



28 June 2017

EXPLORATION AND DEVELOPMENT INCENTIVE SCHEME

Hammer Metals Limited (Hammer or the Company) (ASX: **HMX**) is pleased to announce exploration credits will be distributed to eligible shareholders through the Federal Government's Exploration Development Incentive Scheme ("EDI").

- The EDI is intended to encourage shareholder investment in exploration companies undertaking greenfields mineral exploration in Australia by allowing junior exploration companies to distribute a portion of their tax losses to shareholders as tax credits.
- The Australian Taxation Office ("ATO") has confirmed that a modulation factor of 1.0 is to apply for the purposes of calculating an entity's eligible exploration expenditure for the 2015-16 financial year, meaning that 100% of the 2016 EDI credits can be distributed by the Company to eligible shareholders.
- EDI credits totalling \$199,612 will be distributed to eligible shareholders as a tax credit for the 2016-17 tax year.
- The benefit received by eligible shareholders is based on the pro-rata number of shares held at the Record Date as a proportion of the total shares on issue. The Record date is 30 days prior to the date of issue.

The Company is pleased to announce that it will issue entitlement statements to eligible shareholders on 28th June 2017. The Record Date for entitlement is therefore 29th May 2017. All Australian resident shareholders recorded on the Company's register on the Record Date will receive an entitlement statement upon completion of the issue.

Based on the number of shares on record on the record date, the EDI credit amounts to 0.10 cents per share (\$0.0010).

The Company's carried forward losses have been reduced proportionately to reflect the amount of exploration credits created.

Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset (for shareholders who are individuals or superannuation funds) or franking credits (for shareholders who are companies). Non-resident shareholders are not eligible to use the exploration credit. It is strongly recommended that each shareholder seek their own specific taxation advice.

Further information on the EDI can be located on the ATO's website:

<http://www.ato.gov.au/business/exploration-development-incentive/>

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) 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. ABN 87 095 092 158

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