

ASX RELEASE

23 April 2021

DIRECTORS / MANAGEMENT

Russell Davis
Chairman

Daniel Thomas
Managing Director

Ziggy Lubieniecki
Non-Executive Director

David Church
Non-Executive Director

Mark Pitts
Company Secretary

Mark Whittle
Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (20/04/2021)	\$0.11
Shares on Issue	750m
Market Cap	\$83m
Options Unlisted	27m
Performance Rights	6.5m

HAMMER SECURES \$5M TO FUND AGGRESSIVE MOUNT ISA COPPER EXPLORATION PROGRAM

- **Firm commitments received to raise \$5M** at an issue price of \$0.095
- The Placement was well supported by a number of **existing shareholders and new sophisticated & institutional investors** representing a **strong endorsement of Hammer's upcoming planned exploration in Mount Isa**
- Directors have **committed to contributing \$650,000 in the Placement**, subject to Shareholder Approval to be obtained at a General Meeting
- The Placement will position Hammer with a **strong cash balance of c.\$11.2M¹** to execute an **aggressive exploration program in Mount Isa, including drilling high priority 'Trafalgar look alike' targets** on Hammer's 100% owned copper-gold targets
- **Mount Isa drilling program set to commence in late April** and assay results from the recent air-core drill program at the Bronzewing Gold Project expected in the coming weeks
- A **Share Purchase Plan** at the same issue price as the Placement will shortly be offered to eligible existing shareholders to raise up to an **additional \$1M**. Director **Ziggy Lubieniecki has committed to taking up to \$500,000 of shortfall in the SPP (if any)**, subject to shareholder approval

Hammer Metals Ltd (ASX:HMX) ("Hammer" or the "Company") is pleased to announce that it has successfully received binding commitments for a Single Tranche Placement to raise \$5M (before costs) at \$0.095 per new share ("**New Share**") through its placement capacity under ASX Listing Rule 7.1 ("**Placement**"). The Placement will introduce several new, high quality institutional and sophisticated investors, whilst also being well supported by existing significant shareholders of the Company.

Hammer will also launch a Share Purchase Plan to existing shareholders to participate at the same issue price as the Placement, to raise up to an additional \$1M (before costs) ("**SPP**"). Director Ziggy Lubieniecki has committed to taking up to \$500,000 of shortfall in the SPP (if any), subject to shareholder approval.

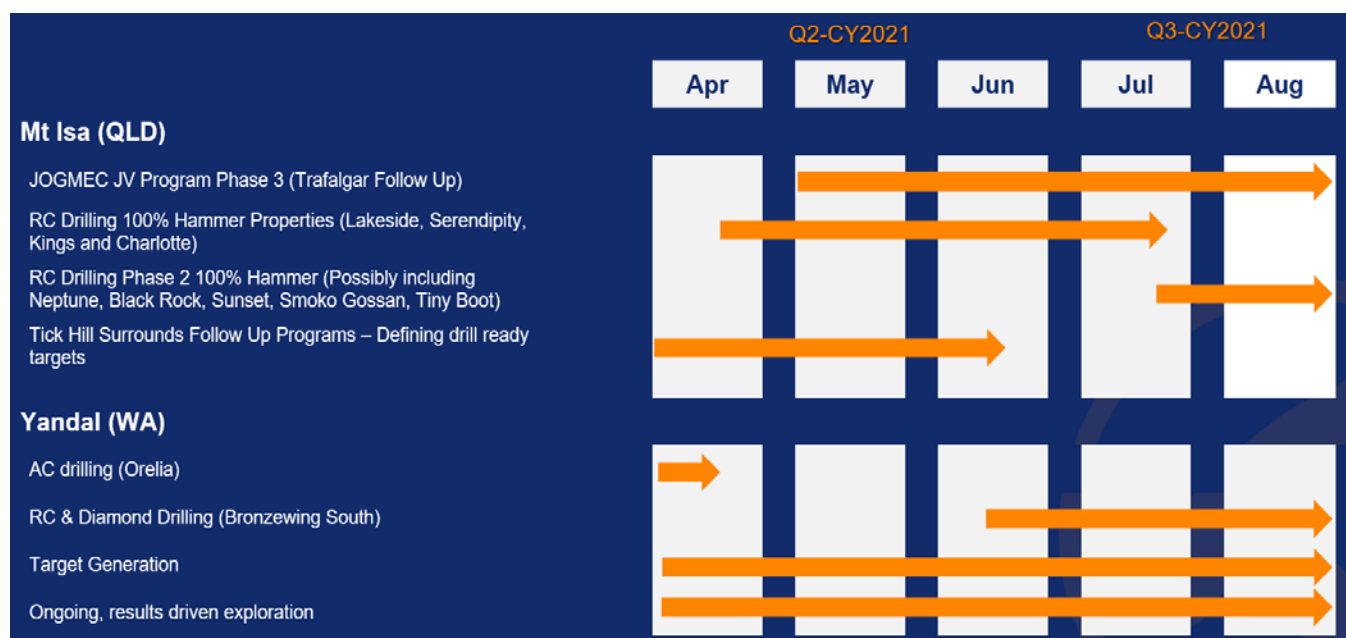
The Placement together with the SPP will raise up to \$6M ("**Capital Raising**") and in conjunction with existing cash reserves will enable Hammer to fund an:

- Aggressive exploration program in Mount Isa, including RC and diamond drill testing of high priority 'Trafalgar look alike' targets at Hammer's 100% owned copper-gold targets, including but not limited to Lakeview, Neptune, Serendipity, Kings, Alice and Charlotte;
- Potential extension and infill drilling at Sunset, Black Rock and Overlander to either define or extend JORC compliant resources;
- Near field exploration at Kalman including potential extensions to the existing JORC resources;

¹ Comprises \$5M proceeds from Placement (before costs) and cash balance as at 31 December 2021

- Target generation and drilling at the Bronzewing South and North Orelia projects at the Company's 100% owned Yandal Gold Project in Western Australia; and
- General working capital purposes.

Strong near-term news flow expected with an RC drill program scheduled to commence in Mount Isa by the end of April.



Hammer's Managing Director, Daniel Thomas said:

"We are delighted with the outcome of the Placement that was well supported by existing shareholders and a number of new institutional investors. With the recent success drilling Copper-Gold targets in Mount Isa, we are excited to continue the momentum by accelerating exploration efforts throughout the remainder of 2021."

Placement Details

The issue price of \$0.095 represents a 13.6% discount to Hammer's last closing price of \$0.11 per share on 20 April 2021, a 14.9% discount to the 5-day VWAP of \$0.112 per share and a 8.8% discount to the 10-day VWAP of \$0.104 per share.

New Shares issued under the Placement will rank equally with existing shares on issue and are expected to be issued on Thursday, 29 April 2021. Trading of the New Shares will commence on a normal settlement basis on the ASX on the following day.

The Placement will be conducted pursuant to the Company's existing placement capacity, with all 52,631,579 New Shares to be issued under ASX Listing Rule 7.1.

Discovery Capital Partners acted as Lead Manager and Corporate Advisor to the Placement.

Share Purchase Plan Details

The SPP will be open to eligible Hammer Metals shareholders as at 5.00pm (AWST) on the record date of Thursday, 22 April 2021 ("**Record Date**") and whose registered address is in Australia and New Zealand ("**Eligible Holders**"). Eligible Holders will be invited to invest up to a maximum of \$30,000 per shareholder in the SPP, subject to any scale back, to raise up to \$1,000,000 (or approximately 10.5 million New Shares).

New Shares issued under the SPP will be offered at the same issue price as the Placement of \$0.095 per New Share and will rank equally with existing shares on issue.

Certain HMX Directors eligible to participate in the SPP intend to take up the maximum SPP entitlement of \$30,000 worth of New Shares and Director Ziggy Lubieniecki has committed to take up to \$500,000 of shortfall in the SPP (if any), subject to shareholder approval.

Participation in the SPP is optional. The Company reserves the right to close the SPP early and encourages Eligible Holders wishing to participate in the SPP to submit their personalised application form early. If demand exceeds \$1M, the Company may close the SPP early and scale back applications under the SPP. Any scale back decisions made by the Directors are at their absolute discretion and the decision of the Directors is final.

No brokerage will be payable by subscribing shareholders. Discovery Capital Partners is acting as Lead Manager to the SPP and Thomson Geer is acting as Legal Adviser to the SPP.

Further details on the SPP will be detailed in the SPP offer booklet, which will be distributed to Eligible Holders shortly and released on the ASX. The SPP is scheduled to close at 5.00pm (AWST) on 19 May 2021, subject to the Company's discretion to amend the date by making an ASX announcement.

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

For further information please contact:

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Managing Director

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About Hammer Metals

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

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

About JOGMEC

Japan Oil, Gas and Metals National Corporation is a Japanese government Independent Administration Institution tasked to ensure a stable supply of mineral resources for Japan. JOGMEC has a demonstrated track record of participating in the Australian mineral exploration industry. Further details about JOGMEC can be found on the corporation's website: <http://www.jogmec.go.jp/english/index.html>