



27 September 2017

Non Renounceable Entitlement Issue Supplementary Prospectus

Hammer Metals Limited ("**Hammer**" or "**the Company**") (ASX: HMX), advises that it has today lodged a Supplementary Prospectus dated 27 September 2017 with the Australian Securities Commission. The Supplementary Prospectus is attached and should be read in conjunction with the Prospectus for the Non-renounceable Entitlement Issue (the Offer) lodged with ASIC and ASX on 15 September 2017.

The Supplementary Prospectus notes that the Underwriter to the Offer (D J Carmichael) had advised the Company that they were terminating the Underwriting Agreement in accordance with its terms.

The effect of this termination is that the Offer is no longer underwritten, however the Offer will proceed as set out in the Prospectus and D J Carmichael will continue to act as the Lead Manager to the Offer on the terms set out in their mandate.

In addition, DJ Carmichael will assist the Company to place any Shortfall under the Shortfall Offer on a best endeavours basis.

For further information, please contact:

Mark Pitts
Company Secretary

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Hammer Metals Limited (ASX:HMX): Hammer Metals holds a strategic tenement position covering approximately 3,200km² 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, the Millennium (Cu-Co-Au) deposit as well as the recently acquired Elaine-Dorothy (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of the Ernest Henry style and has a range of prospective targets at various stages of testing.

HAMMER METALS LIMITED
ACN 095 092 158

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 15 September 2017 (**Prospectus**), issued by Hammer Metals Limited (ACN 095 092 158) (**Company**).

This Supplementary Prospectus dated 27 September 2017 was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus copies of which can be downloaded from the website of the Company at www.hammermetals.com.au

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

2. UPDATE ON UNDERWRITING

The purpose of this Supplementary Prospectus is to provide Eligible Shareholders with an update on the Underwriting Agreement between the Company and DJ Carmichael Pty Limited (**DJ Carmichael**) in relation to the Offer.

Clause 13.1(b) of the Underwriting Agreement states that the Underwriter may terminate its obligations under the Underwriting Agreement if:

(Share Price): the Company's Shares quoted on the ASX and trading under the ticker "HMX" having a closing price at any time after the date of this Agreement which is less than the Price of the Rights Shares for two consecutive trading days..."

On 21 September 2017, the Share price of the Company for two consecutive trading days closed below \$0.035, meaning that the above termination event has been triggered. On 25 September 2017, the Underwriter advised the Company that it was terminating the Underwriting Agreement, but would continue to act as Lead Manager to the Offer.

3. EFFECT OF TERMINATION

The termination of the Underwriting Agreement has the following effects on the Offer:

- (a) the Offer is no longer underwritten;
- (b) the Offer will proceed as set out in Section 4 of the Prospectus and the Shortfall will be allocated as described in Section 4 below;

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- (c) DJ Carmichael will continue to act as the Lead Manager to the Offer on the terms set out in their mandate summarised in Section 8.6 of the Prospectus;
 - (d) DJ Carmichael will assist the Company to place any Shortfall under the Shortfall Offer on a best endeavours basis; and
 - (e) there will be no minimum subscription under the Offer.

The Company notes that the closing Share price on the day before lodgement of this Supplementary Prospectus was 3.5 cents, which is equal to the price at which Shares are being offered under the Offer.

4. ALLOCATION OF SHORTFALL AND USE OF FUNDS

- (a) Section 4.8 of the Prospectus sets out the process for the allocation of Shortfall under the Shortfall Offer. That allocations is amended slightly as follows:

Shortfall allocation will be given priority as follows:

- (i) firstly, to Eligible Shareholders applying under the Shortfall Offer in excess of their Entitlement who are not related parties of the Company as defined in the Corporations Act;
 - (ii) secondly to persons nominated by the Lead Manager (DJ Carmichael); and
 - (iii) thirdly, to other applicants who complete an Application Form, at the sole discretion of the Directors.
- (b) As the Offer is no longer underwritten, the Company has removed the minimum subscription. There is no longer any minimum subscription under the Offer. As such funds received under the Offer less than the full subscription will be allocated as follows:
 - (i) firstly, toward the expenses of the Offer;
 - (ii) secondly, to the exploration and target generation programmes at Mt Isa up to the combined total of \$650,000; and
 - (iii) thirdly, to administration costs and working capital.

5. APPLICATIONS

As the Offer has not yet opened prior to the date of this Supplementary Prospectus, this Supplementary Prospectus will be mailed out to Eligible Shareholders together with the original Prospectus and the Entitlement and Acceptance Form for each Eligible Shareholder. Applications can still be made by using the Entitlement and Application Form received with this Supplementary Prospectus and by following the instructions set out in Section 4.3 of the Prospectus.

6. **DIRECTORS' AUTHORISATION**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Russell Davis
Executive Chairman
For and on behalf of
HAMMER METALS LIMITED

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