



Date: 30 April 2013

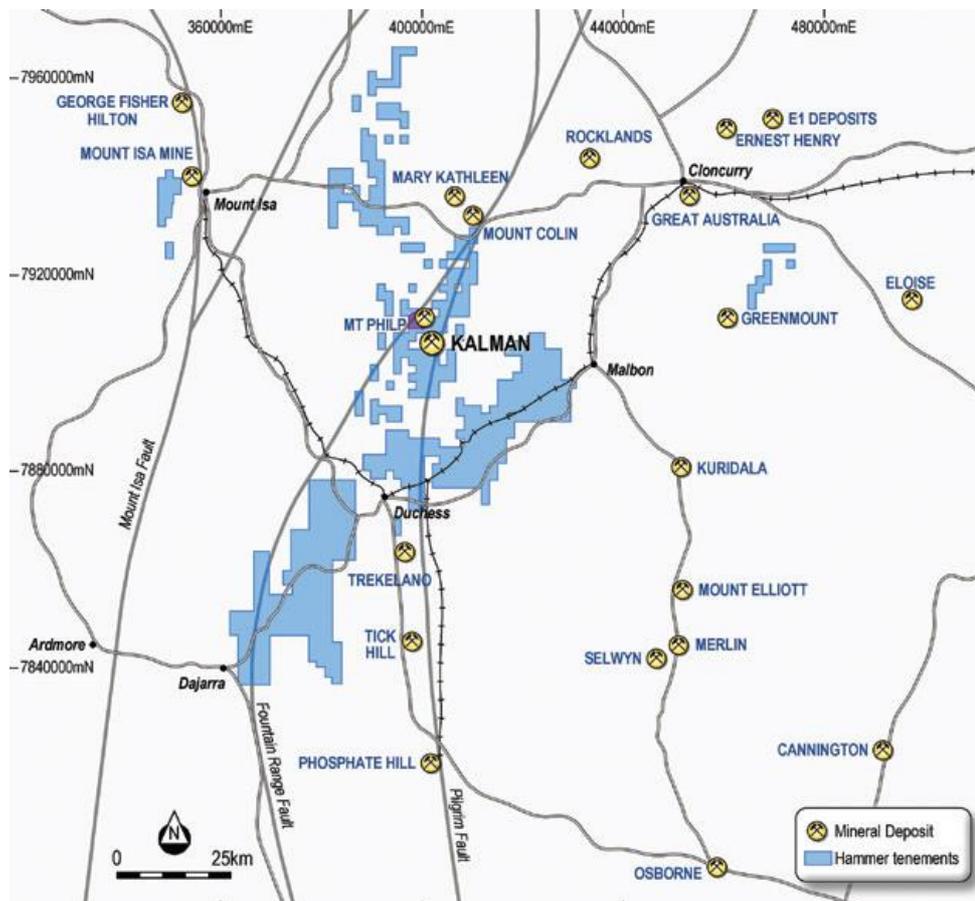
Large IOCG Targets Defined

Hammer Metals Limited ("Hammer" ASX:HMX) wishes to report preliminary outcomes of an ongoing geological and geophysical review of the broader mineralisation styles within its Mount Isa project portfolio.

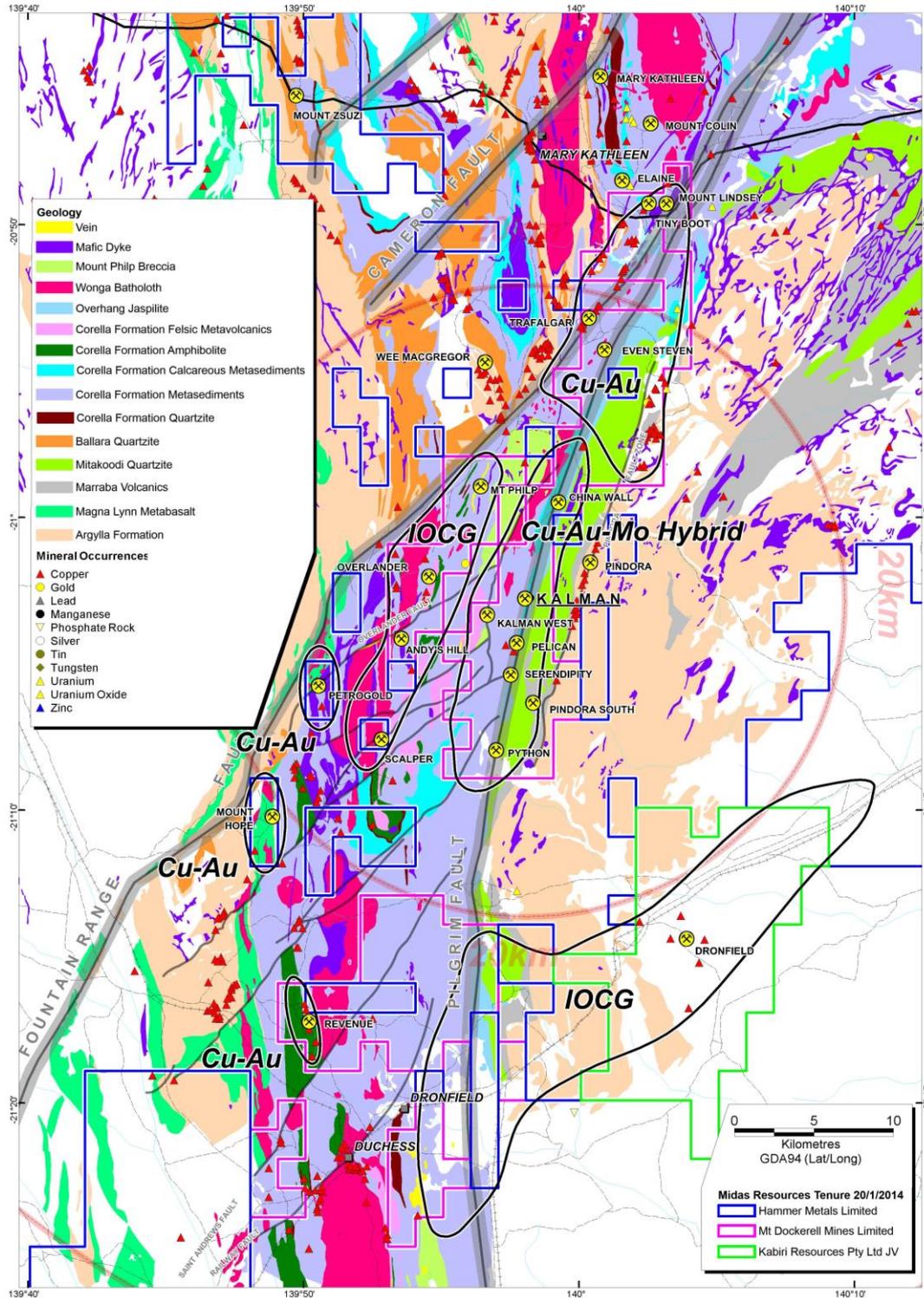
Of particular significance is the emerging prospectivity of several of the large Iron Oxide Copper Gold (IOCG) systems, in addition to Hammer's Kalman Cu-Au-Mo-Re deposit, that have been highlighted both by the review and Hammer's ongoing field programs.

These systems will become the focus of a rigorous exploration effort to discover the type of world class IOCG ore bodies such as the 167Mt Ernest Henry Copper-Gold deposit near Cloncurry.

The review process has led the company to assess the various datasets for the Andy's Hill, Overlander, and Mt Philp trend as well as the Dronfield area for which Hammer announced a farm-in agreement with Kabiri Resources Pty Ltd in late 2013.



Hammer Metals Tenement Locations Mount Isa



Tenements and Target Styles



Andy's Hill is situated between the Fountain Range and Pilgrim Fault zones just south of Overlander. A 2011 diamond drill hole designed to test a strong magnetic anomaly and ground based EM anomaly, intersected significant hydrothermal magnetite and hematite (red rock) alteration within a broad altered and brecciated zone of calcareous sediments of the Corella Formation containing elevated copper, gold and REE's (298m at 0.1% Cu from 119m and 47m at 0.28% La + Ce from 290m in AHD001). A subsequent down-hole EM survey identified an off-hole conductor approximately 50m to the south of the hole. This conductor represents a high priority exploration target for a more conductive sulfide source to what is clearly an IOCG system. The presence of strongly elevated levels of Lanthanum (La) and Cerium (Ce), two "light" rare earth elements that can be found in IOCG deposits including Olympic Dam and Ernest Henry is considered highly significant.

The **Overlander West** magnetic anomaly occurs in a similar stratigraphic position 4 km to the north of Andy's Hill, though offset to the east by the Overlander Fault. The recently announced Overlander North copper resource (Refer to ASX announcement dated 17/01/2014) occurs at the contact of the Corella Formation meta-sediments to the west and an altered felsic volcanic unit to the east. The meta-sediments at Overlander West contain a strong magnetic high and preliminary RC drilling has identified strong red rock alteration, magnetite and disseminated copper mineralization, including 76m at 0.18% Cu from 0m in OVR014 at the margins of this alteration zone. Recent drilling further south at Overlander South has also intercepted extensive alteration and mineralisation within the felsic volcanic units as well as the meta-sediments highlighting the extent of the alteration and mineralisation along the six kilometre long Overlander – Andy's Hill trend.

The **Mt Philp** Iron deposit is a hematite-silica body approximately 4 km in strike length located 5 km north of Overlander. Previous surface rock chip sampling returned low base metal values but evaluation of some of the deeper resource drill holes through the hematite body at the southern end of the deposit has identified disseminated copper sulphide mineralization, including 19m at 0.11% Cu (incl. 4m at 0.23% Cu) from 212m in K-27, in association with red rock alteration. This raises the exciting potential for IOCG mineralisation to occur below the barren hematite cap.

The **Dronfield** IOCG target is located within EPM 18084 for which Hammer has recently signed a farm-in agreement with Kabiri Resources Pty Ltd. (Refer to ASX release dated 11/12/2013.) The tenement covers a strongly magnetic zone along the northern margin of the Wimberu Granite. Previous work in the area has identified several zones of strong copper-gold anomalism associated with red rock alteration and magnetite but no drilling aside from shallow RAB geochemical drilling has been undertaken.

Hammer considers each of these areas to have significant technical merit for large IOCG deposits. The amount of previous exploration work completed to date on each target is preliminary but sufficient to demonstrate their considerable potential.

Work will now focus on the collection of additional geochemical and geophysical information, using gravity, magnetic and electrical methods, to advance our understanding of these targets and to enhance drill targeting.

A 2000m RC drilling program has recently been completed at Overlander North and Overlander South as well as the Pelican, Serendipity and Python targets south of Kalman. Samples have been submitted to the laboratory and results are pending.

- ENDS -

For further information, please contact:

Alex Hewlett | Executive Director



Competent Person Statement

The information in this report as it relates to exploration results and geology was compiled by Mr John Downing, who is a Member of the Australian Institute of Geoscientists and a full time employee of the Company. Mr Downing has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Downing consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.