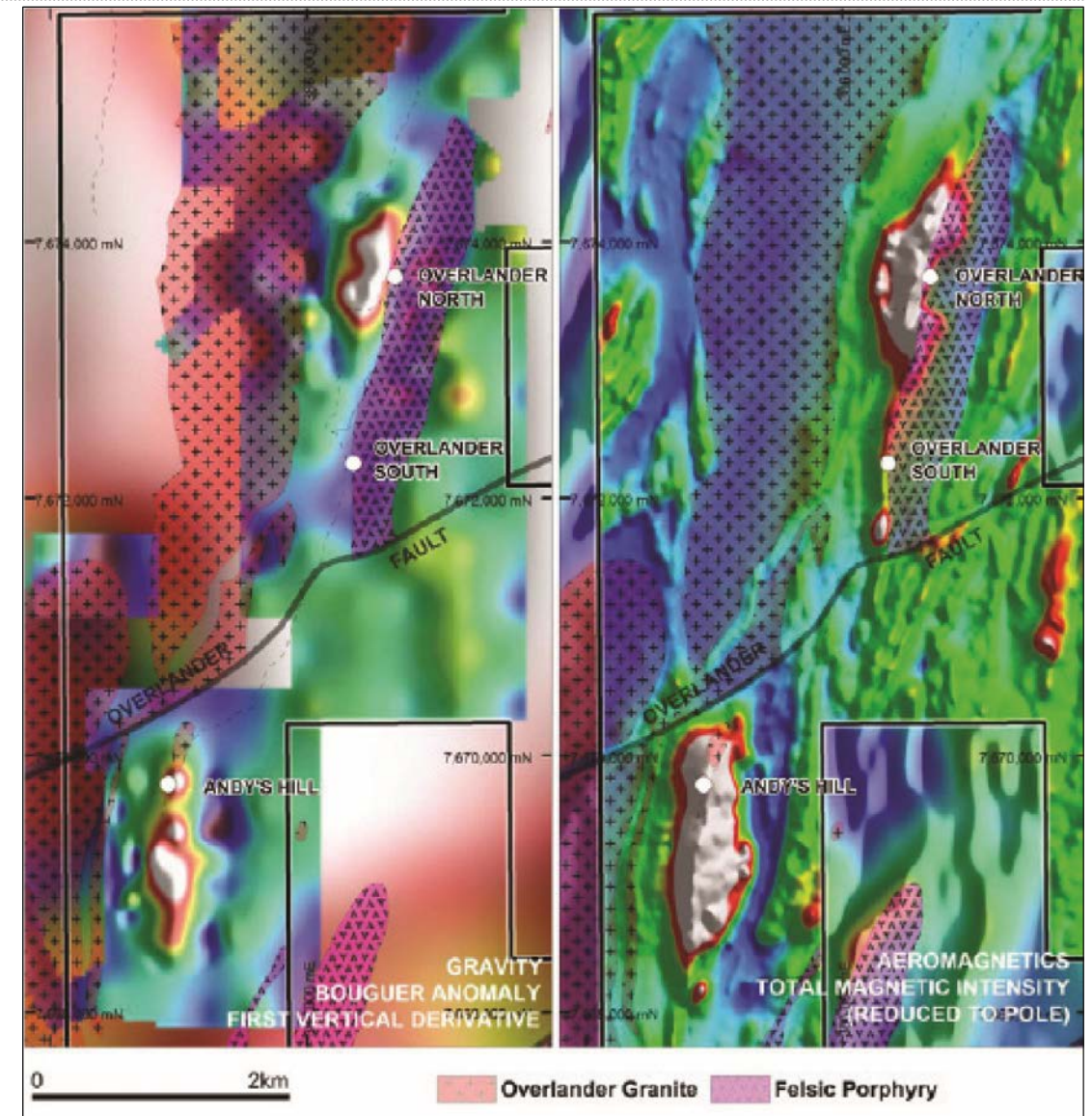
KALMAN SOUTH DRILLING

- K140 completed at 904 metres depth
- Target is extensions to high grade copper zones in K106
- Down-hole EM indicates drilled below conductive body
- Daughter holes to test DHEM conductor under consideration



OVERLANDER – IOCG TARGET

- RC and diamond drilling has identified zones of high grade Cu with Co from surface at Overlander North
- Large system - 6km of strike
- 6km west of Kalman
- Strong IOCG alteration intersected in diamond drill holes OVD001 – OVD003
- Coincident geochemistry, magnetic, gravity and IP anomalies
- Mineralised rhyolite breccias to east
- Currently in JVA with Newmont



OVERLANDER NORTH DEPOSIT

- Last 3 RC holes intersected:

OVRC29

- 75m at 1.33% Cu including 28m at 1.91% Cu and 16m at 1.92% Cu

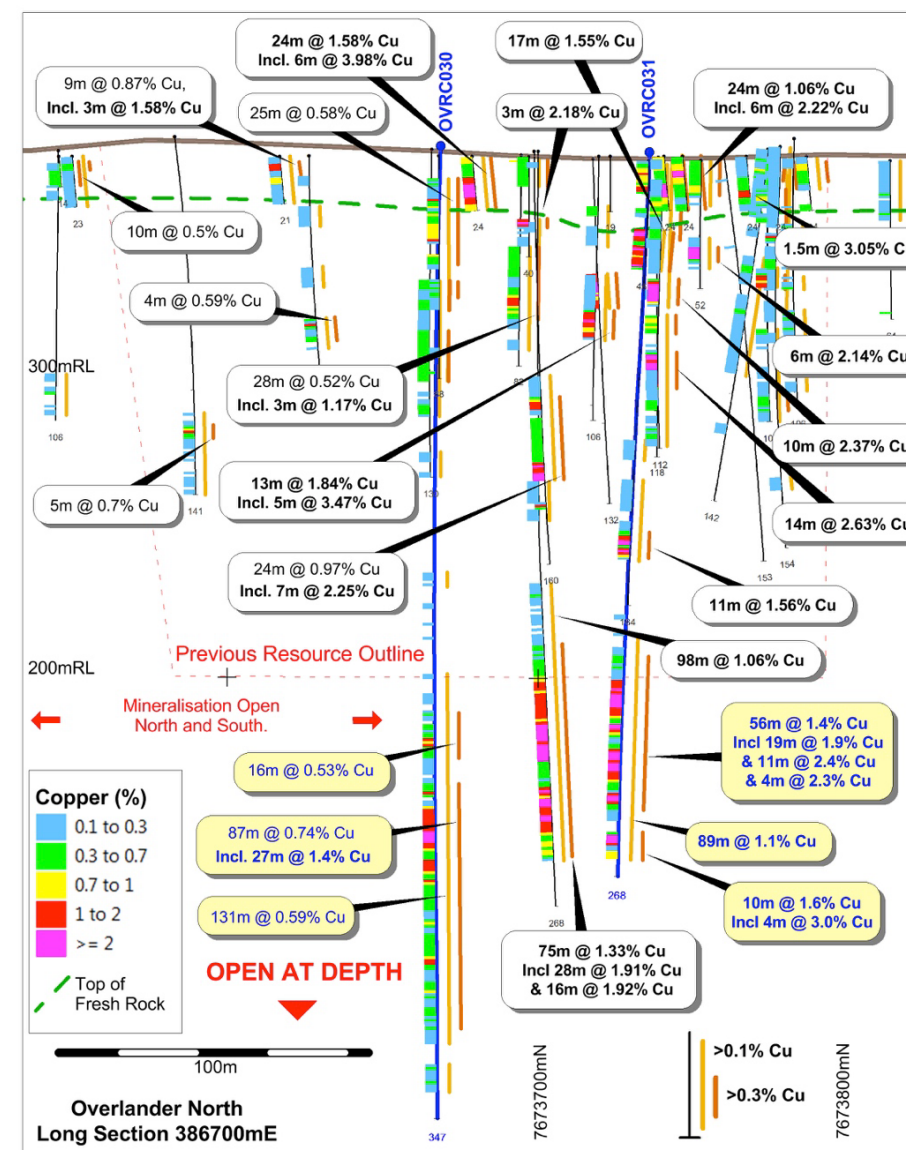
OVRC30

- 87m at 0.74% Cu including 27m at 1.4% Cu

OVRC31

- 89m at 1.1% Cu including 56m at 1.4% Cu and 11m at 2.4% Cu and 10m at 1.6% Cu

- Open to the north and south and at depth

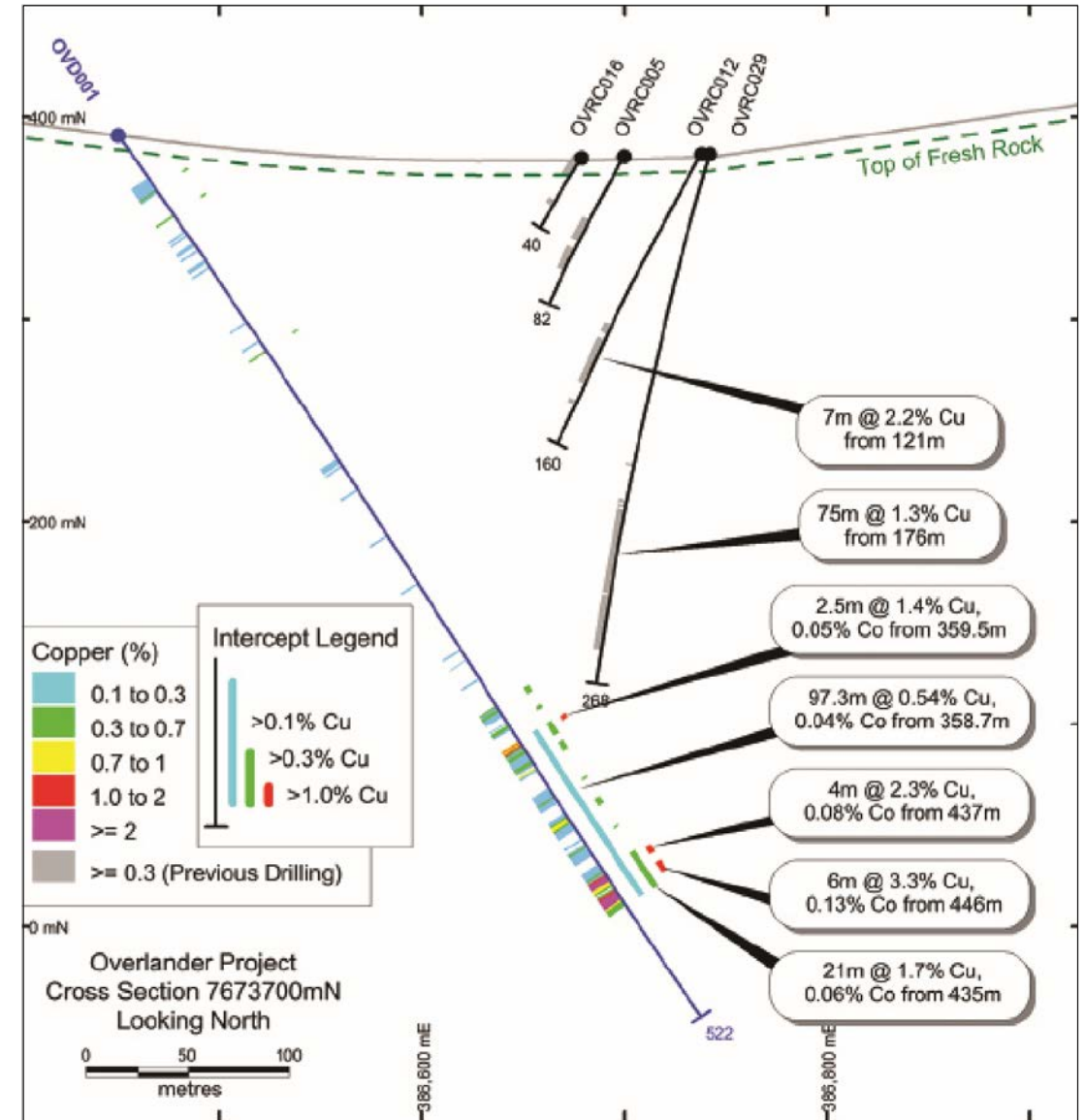


OVERLANDER NORTH DEPOSIT

Vertical zone on eastern edge of magnetic – gravity anomaly.

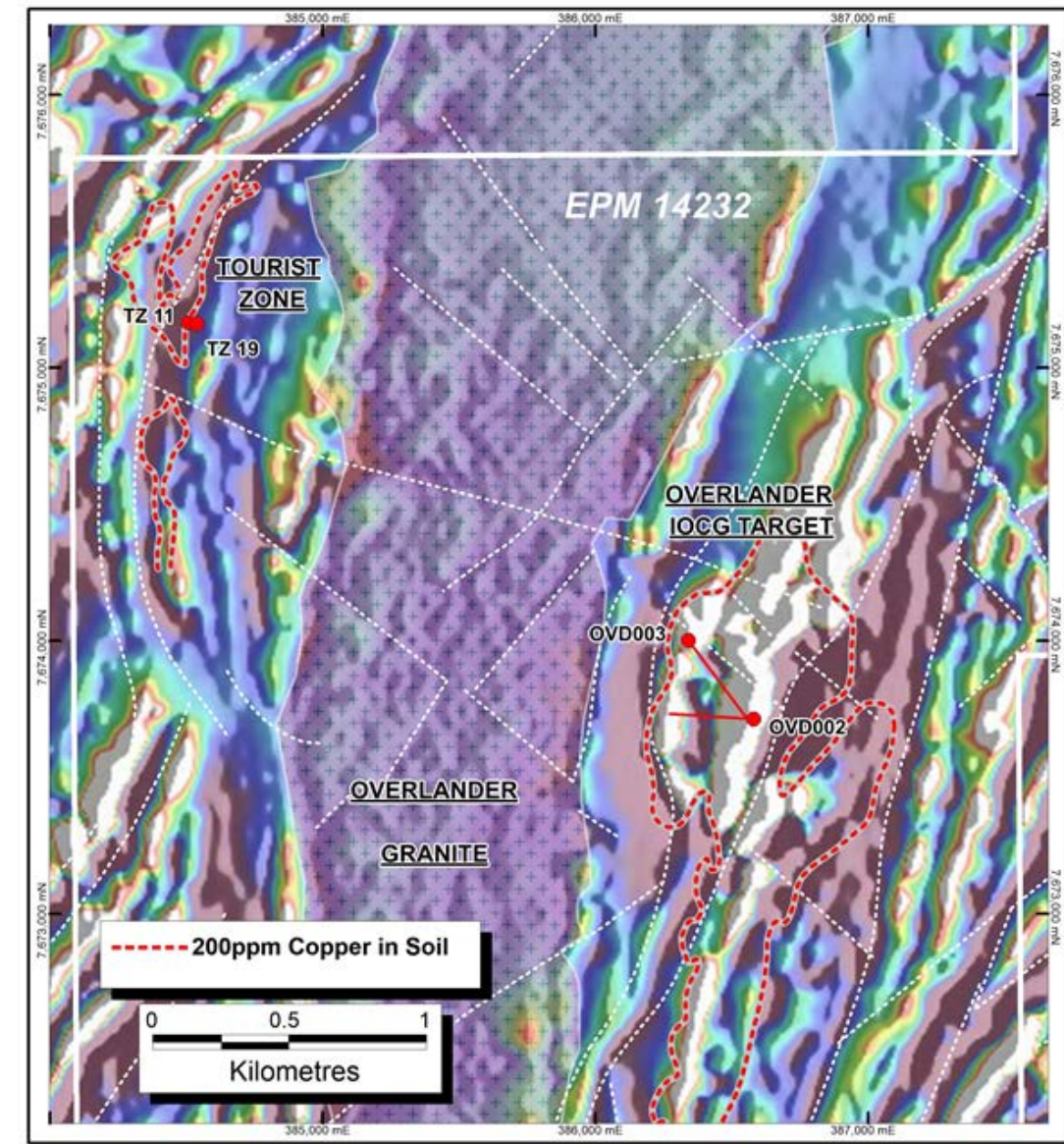
OVD001

- Intersected IOCG target
- 21m @ 1.7% Cu from 435m
- 97.3m @ .54 Cu from 359.5m



TOURIST ZONE

- Similar geological position to Overlander and 2km to west
- Mineralised breccias, silicification and 'red rock' alteration
- Previous drilling returned:
 - 26m at 1.04% Cu and 0.24g/t Au in TRC-11 and
 - 35m at 1% Cu and 0.18g/t Au in TRC-19



MILLENNIUM- A NEW COBALT DEPOSIT

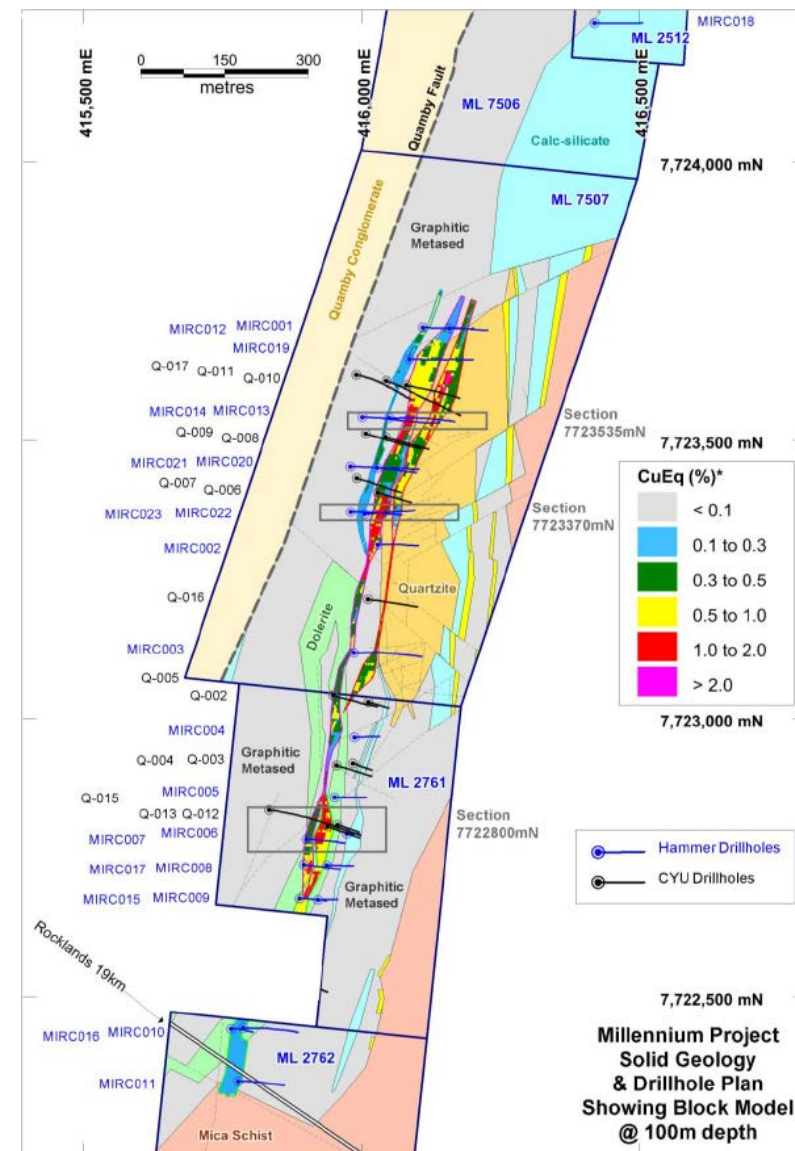
- Hammer has drilled 23 RC holes since acquisition in May 2016 to deliver a new cobalt-copper-gold resource in December 2016
- 1.5km of strike tested with another 1.5km yet to be tested in northern leases.
- Situated adjacent to major Pilgrim Fault zone and 19km from Rocklands copper-cobalt plant
- Granted Mining Leases

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

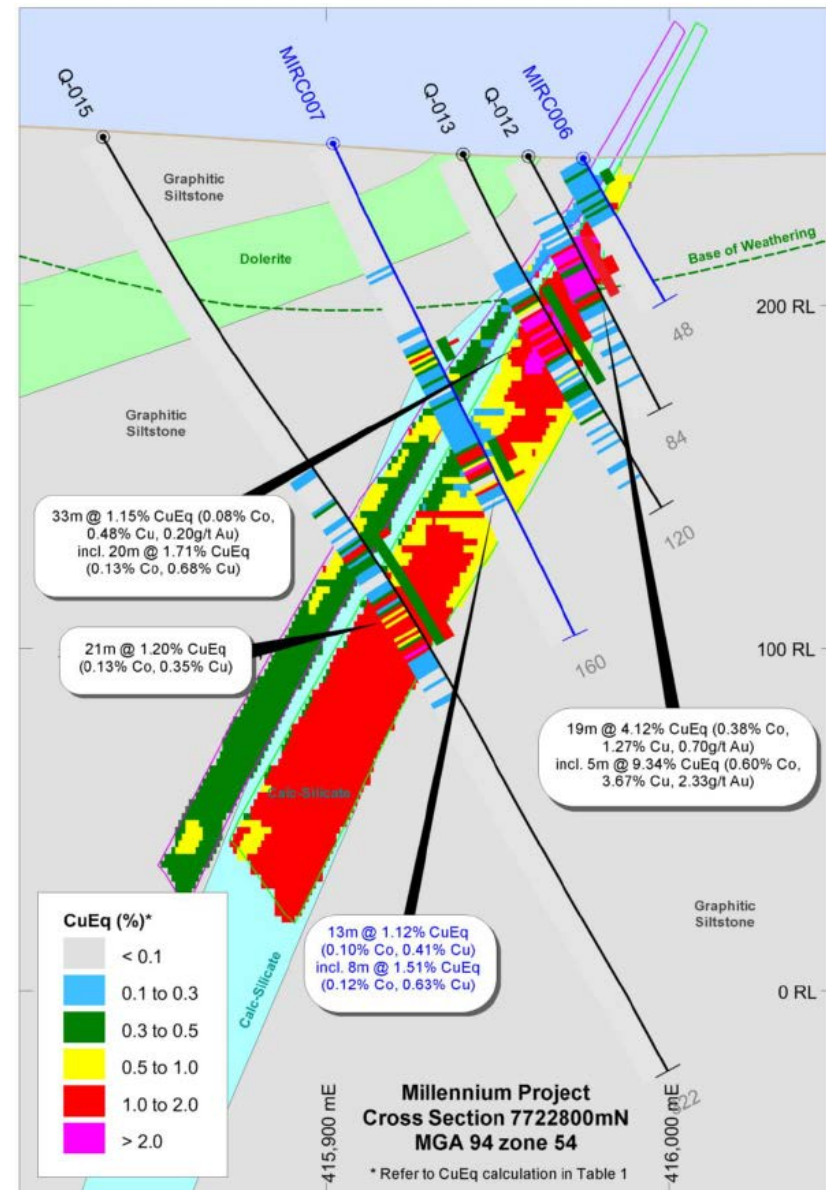
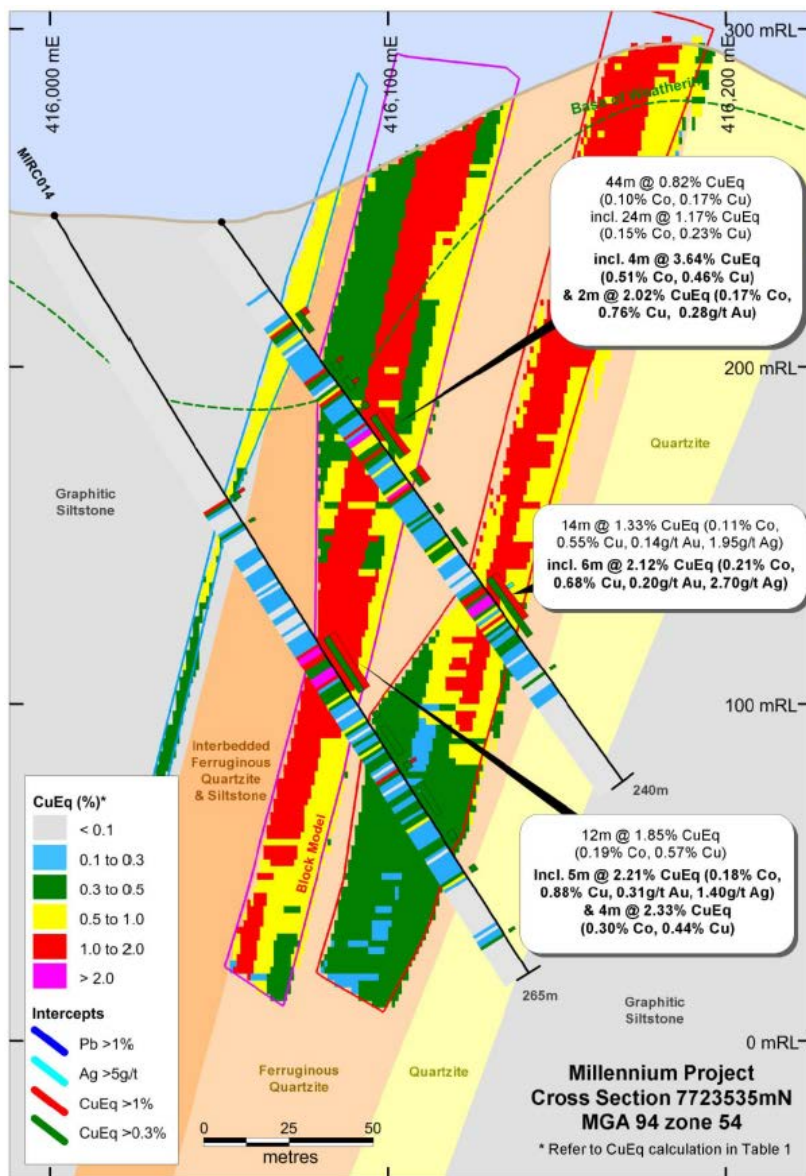
Table 1 Millennium November 2016 Mineral Resource - Inferred

•Note: (1) Totals may differ due to rounding

•Note: (2) $CuEq = Cu_pct + (Co_pct * 5.9) + (Au_ppm * 0.9) + (Ag_ppm * 0.01)$

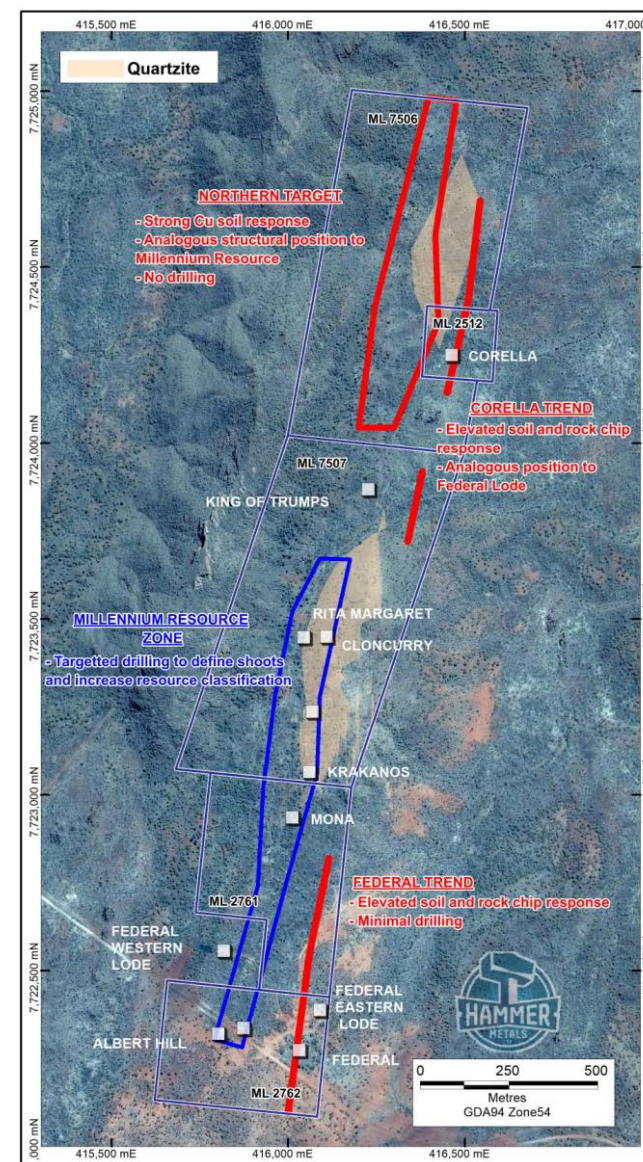


MILLENNIUM- A NEW COBALT DEPOSIT



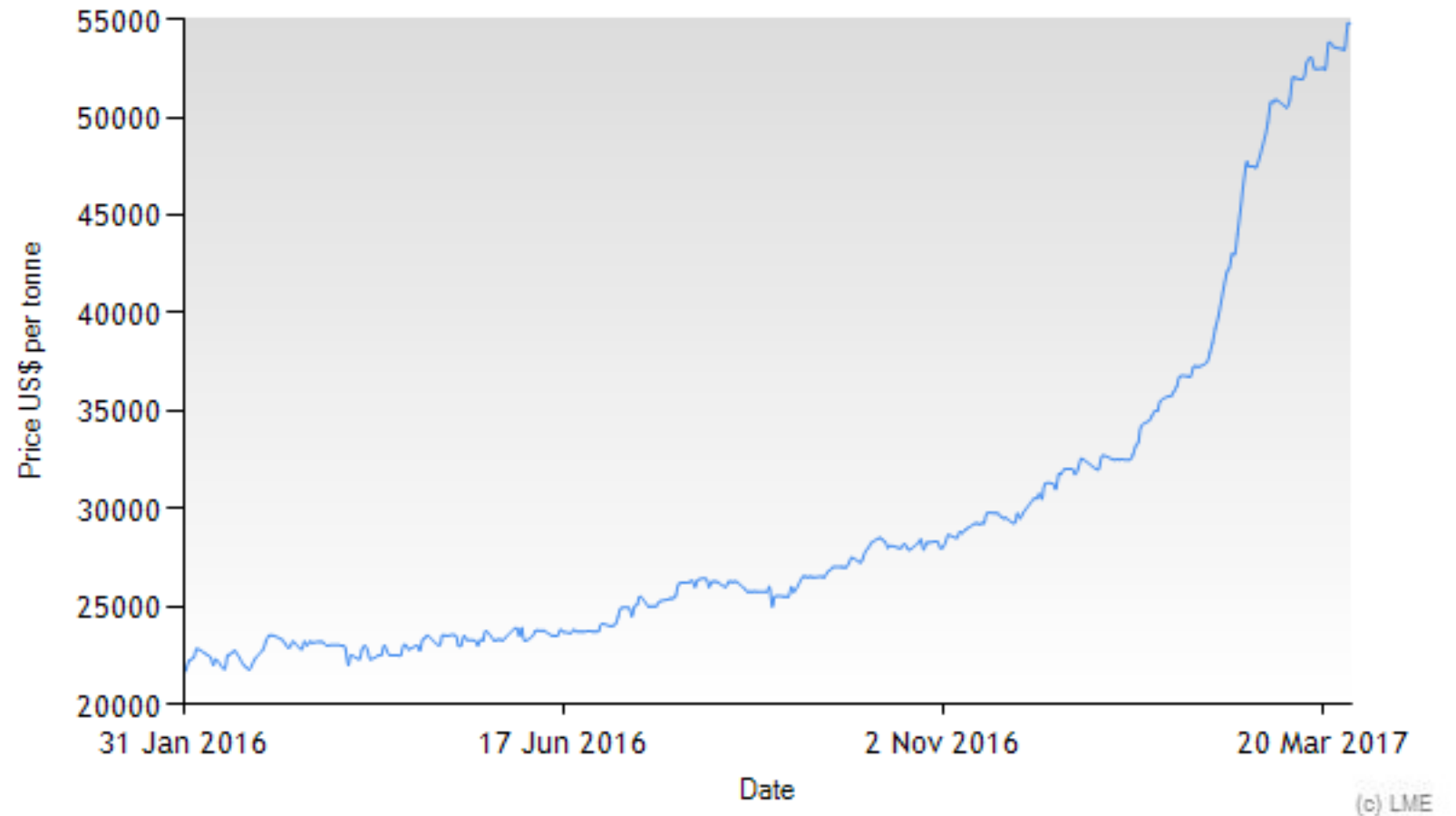
MILLENNIUM- SIZE POTENTIAL

- 1.5 KM of strike remaining to be drilled to the North
- Parallel structure to the East at Federal untested.
- Extensions to high grade zones (+ 0.5% Co) to be tested by drilling.
- Current resource of 5.9Mt could grow significantly.



MILLENNIUM COBALT-COPPER-GOLD DEPOSIT

- Cobalt price improving on increasing demand
- An essential metal in a growing lithium battery market
- Production supply squeeze
- Where will cobalt concentrate pricing be in 6 months time?



DISCLAIMER & COMPETENT PERSON STATEMENTS

Disclaimer

This presentation by its nature contains summarised information. See Hammer's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au for more information.

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Competent Persons Statements

Historic Exploration Results

The information in this presentation as it relates to exploration results and geology first reported prior to 1 December 2013 was reviewed by Mr John Downing, who is a Member of the Australian Institute of Geoscientists and a Consultant to the Company. Mr Downing 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Downing consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Certain exploration drilling results relating to the Mount Isa Project first disclosed under JORC code 2004 and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed.

Exploration Results – Overlander

The information in this presentation as it relates to exploration results and geology for Overlander was compiled by Mr John Downing, who is a Member of the Australian Institute of Geoscientists and a Consultant to the Company. Mr Downing 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 Downing consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Kalman Resource Estimate

Where the Company refers to the Kalman Project and the revised mineral resource estimate in this presentation (referencing the release made to the ASX on 19 March 2014), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

Overlander North + South Resource Estimate

Where the Company refers to the Overlander North + South Mineral Resource Estimate in this presentation (referencing the release made to the ASX on 24 July 2014), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

Millennium Resource Estimate

Where the Company refers to the Millennium Mineral Resource Estimate in this presentation (referencing the release made to the ASX on 6th December 2016), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the resource estimate with that announcement continue to apply and have not materially changed.

The information in this presentation that relates to Exploration Results or Mineral Resources is based on information compiled by Russell Davis who is a member of the Australasian Institute of Mining and Metallurgy. Mr Davis is a Director, shareholder and option holder of Hammer Metals Limited. Mr Davis has sufficient experience which is relevant to the style of mineralisation under consideration 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' (The JORC Code). Mr Davis consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results or Mineral Resources was reviewed by Mark Whittle who is a member of the Australian Institute of Mining and Metallurgy and a Consultant to Hammer Metals Limited. Mr Whittle has sufficient experience which is relevant to the style of mineralisation under consideration 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' (The JORC Code). Mr Whittle consents to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

KALMAN RESOURCE ESTIMATE & NOTES 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	1.4%	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.

KALMAN RESOURCE ESTIMATE & NOTES ON METALLURGICAL RECOVERIES

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.

Table 3: 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

(1) 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.

MILLENNIUM RESOURCE ESTIMATE & 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: