

ASX RELEASE

26 February 2020

DIRECTORS / MANAGEMENT

Russell Davis

Non – Executive Chairman

Daniel Thomas

Managing Director

Nader El Sayed

Non-Executive Director

Ziggy Lubieniecki

Non-Executive Director

Mark Pitts

Company Secretary

Mark Whittle

Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (25/2/2019)	\$0.021
Shares on Issue	559m
Market Cap	\$11.7m
Options Listed	190m
Options Unlisted	33m
Performance Rights	8m

HAMMER AWARDED TWO CEI GRANTS

Hammer Metals has been awarded two of the seven 100% funded Collaborative Exploration Initiative (“CEI”) grants awarded by the Queensland Department of Natural Resources as announced by the Minister, Dr Anthony Lynham on 26 February 2020.

The grants to Hammer of \$283,000 of the almost \$1 million award pool will fund a diamond drilling program at Koppany and a magneto telluric (MT) geophysical survey at Kalman and Mt Philp focussing on the further identification of critical minerals.

Koppany Rare Earth Element Investigation – Mt Frosty Joint Venture (MIM49%)

- A \$193,000 grant obtained to 100% fund diamond drilling to test the potential of the Koppany Cu-Rare Earth Element (REE) prospect located to the southeast of Mary Kathleen.
- Previous wide-spaced drilling by MIM in 2009 was targeting ISCG copper mineralisation. Significant intercepts include, 56m @ 0.35% Cu from 71m in KOPD001.
- Significant REE intercepts were also made in the footwall of copper mineralisation and include 158m @ 0.39% TREO from 76m in KOPD005 and 121m @ 0.39% TREO from 142m in KOPD007. Peak values over any one metre interval include 1.7% Cerium, 1.15% Lanthanum, 0.26% Neodymium and 0.13% Praseodymium (Refer to ASX announcement dated 3 July 2019).

Kalman and Mt Philp Magneto Telluric Profiles

- A \$90,000 grant obtained to 100% fund two MT profiles. The first across the Kalman Cu-Mo-Au-Re Deposit and the second across the northern portion of the Mt Philp Breccia. The survey may help delineate subsurface structures at depths below 1km.

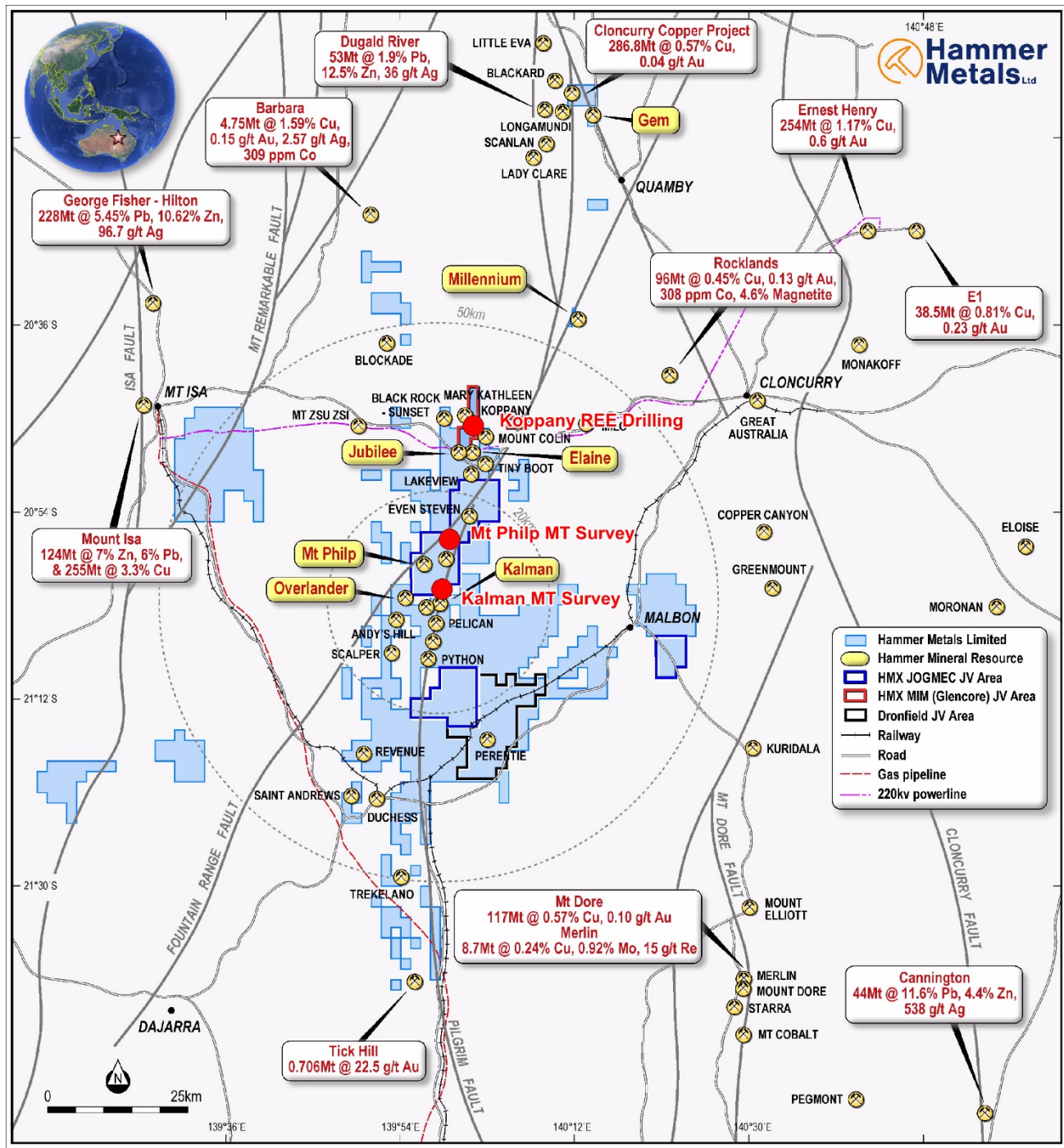
The CEI is awarded to encourage investment in Northwest Queensland by supporting up to 100% of eligible costs associated with exploration programs that employ innovative exploration techniques in underexplored regions. A condition of the grants is that the work is completed by 31 May 2020.

These grants along with the JOGMEC Joint Venture will enable Hammer to undertake significant exploration programs on its Mount Isa Projects whilst also advancing its work programs at the Bronzewing gold project.

Hammer's Managing Director, Daniel Thomas said:

“The CEI grant process is an invaluable contribution to junior explorers such as Hammer Metals. The ability for these programs to fund specific areas of interest and collaboration is a necessity in advancing the mineral prospects across Queensland.

Hammer's ground holds great promise for critical minerals and the CEI grants will assist immensely in accelerating Hammer's efforts in exploring for these minerals. We're pleased to have gained another funding mechanism which advances our portfolio whilst limiting shareholder dilution.”



Hammer Metals Mount Isa Project area showing the location of CEI grant areas.

For further information please contact:

Daniel Thomas
Managing Director

Mark Whittle
Chief Operating Officer

T +61 8 6369 1195

E info@hammermetals.com.au

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About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,200km² within the Mount Isa mining district, with 100% interests in the Kalman (Cu-Au-Mo-Re) deposit, the Overlander North and Overlander South (Cu-Co) deposits and the Elaine (Cu-Au) deposit. Hammer also has a 51% interest in the emerging Jubilee (Cu-Au) deposit. Hammer Metals also recently acquired the Bronzewing South Gold Project located adjacent to the 2.3 million-ounce Bronzewing gold deposit in the highly endowed Yandal Belt of Western Australia.

Competent Person Statements

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