



18th July 2017

DRILLING TO COMMENCE AT KALMAN WEST AND REVENUE

Hammer Metals Limited (Hammer) **(ASX: HMX)** wishes to advise that a RC drilling program is scheduled to commence at the Kalman West Cu-Au-Pb-Zn-Graphite Prospect and the Revenue Cu-Au Prospect southeast of Mount Isa.

Kalman West is located approximately 1km west of the Kalman Cu-Au-Mo-Re Deposit. Geochemical sampling has outlined a multielement soil anomaly partially coincident with a zone of graphitic schist and a high priority VTEM target. Up to five holes are planned at the prospect to test a combined soil anomaly which has peak values of 210ppb Au, 900ppm Cu, 1100ppm Zn and 2000ppm Pb. There is a clear separation between the Cu-Au and Pb-Zn soil anomalies. Hammer surface sampling (ASX:HMX 19/5/2017) indicates that the graphite is grading between 7.42 and 9.92% TGC and graphite flake size can be up to 1.2mm in length. Revenue is located 30km southwest of Kalman. The prospect is hosted within the Corella Formation adjacent to a granite body from the Wonga Intrusive suite. This granite is also located proximal to the Overlander Cu-Co Resource and the Overlander, Andy's Hill and Scalper IOCG targets. Up to three holes are planned at this prospect to test a zone of Cu-Au mineralisation which has historic drill intersections of up to 5m @ 2.85% Cu and 0.31g/t Au.

Drill samples will be analysed for a 40+ element suite (including rare earth elements). Initial assay results are expected to be received in mid to late August.

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.

For further information, please contact:

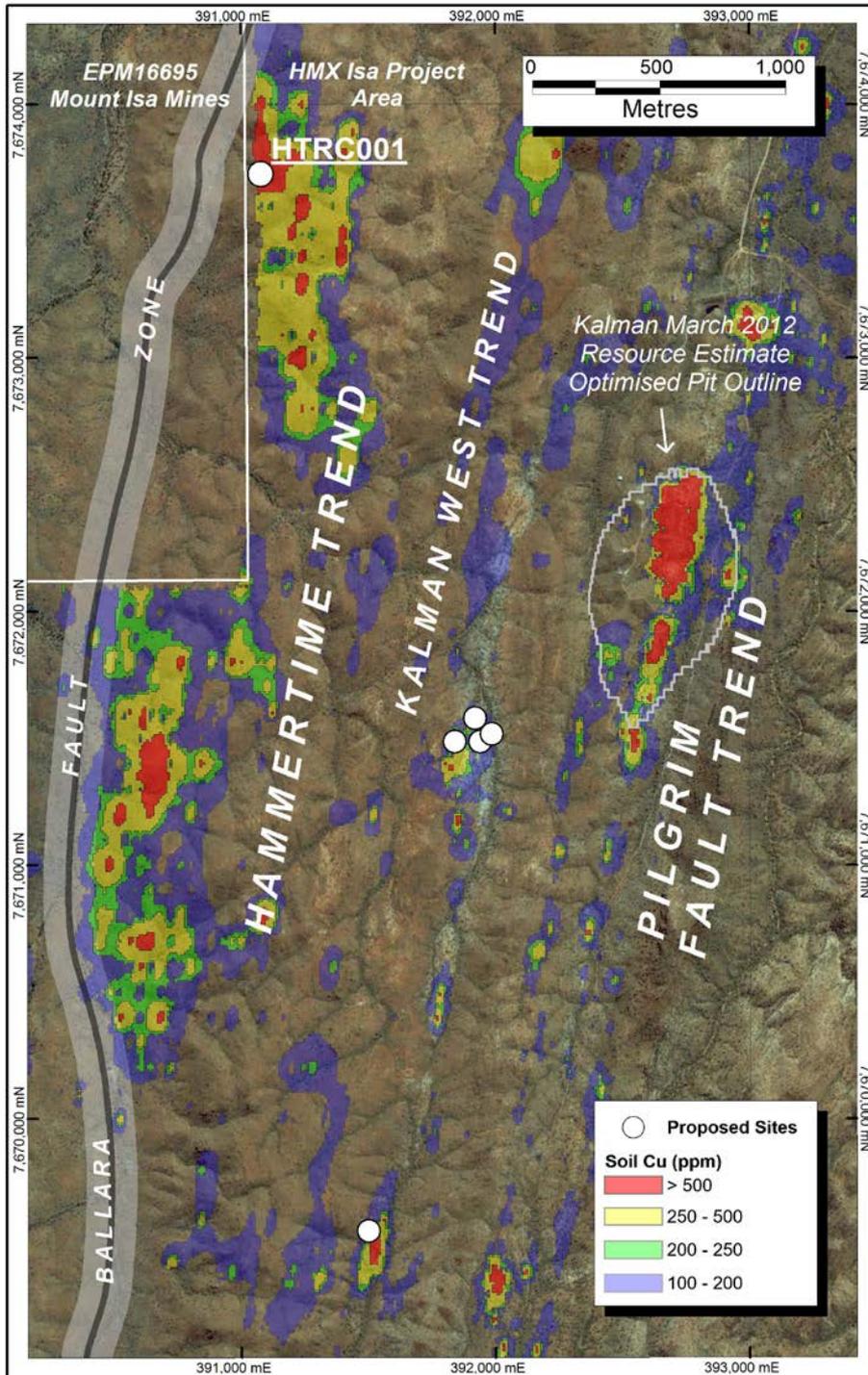
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Competent Person's Statement:

Exploration Results

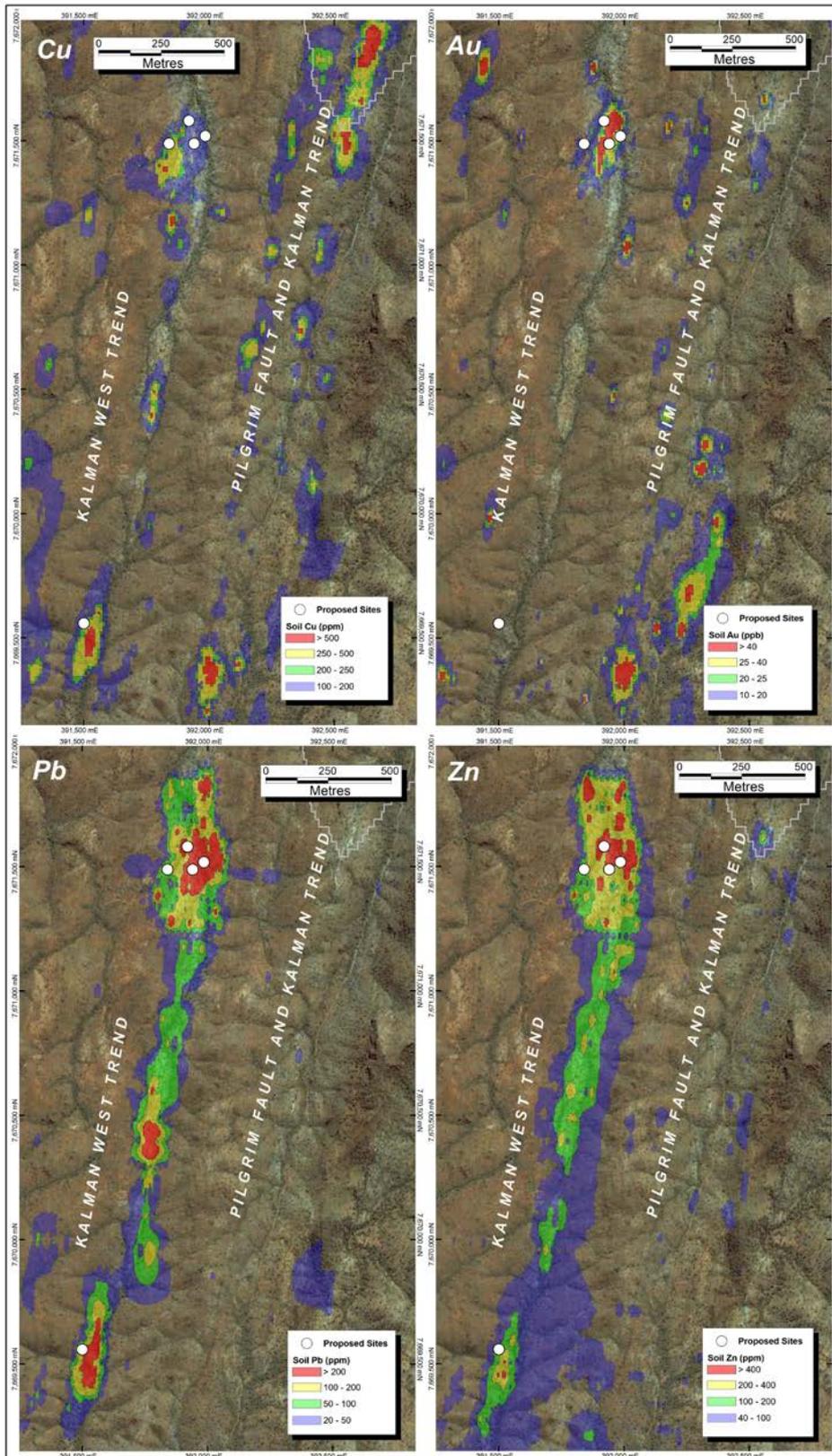
The information in this report as it relates to exploration results and geology was compiled by Mr. Mark Whittle, who is a Member of the AusIMM and a consultant to the Company; and is a shareholder and option-holder. Mr. Mark Whittle has sufficient experience which is relevant to the style of mineralisation 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. Whittle consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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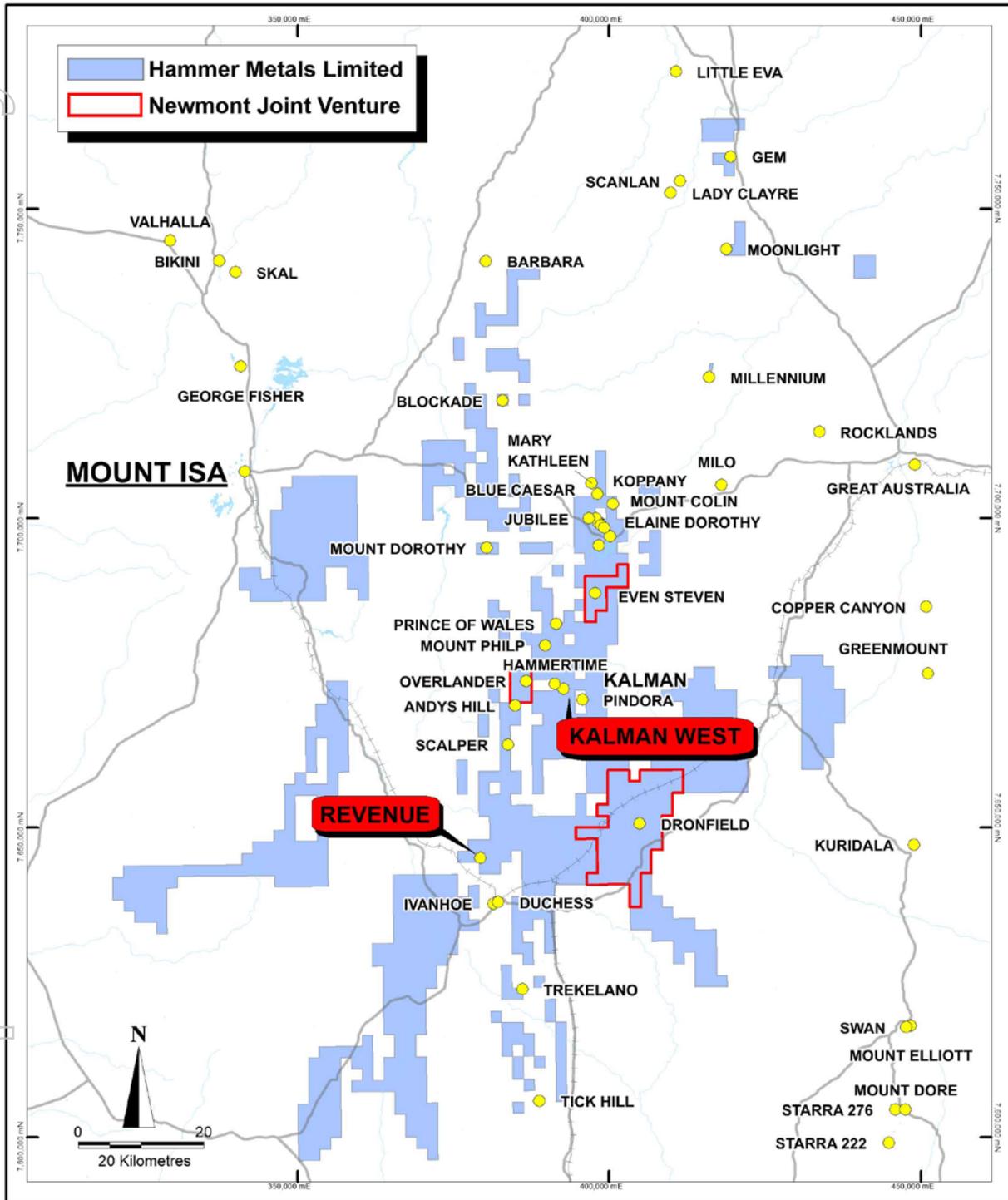


Kalman, Kalman West and Hammertime overview showing the location of planned drilling in comparison to copper soil geochemistry. Note the size of the Hammertime Copper anomaly in comparison to that of Kalman.

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Multielement soil anomalism associated with the Kalman West structure



Hammer's Mount Isa Project and Joint Venture Area