



23 May 2016

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## Share Placement Raises approximately \$1.2 million to Accelerate Drilling

Hammer Metals Limited (“**Hammer**” or “**the Company**”) (ASX: HMX), is pleased to advise that it has finalised terms for a share placement for the issue of new shares to raise approximately \$1.2 million, with the assistance of its financial advisor Argonaut.

### Terms of Share Placement

The placement of approximately 18,500,000 shares at 6.5 cents per share will be made to sophisticated investors including existing shareholders and new investors.

The placement is subject to shareholder approval being received to refresh the Company’s placement capacity at the upcoming General Meeting to be held on 10 June 2016.

An Appendix 3B and section 708A notice will be issued in due course.

### Use of Funds

The Company will use the proceeds (net of offer expenses) from this Placement to rapidly accelerate exploration at its Mount Isa project in NW Queensland, including drilling of the **Scalper copper-gold** prospect and the recently purchased **Millennium copper-cobalt-gold** project, and for working capital purposes.

It is anticipated that drilling will commence late in June after drill hole positions are finalised and heritage clearances obtained. Drilling at Millennium is designed to follow up high grade cobalt and copper intersections with the objective of outlining a JORC standard resource estimate as soon as possible. (Refer ASX release 4th May 2016)

The funds raised from this capital raising along with placement announced on 7 April 2016 will also allow the Company to plan for drilling at Hammertime and follow up drilling at Kalman Deeps.

### Unlisted Adviser Options

In addition, and in consideration of the strategic advisory role Argonaut is mandated to carry out, the Board has agreed to issue 5 million unlisted options (Options) to Argonaut, subject to the Company receiving shareholder approval to refresh its placement capacity at the upcoming general meeting. The Options will be exercisable by payment of 7.5 cents on or before expiry (three years from the date of issue).

The Options shall vest on occurrence of any one of the following:

- i) Hammer maximising or otherwise monetising the value of its Mount Isa / Cloncurry mineral interests through, amongst other things, a centralised processing facility as determined by the Board; or
- ii) Hammer’s share price closing in excess of 10 cents for a period of three continuous days in the period up to 31 December 2016; or
- iii) A change of control event.



- ENDS -

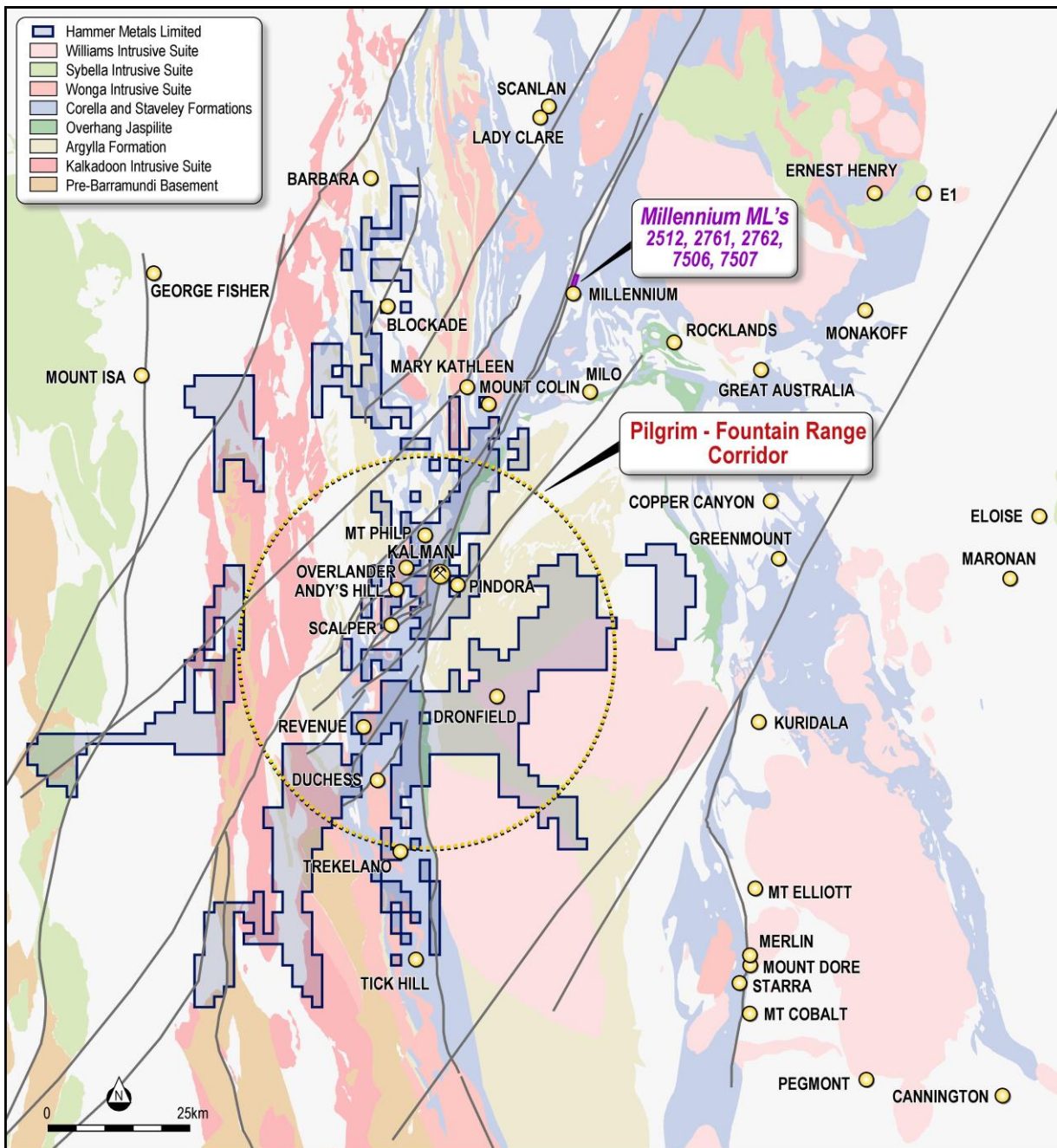
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**Hammer Metals Limited (ASX:HMX)**, is an advanced exploration company with a major land position (2600km<sup>2</sup>) in the Mount Isa Mineral Province in NW Queensland. The tenement package is sandwiched between several large resource houses including Glencore, BHP and Chinova. Hammer is focused on developing base and precious metal resources in the district through well-targeted exploration and project acquisition activities.



Mount Isa Project