AJAX EAST UPGRADED WITH SULPHIDES INTERSECTED IN INITIAL DRILLING

ASX RELEASE
12 May 2022

DIRECTORS / MANAGEMENT

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CAPITAL STRUCTURE

ASX Code: HMX

Share Price (11/05/2022)	$0.085
Shares on Issue	815m
Market Cap	$69m
Options Unlisted	27m
Performance Rights	8m
Cash (31/3/2022)	$6.4m

- **6m interval of stringer sulphide mineralisation (including pyrrhotite and chalcopyrite) intersected within a 30m zone of highly altered metasediments**, corresponding with the modelled EM conductor at ~290m down-hole**.**
- Additional zones (1m from 253m and 1m from 342m down-hole) of stringer sulphide mineralisation also identified in the hanging and footwall of the main target horizon.
- The presence of a significant sulphide horizon at Ajax East has upgraded the target, with this active sulphide system having the potential to **host economic zones of chalcopyrite mineralisation.**
- A follow-up Down-Hole Electromagnetic (DHEM) survey has confirmed the extent of the Ajax East prospective horizon (>500m*500m) while also recording responses to the sulphide mineralisation observed in both the hangingwall and footwall positions.
- Further Fixed Loop Electromagnetic (FLEM) surveys are being completed to refine targeting and assist in designing a thorough follow-up drill program.

Figure 1. *HMLVDD001 298.4m. Example of Chalcopyrite-Pyrrhotite mineralisation encountered in the main sulphide zone at Ajax East. Assays are pending.*

- **Further RC drilling at Ajax (6 holes for 889m) has delineated several zones of extensive pyrrhotite**, indicating the presence of an active mineralising system across a broad area. Significant copper intersections included:
  - 14m at 0.21% Cu from 42m in HMLVRC019 (with significant amounts of pyrrhotite present in the interval); and
  - 1m at 1.52% Cu from 88m in HMLVRC019
- Results from drilling at Overlander South (OVDD004) have also been received, with the prospect containing broad zones of sulphide-bearing minerals. Multiple zones of lower grade chalcopyrite were observed with the following intersections recorded:
  - **20m at 0.37% Cu from 410m including 3.3m at 1.49% Cu from 419m**;
  - **32.2m at 0.31% Cu from 500m; and**
  - **21.3m at 0.30% Cu from 547m.**
- **Off-hole conductor identified by a DHEM survey** at Overlander South.
- EM, IP, gravity, magnetic and geochemical surveys will all continue during May with key focus areas including Ajax East, Kalman, Tourist Zone, Hammertime and the various areas of the Mount Isa East Joint Venture including Trafalgar.

Hammer's Managing Director, Daniel Thomas said:

"Ajax East is continuing to emerge as an exciting new target area, with confirmation of sulphides in the initial drilling a very encouraging development. Based on the available geophysics, this target horizon may continue for more than a kilometre and the presence of chalcopyrite in this hole and in nearby locations gives us confidence that this is a fertile copper system, representing an excellent exploration target that is virtually untested. Our inventory of high-quality targets in the Mt Isa district continues to grow in line with our extensive geophysical and geochemical programs."

Hammer Metals Ltd (**ASX: HMX**) ("**Hammer**" or the "**Company**") is pleased to provide an update on initial drilling at the at the recently discovered Ajax East prospect together with assay results from the Company's 100%-owned prospects at Overlander, Ajax and Neptune within its Mt Isa exploration portfolio in north-west Queensland.

The Company has also received significant results from recently completed electromagnetic surveys at Ajax East and Overlander, further upgrading the potential of these prospects and ensuring they are prioritised for follow-up drilling.

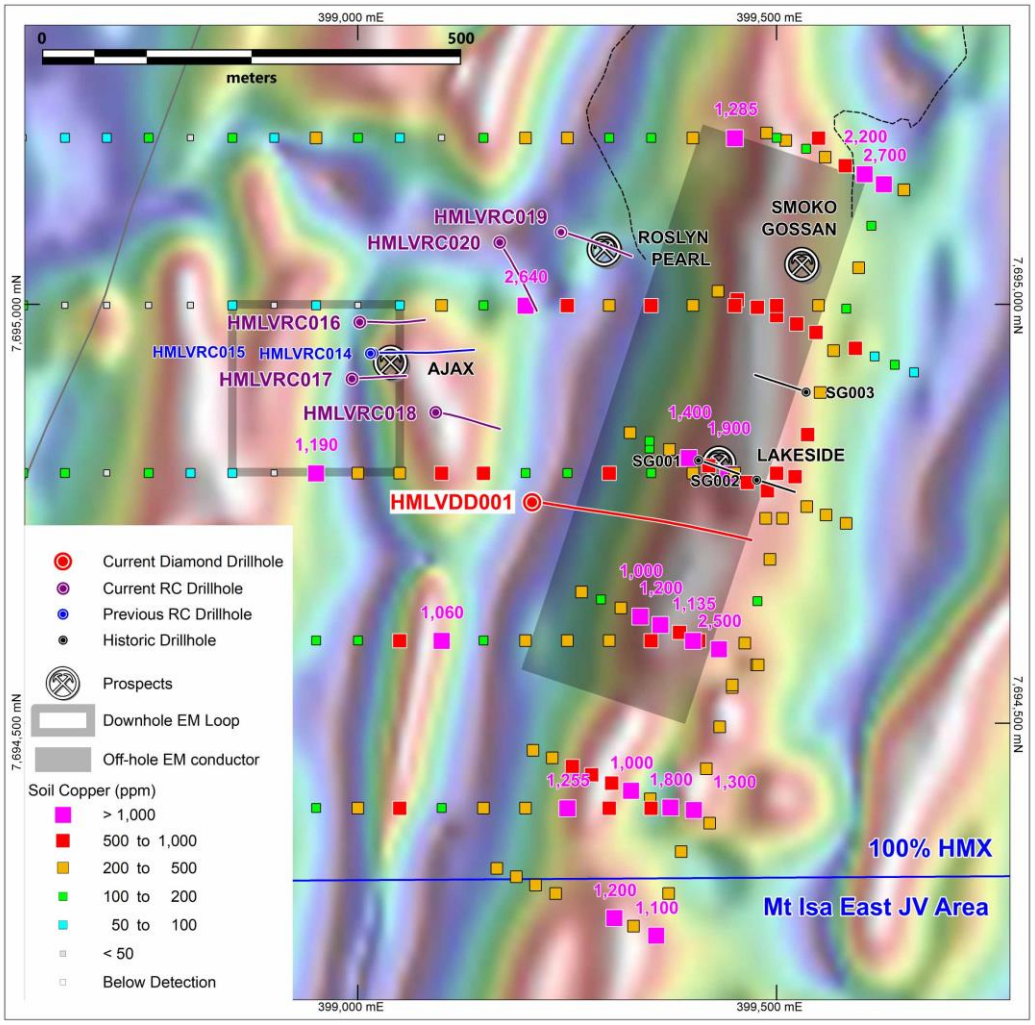

Figure 2. *Plan view showing the location of the Ajax, Smoko Gossan and Lakeside Prospects with copper-in-soil response. The preliminary EM plates, location, EM loop and receiving stations are also shown. The base image is the magnetic first vertical derivative (RTP). (refer also ASX announcements 2 March 2022 and 9 March 2022)*

Ajax East Diamond Drilling

Following the initial drilling of HMLVRC0014 at Ajax, follow-up DHEM and FLEM surveys identified a large conductor to the east of Ajax beneath the historic workings at Smoko Gossan. The orientation of the modelled conductor aligned with the geological interpretation of the area, with the conductor situated immediately below an extensive high-grade copper-in-soil anomaly. As a result, Ajax East was prioritised for diamond drill testing with Hammer recently completing its first test of the prospective horizon.

HMLVDD001 was drilled to a final depth of 417m with assays pending. Drilling encountered multiple shear zone hosted horizons primarily composed of Quartz (±carbonate) with chalcopyrite and pyrrhotite rich sulphide. In the modelled conductor position, the hole encountered a 30m wide zone of highly altered metasediment package including 6m of stringer sulphide mineralisation (dominantly composed of pyrrhotite and chalcopyrite) from 290m down-hole. Zones of sulphide mineralisation, individually up to 2m in downhole thickness were identified in both the hangingwall and footwall of the modelled EM horizon (Figures 3 to 6).

This result is considered to be highly encouraging for the first hole into this system as it confirms that the Ajax East EM response is sulphide-related with chalcopyrite a significant component within the broader sulphide mineral system. This indicates a fertile environment for hosting economic copper mineralisation.

The hole at Ajax East was cased with PVC to enable further down-hole EM surveys to be undertaken which have since confirmed the presence of EM anomalies within the hangingwall and main target horizons. Further surface FLEM surveys are being contemplated to assist with targeting and establishing potential differentiation between chalcopyrite and pyrrhotite mineralisation. This will enable better targeting for planned further drilling at this highly prospective target.

Figure 3. *HMLVDD001 at 258m down-hole. Example of chalcopyrite-pyrrhotite mineralisation encountered in the hangingwall sulphide zone at Ajax east. Assays are pending.*

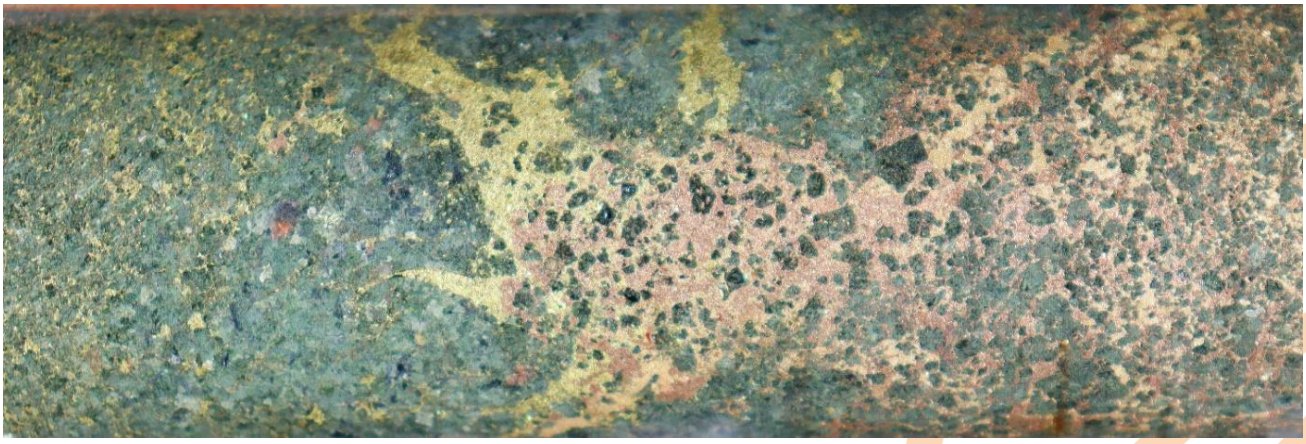

Figure 4. *HMLVDD001 at 298.4m down-hole. Example of chalcopyrite-pyrrhotite mineralisation encountered in the main sulphide zone at Ajax east. Assays are pending.*

Figure 5. *HMLVDD001 at 342.7m down-hole. Example of chalcopyrite-pyrrhotite mineralisation encountered in the footwall sulphide zone at Ajax east. Assays are pending.*

Figure 6. *HMLVDD001 – 292.4m to 301m down-hole. Altered Metasediments including sulphidic horizon.*

Ajax Drilling

Laboratory results have been received for holes HMLVRC015 through to HMLVRC020. These holes were designed to test along strike from the high-grade intersection of 16m @ 3.46% Cu and 1.8g/t Au encountered in HMLVRC014 at the Ajax Prospect (see ASX release dated 9 March 2022).

While follow-up drilling was unable to identify extensions of the mineralisation observed in HMLVRC014, hole HMLVRC019 intersected significant semi-massive pyrrhotite between 73m and 75m down-hole, indicating the presence of a significant sulphide system in the Ajax area.

Significant intercepts include:

- 14m at 0.21% Cu from 42m in HMLVRC019 (with significant amounts of pyrrhotite present in the interval);
- 1m at 1.52% Cu from 88m in HMLVRC019; and
- 7m at 0.24% Cu from 65m in HMLVRC020 including 1m at 0.80% Cu from 70m.

Table 1. *Ajax drilling significant intercepts utilising a 0.1% Cu cut-off*

Hole	E_GDA94^	N_GDA94^	RL^	Dip	Az_GDA	TD		From	To	Interval	Au_ppm	Cu %
HMLVRC014	399,020	7,694,943	313	-55	90.5	200		22	38	16	1.80	3.46
							incl.	24	35	11	2.54	4.96
							incl.	27	30	3	5.32	10.47
							&	33	34	1	3.75	7.92
								60	64	4	0.03	0.19
								80	81	1	0.02	0.22
								169	174	5	0.03	0.17
HMLVRC015	399015.24	7694942.5	310.26	-77.32	90.18	124		42	43	1	0.23	0.90
								46	48	2	0.09	0.19
								50	52	2	0.12	0.18
HMLVRC016	399004	7694977	315.0	-65.32	89.36	184		156	157	1	0.02	0.15
HMLVRC017	398994	7694912	318.0	-59.88	88.94	124		44	48	4	0.08	0.13
								66	75	9	0.09	0.15
HMLVRC018	399093	7694870	320.0	-54.78	100.34	124		20	21	1	0.01	0.11
								24	46	22	0.02	0.24
							incl.	39	42	3	0.04	0.63
								57	58	1	0.20	0.63
								96	98	2	0.08	0.23
								104	108	4	0.04	0.13
HMLVRC019	399245	7695083	321.0	-54.87	107.36	150		30	32	2	0.01	0.32
								42	56	14	0.02	0.21
								74	76	2	0.04	0.33
								88	90	2	0.02	0.83
							incl.	88	89	1	0.02	1.52
								114	120	6	0.06	0.35
							incl.	114	115	1	0.07	0.65
							&	117	118	1	0.14	0.61
								129	133	4	0.10	0.23
							incl.	129	130	1	0.13	0.55
								148	150	2	0.03	0.14
HMLVRC020	399169.46	7695074.8	306.52	-59.12	151.61	183		65	72	7	0.03	0.24
							incl.	70	71	1	0.03	0.80
								103	105	2	0.03	0.33
								108	109	1	0.01	0.16
								111	116	5	0.01	0.17
								144	146	2	0.02	0.15
								149	150	1	0.01	0.11
								156	161	5	0.02	0.29

Note	
^	Coordinates relative to GDA94 Zone54 and RL determined from SRTM

Next Steps for the area

The initial diamond drill test of the Ajax East EM zone has confirmed that the geophysical response is sulphide-related and that chalcopyrite is a significant component of the sulphide assemblage.

The width of the alteration zone related to these sulphide-bearing structures gives Hammer significant encouragement to conduct further drill testing on the prospect. Further geophysics is underway to de-risk future drilling.

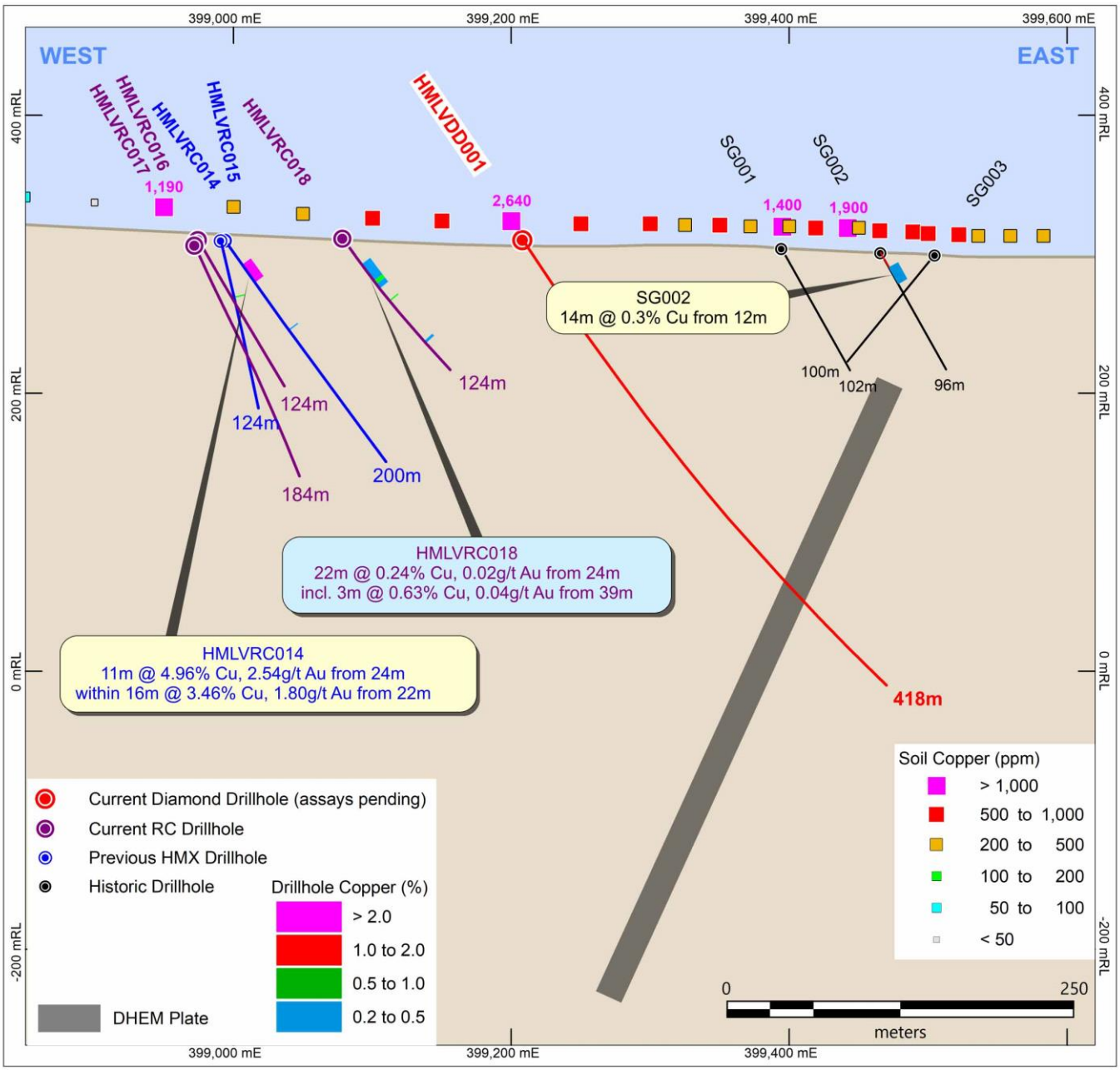

Figure 7. *Section through HMLVDD001 showing the relationship between observed sulphidic intervals and the modelled EM plate (refer also ASX announcement 9 March 2022).*

Orion

Two holes for 347m were drilled at Orion, located 950m to the northwest of Lakeview. These holes targeted a magnetic anomaly overlain by Cu-in-soil anomalism on the Trafalgar to Jubilee trend. No significant mineralisation was observed in this drilling.

Table 2. *Orion drilling significant intercepts utilising a 0.1% Cu cut-off*

Hole	E_GDA94^	N_GDA94^	RL^	Dip	Az_GDA	TD		From	To	Interval	Au_ppm	Cu %
HMORRC001	397886.39	7696662.5	347.92	-55	51.8	189		68	69	1	0.01	0.21
HMORRC002	397803.01	7696633.1	339.12	-55.53	48.26	158		*No signficant Intercepts*				
Note												
^	Coordinates relative to GDA94 Zone54 and RL determined from SRTM											

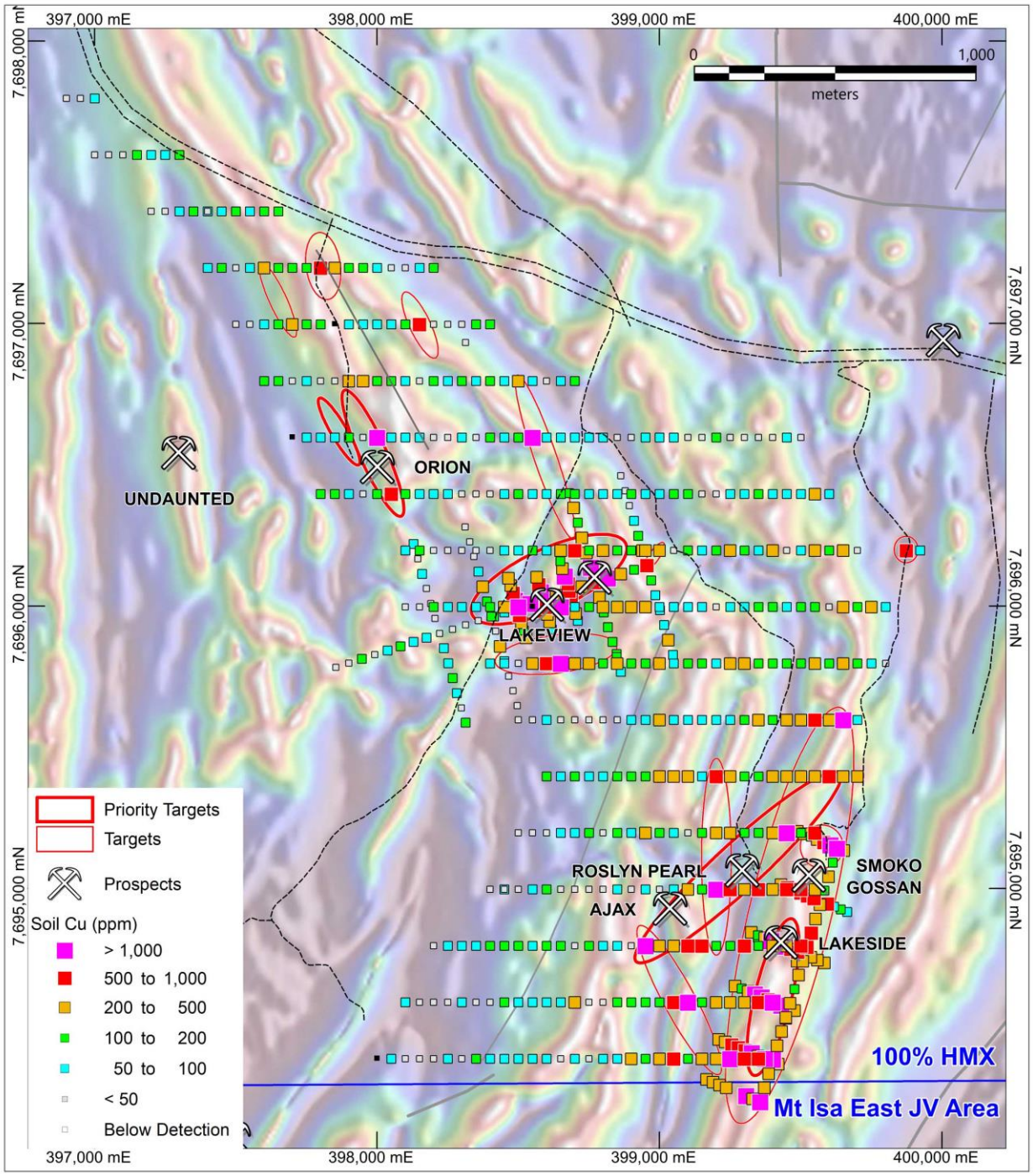

Figure 8. *Lakeview overview showing the location of Ajax and Orion (drilled in this program) in addition to the Lakeside-Smoko Gossan trend and the Lakeview prospect. Background image is magnetics processed to highlight structural trends (refer also ASX announcement 9 March 2022).*

Overlander

Two holes for 869m were drilled at Overlander South testing two targets.

OVDD004 (589.5m TD) was designed to test an IP metal factor ("IPMF") geophysical model at depth while also intersecting the Overlander south shear zone hosted mineralisation and the interpreted position of the footwall rhyolite breccia. The IPMF is calculated from the chargeability and resistivity response. The Overlander Shear hosts the Overlander north and south copper deposits.

The hole intersected a significant zone of alteration and disseminated mineralisation in both the Overlander Shear and the Footwall Rhyolite Breccia.

This deeper drilling appears to suggest that there is either a displacement of, or roll-over of, the Overlander Shear at depth.

Down-hole EM was conducted on the hole resulting in the identification of 3 off-hole conductors. Further geophysical processing is required to gauge the nature of this response and potentially guide future drilling.

Significant intercepts from OVDD004 include:

- 20m at 0.37% Cu from 410m including 3.31m at 1.49% Cu from 419m;
- 32.2m at 0.31% Cu from 500m; and
- 21.3m at 0.30% Cu from 546.9m.

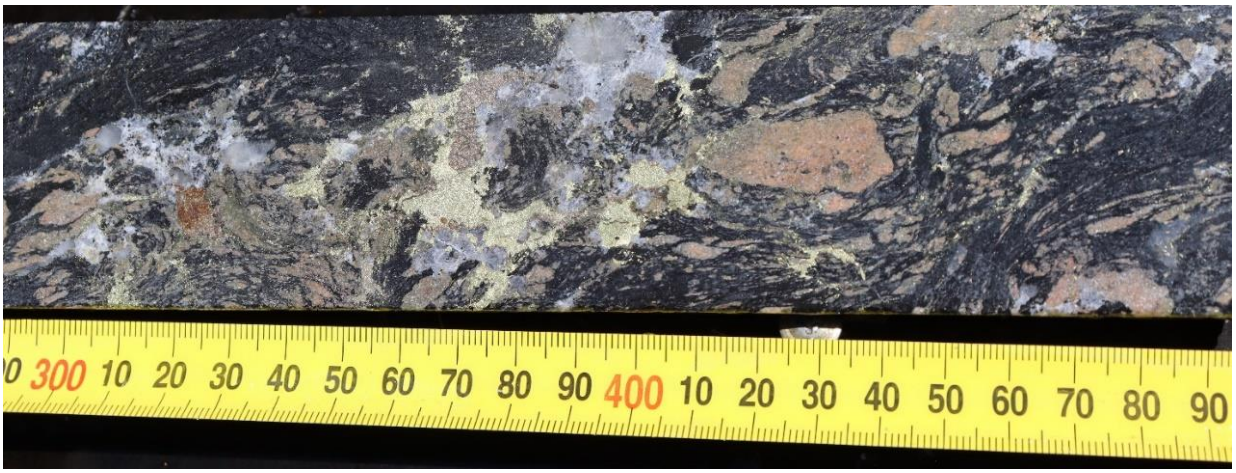

Figure 9. *OVDD004 421.2m. Brecciation and shearing associated with the Overlander shear. This sample is located within a zone of 3.31m at 1.49% Cu from 419m.*

Figure 10. *488.3m Silicified and brecciated footwall Rhyolite. Fine grained disseminated chalcopyrite and Pyrite are typical of this thick brecciated footwall rhyolite unit. This sample is located within a zone of 9m at 0.43% Cu from 486m.*

OVRC036 was drilled to test a magnetic anomaly on the Overlander Shear some 500m to the south of the Overlander system. The targeted zone had elevated copper-in-soil geochemistry. While the hole intersected significant disseminated pyrite, the lack of copper mineralisation has downgraded the potential of this target.

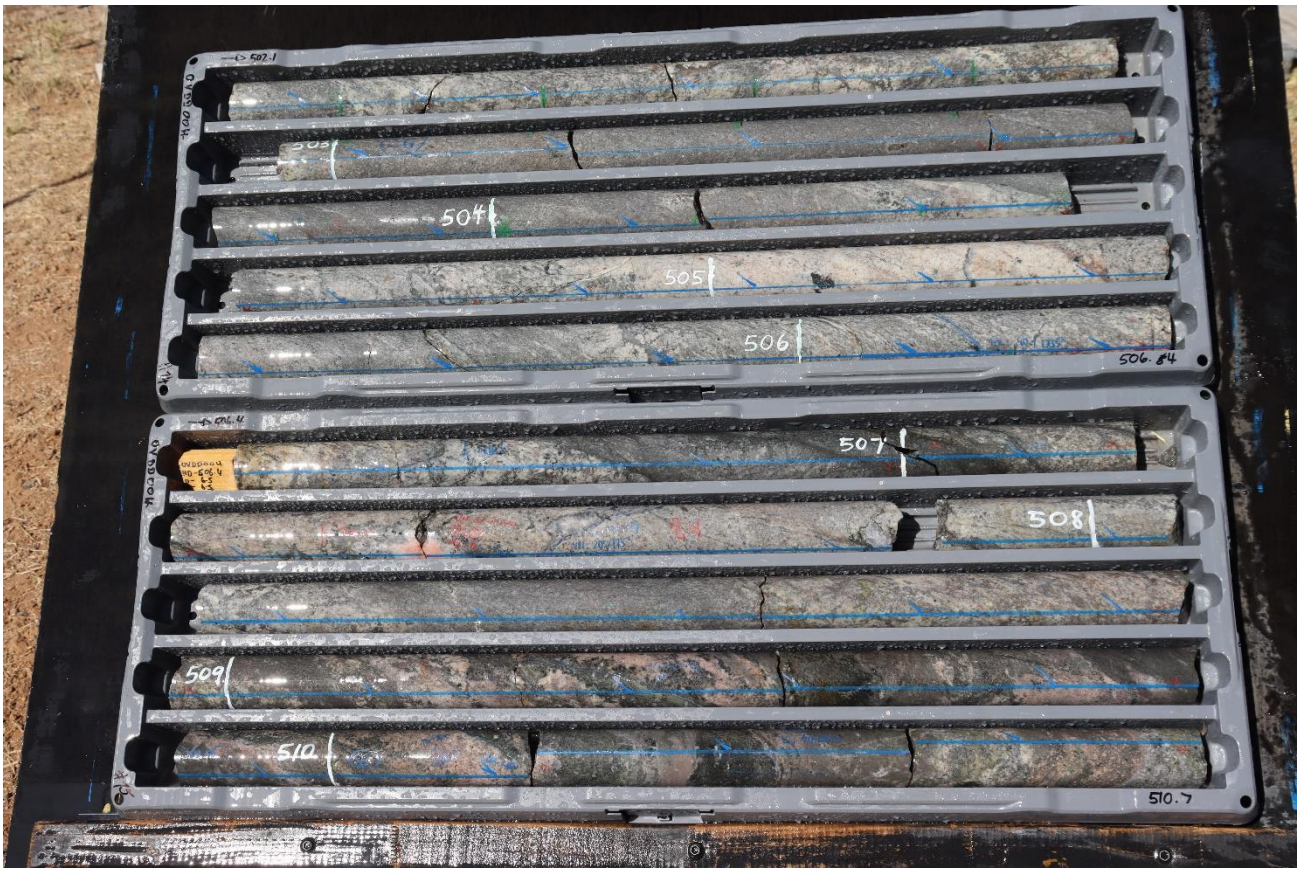

***Figure 11**. OVDD004 - 502.1-510.7m Example of mineralised rhyolite crackle breccia. This unit which can be in excess of 90m in true thickness is a consistent host to low-grade copper mineralisation in the footwall to the Overlander north and south deposits. This core above is located within an intersection of 32.2m at 0.31% Cu from 500m.*

Next Steps for the area

The size of the copper system at Overlander is significant, stretching for many kilometres across multiple geological units. Hammer has successfully established a copper-cobalt JORC Mineral Resource in the shear zone at Overlander with multiple broad copper intercepts in the neighbouring rhyolite unit.

The Company is continuing to assess this significant system for its potential to host a large-scale economic zone of copper mineralisation. The information gathered from this drilling campaign, including the identified EM conductors, will help shape our targeting regime at Overlander. Further geophysical processing of the EM anomaly is being completed to potentially define future drill targets at Overlander South.

Table 3. *Significant intercepts from the Overlander Prospect utilising a Cu cut-off of 0.1%*

Hole	E_GDA94^	N_GDA94^	RL^	Dip	Az_GDA	TD		From	To	Interval	Au_ppm	Cu %
OVDD004	386145.81	7672316.1	397.06	-67.17	81.32	589.5		36	42	6	0.01	0.30
							incl.	39	40	1	0.14	1.15
								162	169	7	0.01	0.16
								297	298	1	0.01	0.12
								326	327	1	0.02	0.15
								351	352	1	0.01	0.12
								368	377.2	9.20	0.02	0.12
								388	390	2	0.02	0.19
								399	400	1	0.04	0.47
								404	406	2	0.02	0.32
								410	430	20	0.02	0.37
							incl.	419	422.31	3.31	0.07	1.49
								449	450	1	0.01	0.13
								463	482	19	0.01	0.16
								486	495	9	0.02	0.43
							incl.	489	493	4	0.01	0.62
								500	532.25	32.25	0.01	0.31
							incl.	502	503	1	0.02	0.88
								536.3	537.05	0.75	0.01	0.23
								546.9	568.25	21.35	0.01	0.30
							incl.	551	552.1	1.10	0.01	0.53
							&	554.1	555.1	1	0.01	0.50
							&	566	567	1	0.01	0.53
OVRC036	386159.35	7671742	399.07	-55.59	88.4	280		167	168	1	0.01	0.15
								184	185	1	0.01	0.16
								209	210	1	0.01	0.20
								225	226	1	0.01	0.13

Note

^ Coordinates and Azimuth relative to GDA94 Zone54. RL determined from a mix of Drone DTM and SRTM

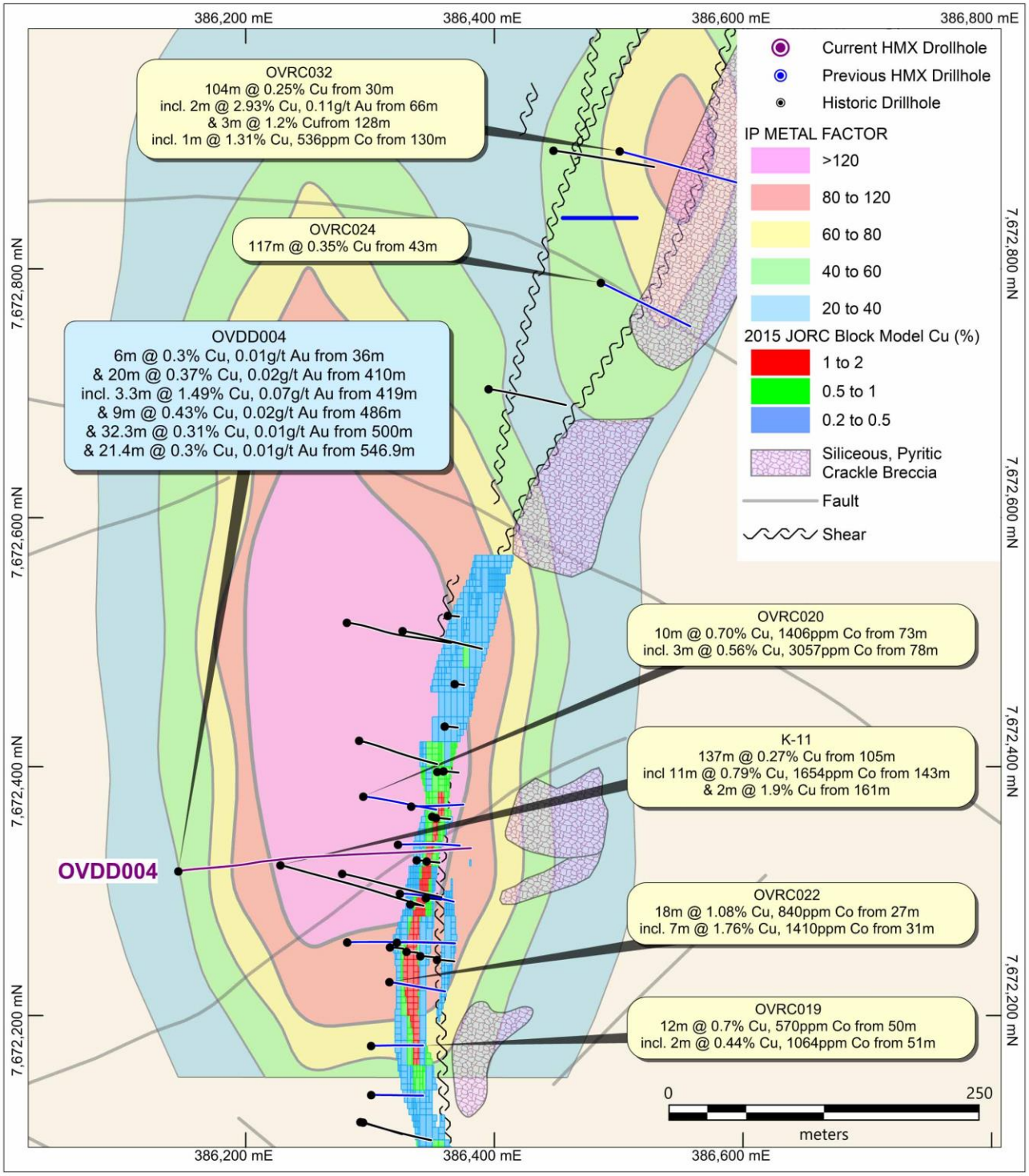

Figure 12. *Plan of the Overlander South Prospect showing the location of existing drilling, resource block model, IP Metal Factor contours and significant intercepts.*
(refer also ASX announcement 27 April 2022)

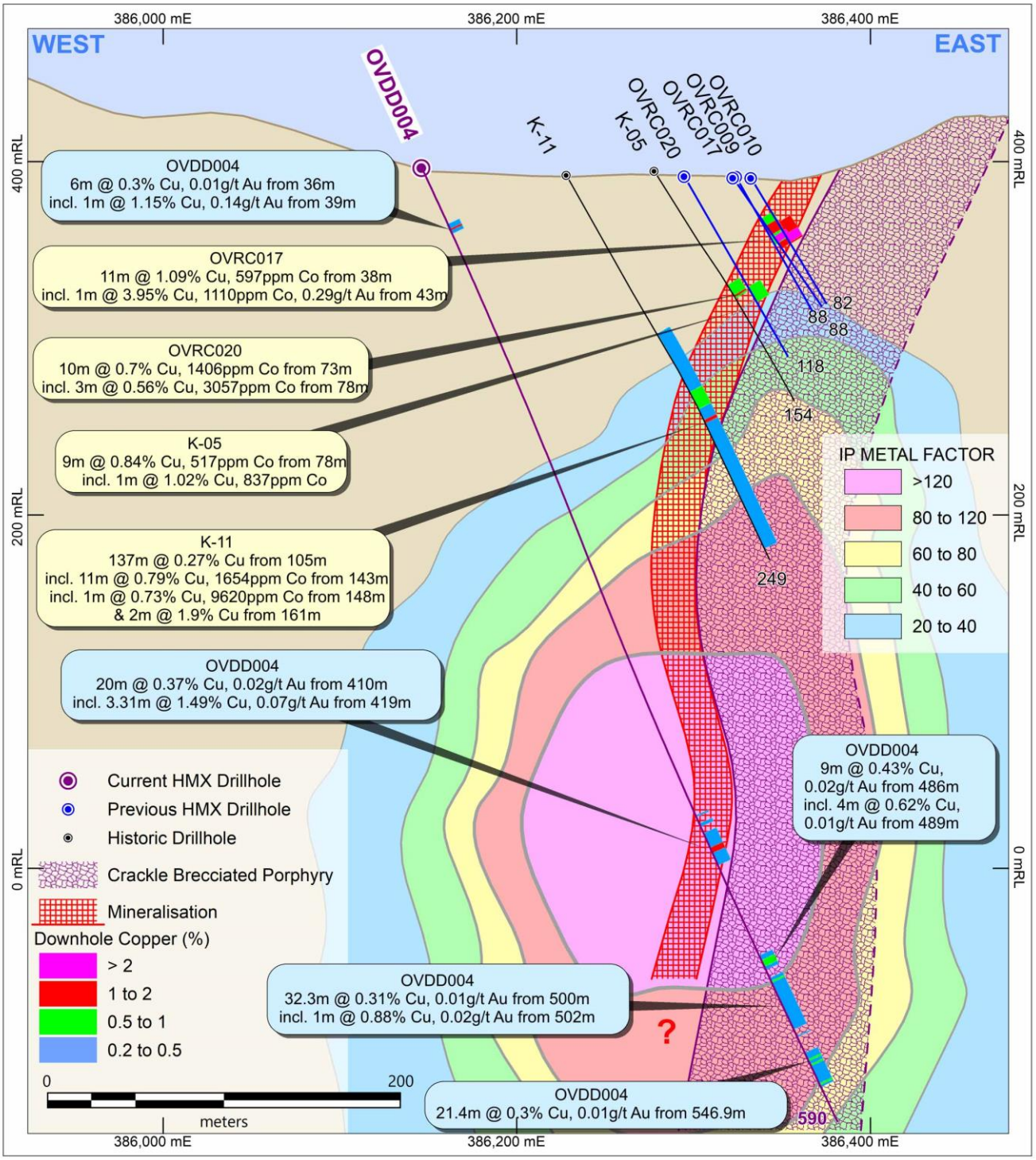

Figure 13. *Cross section of Overlander South Prospect showing the location of existing drilling, IP Metal Factor contours and significant intercepts.*
(refer also ASX announcement 27 April 2022)

Neptune

Hammer undertook further drilling at the Lady Rose, Morning Star and Lady Kate prospects within the Neptune Group. Drilling at both the Lady Kate and Sirius targets was designed to test aeromagnetic anomalies within the Ballara Quartzite. Both targets were overlain by an elevated copper-in-soil geochemical response. The target rationale is that these zones could represent magnetite-dominant IOCG alteration systems. Both holes reached their target zones and identified zones of magnetite with minor copper anomalism.

HMNPRC002 tested the Morning Star target and intersected a thin mineralised horizon. The width and grades encountered has resulted in Hammer downgrading this target.

A hole planned at the Lady Amy target could not be completed due to inclement weather and will be added to our future RC drilling program.

Table 4. *Significant intercepts from the Neptune group of prospects tested in the latest drilling program, utilising a Cu cut-off of 0.1%*

Hole	E_GDA94^	N_GDA94^	RL^	Dip	Az_GDA	TD		From	To	Interval	Au_ppm	Cu %
HMNPRC001	394010	7688440	410.0	-55.1	90.02	309		25	31	6	0.02	0.11
								63	73	10	0.04	0.15
HMNPRC002	393840	7688506	417.0	-55.69	125.59	237		46	49	3	0.03	0.12
								64	65	1	0.03	0.11
								72	73	1	0.03	0.20
								123	126	3	0.21	0.72
							incl.	125	126	1	0.48	1.57
HMLRRC004	393341	7688154	401.0	-55.77	77.36	214		0	4	4	0.05	0.13
^	Coordinates relative to GDA94 Zone54 and RL determined from Drone DTM											

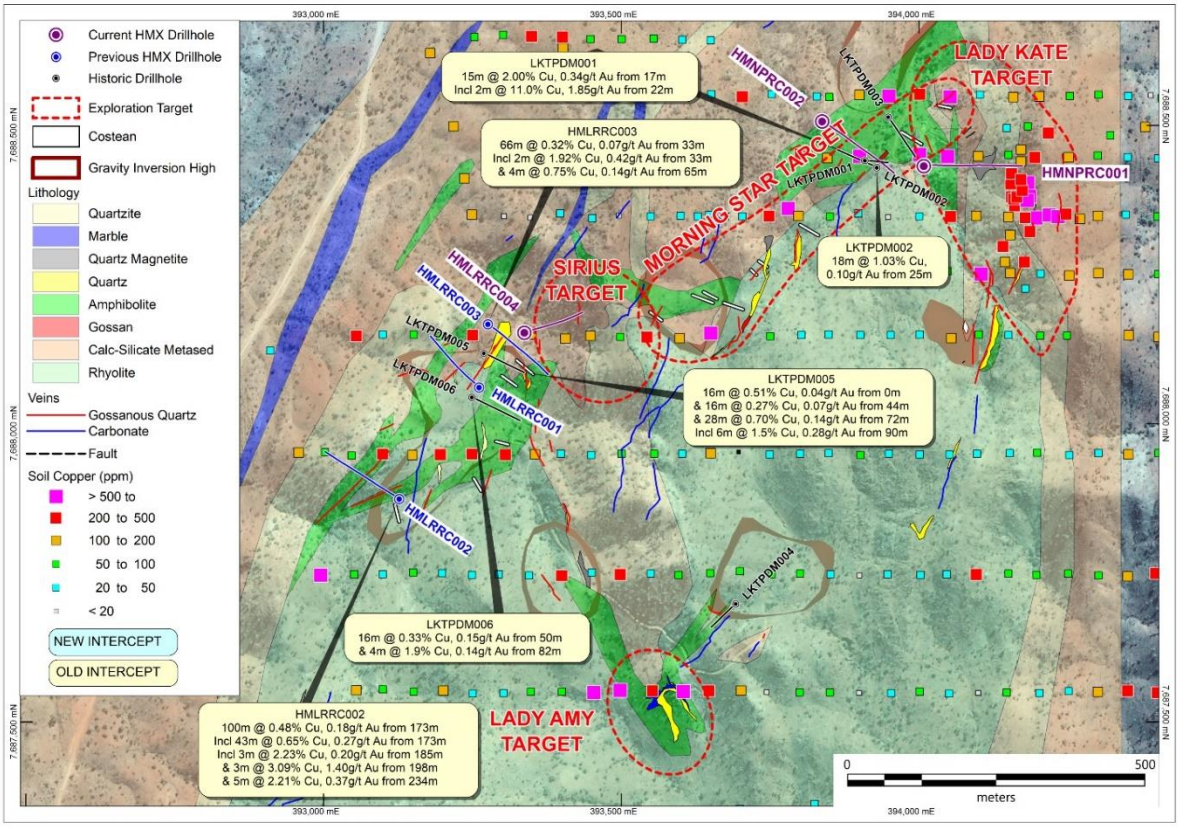

Figure 14. *Neptune prospect area showing the location of the Sirius, Lady Kate and Morning Star targets tested by holes HMLRRC004, HMNPRC002 and HMPRC001 respectively. The Lady Amy target located in the southern portion of the Neptune group will be tested in our next RC drilling program. (refer also ASX announcement 9 March 2021)*

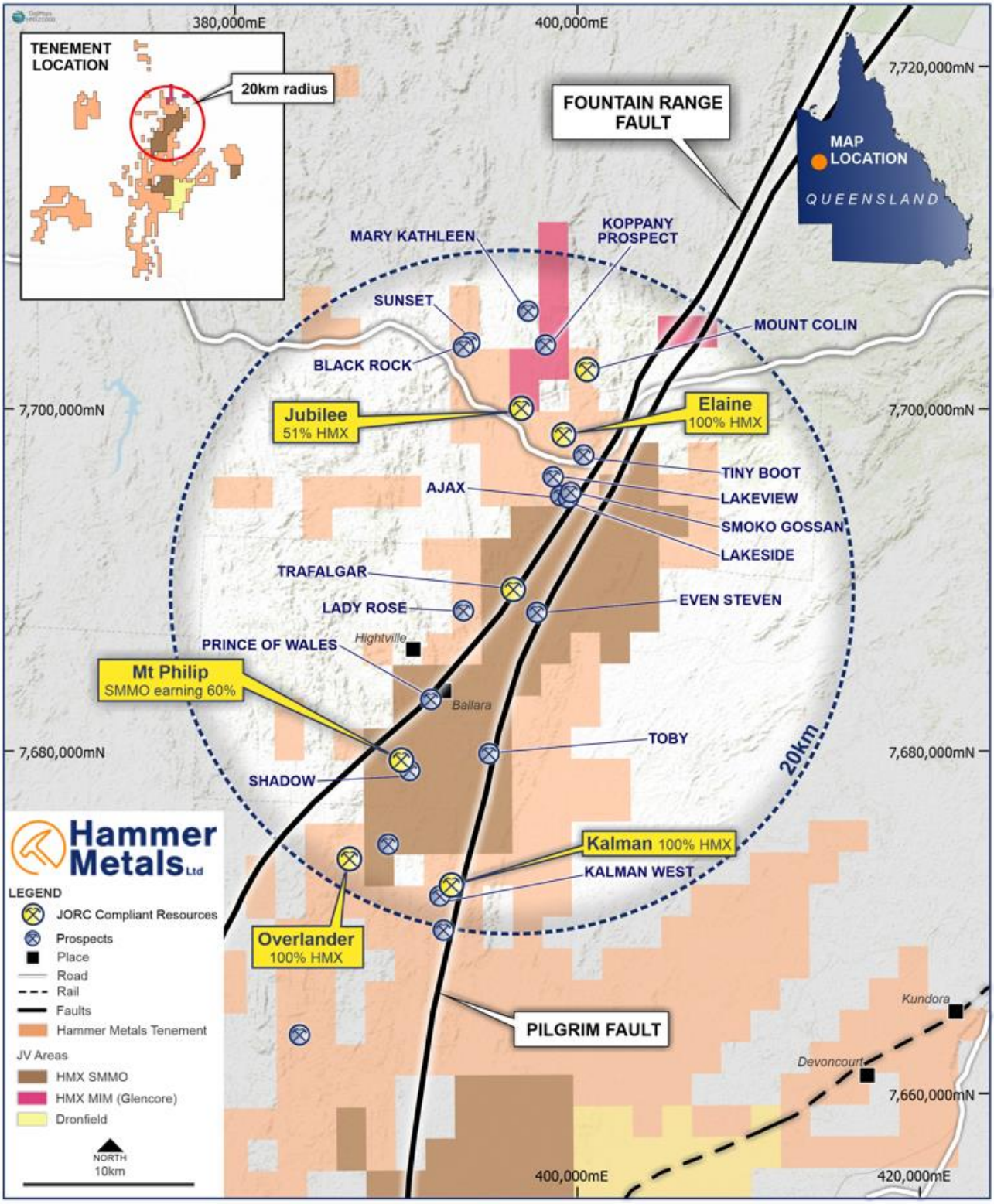

Figure 15: *Hammer's northern tenement area*

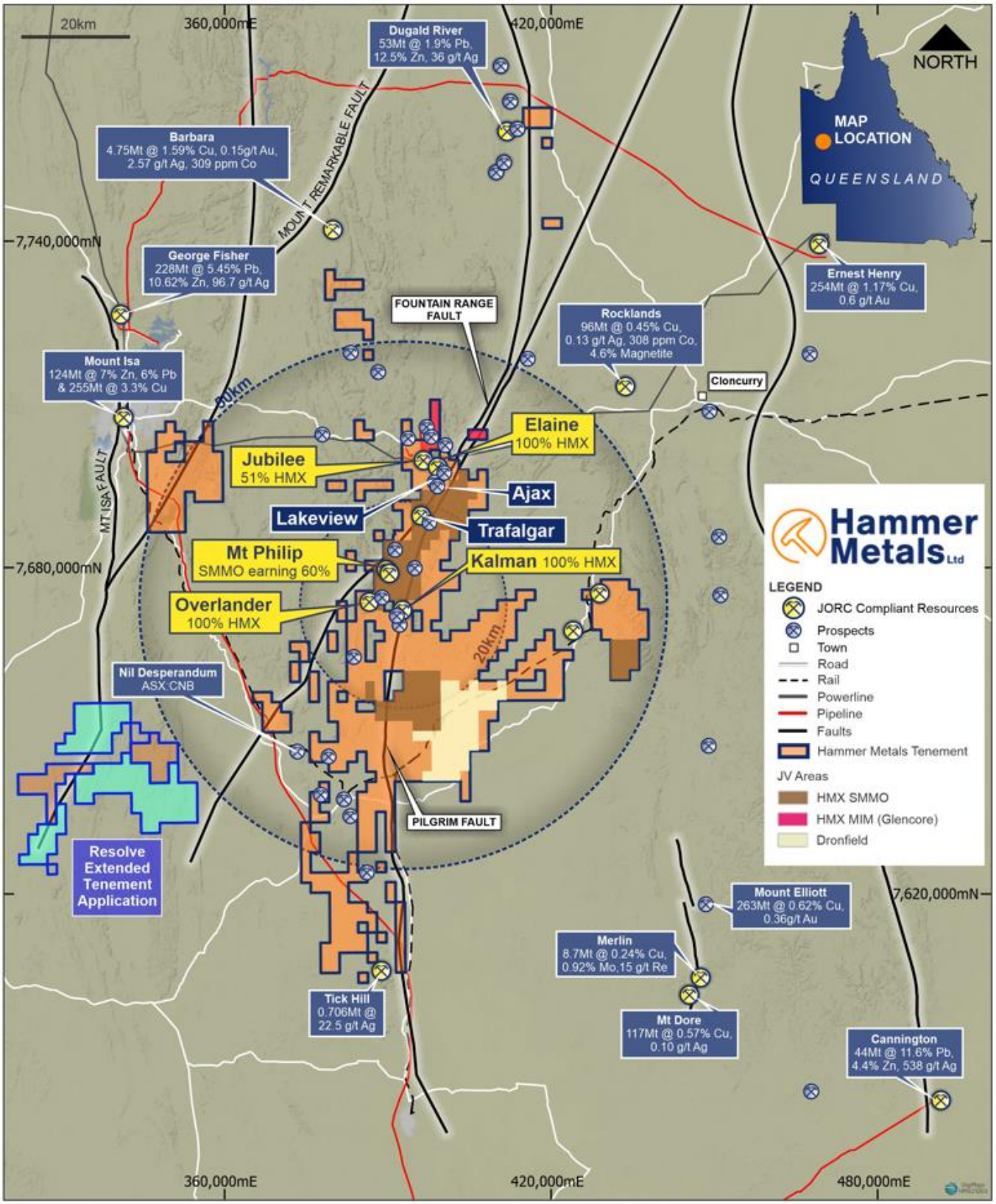

Figure 16: *Mt Isa Project Area*

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

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About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,600km^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 and the Elaine (Cu-Au) deposit. Hammer also has a 51% interest in the 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 holds 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

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 styles of mineralisation and types of deposit under consideration and to the activities 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 the Company references Mineral Resource Estimates previously announced, it 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 the resource estimates with those announcements continue to apply and have not materially changed.

JORC Table 1 report – Mount Isa Project Exploration Update

- This table is to accompany an ASX release updating the market with drilling results from the Overlander, Neptune, Orion and Ajax regions. This drilling was conducted on EPM26776 (Overlander), EPM26904 (Neptune) and EPM26775 (Orion and Ajax).
- All ancillary information presented in figures herein has previously been reported to the ASX.
- Historic exploration data noted in this, and previous releases has been compiled and validated. It is the opinion of Hammer Metals that the exploration data are reliable.

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.*	The drilling was conducted utilising dominantly reverse circulation but also diamond methods. **RC** Drill chip samples were taken at dominantly 1m intervals. When multiple metre intervals were sampled, a riffle split of each metre interval was conducted with the split portions then being combined to produce a composite sample. Where mineralisation was anticipated or encountered, the sample length was reduced to 1m with lab submission of the 1m samples. The average sample length and weight for the assays reported herein is 2.71m and 2.43kg respectively. **Diamond** Sampling from diamond drilling was conducted on dominantly a 1m interval although some sampling was conducted to lithological and or grade boundaries. Samples consisted of half HQ or NQ core. The average sample length and weight for the assays reported herein is 1m and 2.39kg respectively. **Analysis** All samples submitted for assay underwent fine crush with 1kg riffled off for pulverising to 75 microns. Samples were submitted to ALS for: • Fire Assay with AAS finish for gold. • 4 acid digest followed by ICP-MS for a comprehensive element suite. Portable XRF analysis was conducted in the field on each 1m interval.

Criteria	JORC Code explanation	Commentary
		Re-analyses will be conducted as required to investigate element repeatability.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (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).*	Holes were drilled by DDH1 drilling using a Sandvik DE840 (UDR1200) drilling rig. Of the 14 holes reported herein all holes apart from OVDD004 were conducted using the reverse circulation method. OVDD004 consisted of a 217m RC precollar and a diamond tail to 589.5m.
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.*	Sample recoveries were generally in excess of 80%. Recoveries are typically low in the first 5m of each hole. In holes where recovery or significant sampling bias was observed, the hole was terminated. No sample recovery bias has been 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.*	All drilling was geologically logged by Hammer Metals Limited Geologists. Quantitative portable XRF analyses were conducted on metre intervals on site. All metres drilled were analysed by the lab methods listed above.
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.*	**RC** Samples consist of RC drill chips. Samples from the hole were collected by a three-way splitter with A and B duplicates taken for every sample. Samples were taken at dominantly one metre intervals however where 2 or 4 metre composites were created, samples were composited by riffle splitting material from each one metre sample bag. Where evidence of mineralisation was encountered or anticipated, the sample length was reduced to 1m.

Criteria	JORC Code explanation	Commentary
		Diamond Samples consisted of half cut core. Sample length varied according to observable mineralisation with a maximum of 1m. **QA/QC** Standard reference samples and blanks were each inserted into the laboratory submissions at a rate of 1 per 25 samples. Duplicate samples were taken at an interval of approximately 1 in 50 samples. Where a duplicate sample was taken ¼ core was used with half of the core retained. **Comment** The sample collection methodology and sample size is considered appropriate to the target-style and drill method, and appropriate laboratory analytical methods were employed.
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.*	Each metre drilled was subject to site portable XRF analysis. All samples were analysed for gold by flame AAS using a 50gm charge. Each sample was also analysed by 4-acid multielement ICP OES and MS. In addition to the Hammer in-house certified reference materials, the assay laboratory maintains a comprehensive QAQC regime, including 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.*	All assays have been verified by alternate company personnel. Assay files were received electronically from the laboratory.
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.*	Datum used is GDA 94 Zone 54. RL information will be merged at a later date utilising the most accurately available elevation data. In this specific case holes were surveyed by DGPS and rehabilitation of these sites is underway.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The density of drilling conducted at sites reported herein is insufficient to establish more than broad mineralised trends.

Criteria	JORC Code explanation	Commentary
	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.*	The average grade has been utilised where multiple repeat analyses have been conducted on a single sample.
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.*	Drill holes were oriented as close to perpendicular as possible to the orientation of the targets based on interpretation of previous exploration.
Sample security	*The measures taken to ensure sample security.*	Pre-numbered bags were used, and samples were transported to ALS by company personnel. Samples were packed within sealed polywoven sacks.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The dataset associated with this reported exploration has been subject to data import validation. All assay data has been reviewed by two company personnel. No external audits have been conducted.

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.*	The Mt Isa Project consists of 34 tenements. The drilling reported herein was conducted on EPM26775, EPM26776 and EPM26904. These tenements are held by Mt Dockerell Mining Pty Ltd, a 100% owned subsidiary of Hammer Metals Limited. The areas reported herein are <u>not</u> part of the Mt Isa East Joint Venture with Sumitomo Metal Mining Oceania ("SMMO"). SMMO has the right to earn a 60% interest by expending $6,000,000 by 31 March 2024 with a minimum expenditure commitment of $1,000,000 by 31 March 2020. No proportional ownership change occurs until such time as the $6,000,000 is expended and the current SMMO interest is 0%. See ASX announcement dated 25 November 2019, for details of the Joint Venture.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Previous holders held title either covering the tenement in part or entirely and previous results are contained in Mines Department records.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Overlander Prosect, located on EPM26776. The prospect consists of three distinct mineralisation styles: A shear zone hosted Cu (+- Co) style of mineralisation (which hosts the Overlander North and South shear zone hosted resources; Mineralisation associated with IOCG skarn style alteration at the Overlander North IOCG target; and disseminated mineralisation associated with the Overlander Rhyolite. The Orion Prospect located on EPM26775 is along strike from the Lakeview Prospect. Hammer Metals targeted a magnetic trend which is indicative of magnetite alteration within quartzite. This alteration was overlain at surface by an anomalous Au and Cu soil geochemical signature. The Ajax Prospect located on EPM26776 is located on the Trafalgar to Jubilee magnetic trend. Mineralisation at Ajax is little understood but associated with quartz vein zones with a higher pyrrhotite content. Recent EM undertaken at the prospect has defined a large conductive body to the east of Ajax. The Neptune group of Prospects located on EPM26904 has two styles of mineralisation both of which are associated with sheared lithological contacts. The hole reported herein was drilled at the Lady Rose prospect testing a magnetite alteration zone overlain but sporadic gossan outcrops.
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:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *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*	See the attached tables.

Criteria	JORC Code explanation	Commentary
	from the understanding of the report, the Competent Person should clearly explain why this is the case.	
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 reporting of metal equivalent values should be clearly stated.*	Intercepts are quoted at a 0.1% cut-off with included intercepts highlighting zones of increased grade of Cu and Au
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').*	The relationship between intersected and true thicknesses is difficult to interpret 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 avoiding misleading reporting of Exploration Results.*	Intercepts are quoted at a 0.1% Cu equivalent grade. Portions of a drillhole that are not quoted in the intercept table contain grades less that the quoted cut-off.
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.*	All relevant information is disclosed in the attached release and/or is set out in this JORC Table 1.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Hammer Metals is conducting further electromagnetic geophysics in the Ajax area and a diamond hole has recently been completed testing the Ajax EM conductor.

Criteria	JORC Code explanation	Commentary
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	