



Date: 27 July 2015

Hammer Metals raises \$1,000,000.

Hammer Metals Limited (ASX: HMX) or ("Hammer") wishes to advise that it has agreed terms for a placement to sophisticated investors at 6 cents per share which together with a convertible loan with a fixed 6 cents conversion price will raise \$1,000,600.

These funds will enable the Company to meet the immediate requirements for planned exploration at its exciting Mount Isa Projects in Queensland.

Placement

The placement of 5,843,334 shares at 6 cents per share for \$350,600 is being made to sophisticated investors utilizing the Company's placement capacity in accordance with ASX Listing Rule 7.1 and 7.1A. The Share placement incorporates a free attaching unlisted option ("Options") on the basis of one option for every two shares taken up. The Options will not be quoted and will be exercisable by payment of 10 cents on or before 24 months from the date of issue.

Directors Mr Russell Davis and Mr Alexander Hewlett wish to participate in the placement, subject to the approval of shareholders.

Convertible Loan

In addition to the placement the Company has agreed terms for a convertible loan of \$650,000 from its largest shareholder Deutsche Rohstoff AG, a German resources company listed on the Frankfurt Stock Exchange.

On execution of the loan agreement and receipt of the loan funds, the Company will issue a Convertible Note to the lender and allot 5,416,666 Options to acquire ordinary shares on the same terms as the placement. The Loan term is 24 months from the date of execution with interest accruing at 10% per annum.

The conversion price is set at 6 cents and the loan is convertible by either the Lender or the Company at any time during the term subject to the share price being above 6 cents and subject to a minimum of 12 months interest being paid. Should an election to convert all or part of the loan be made any such conversion is subject to shareholder approval if required.

The Directors are very pleased to have the support of investors and key shareholders. The proceeds from the fund raising will enable the Company to continue with its targeted exploration drilling programs on the Mount Isa Project in NW Queensland.

The Company will advise of the issue of shares and options and the drawdown of the convertible loan on receipt of cleared funds. A Notice of General Meeting together with an Appendix 3B and section 708A notice will be issued in due course.

- ENDS -

For further information, please contact:

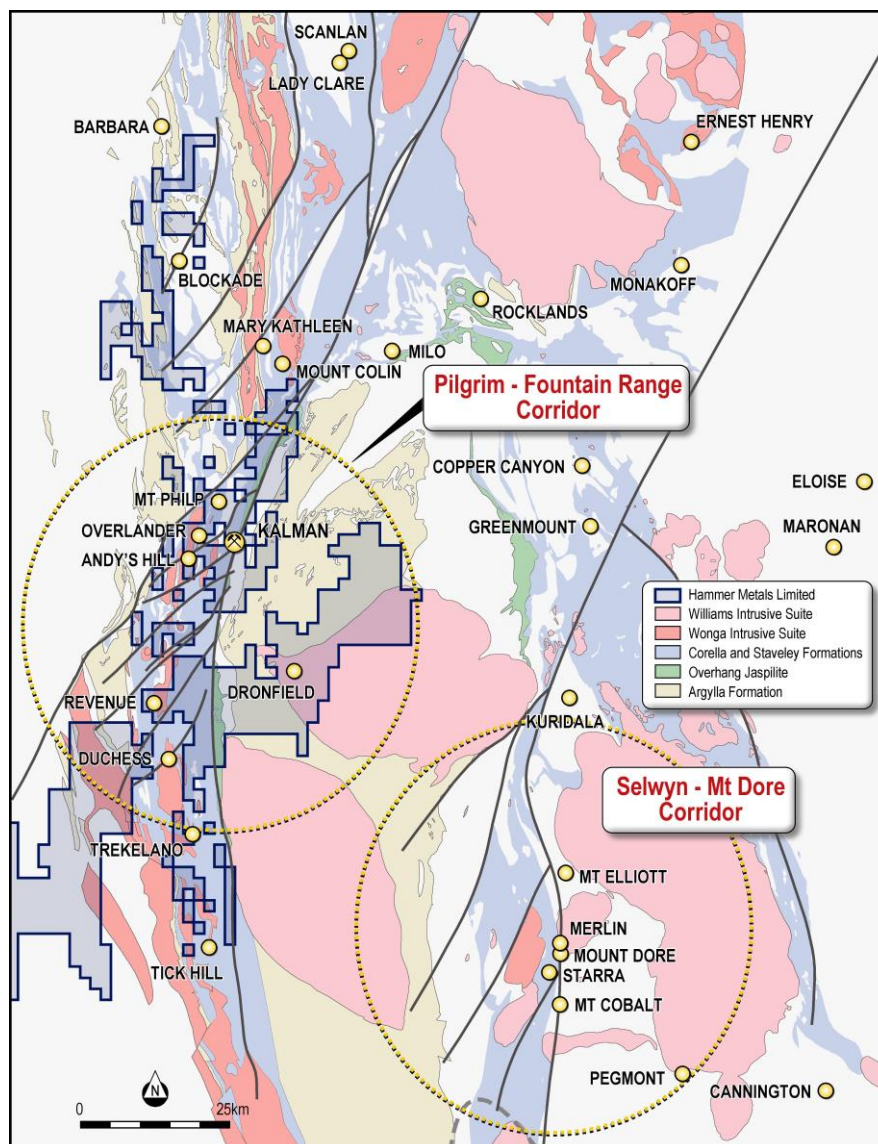
Alex Hewlett | Executive Director

For more information about Hammer Metals and its projects please visit our website
www.hammermetals.com.au



Hammer Metals Limited (ASX:HMX), is an advanced exploration company with a major land position (2000km²) in the Mount Isa Mineral Province in NW Queensland. The tenement package is sandwiched between several large resource houses including Glencore; BHP; Chinova and Copper Chem. Hammer is focused on developing base and precious metal resources in the district through targeted and carefully planned exploration and project acquisition activities.

Deutsche Rohstoff AG (www.rohstoff.de), is a Resources Company listed on the Frankfurt Stock Exchange in Germany. The company is focused on investing in and co-founding of oil & gas and mining & metals companies in Europe, Australia and North America. In Australia Deutsche Rohstoff AG has previously owned and operated the Wolfram Camp tungsten mine & Georgetown gold mine, both located in Far North Queensland.



Project Locations