



6 September 2017

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## Terms Agreed for Share Placement and Entitlement Issue to raise approximately \$2.4 million

Hammer Metals Limited ("**Hammer**" or "**the Company**") (ASX: HMX), is pleased to advise that it has finalised terms for a share placement and fully underwritten entitlement issue to raise approximately \$2.4 million ("**the Offers**").

Hammer is pleased to announce the appointment of D J Carmichael Pty Limited ("**DJC**") to assist it with a capital raising and to assist the Board in identifying and evaluating opportunities for maximising the value of its extensive exploration portfolio in the Mount Isa region. In addition to fees associated with the Offers (outlined below), DJC will receive advisory and success fees for its work on industry accepted commercial terms.

### Terms of Share Placement

A placement of approximately 35,500,000 shares at \$0.035 per share to raise \$1,242,500 ("**Placement**") will be made to sophisticated investors. The shares will be issued within Hammer's current placement capacity under ASX Listing Rules 7.1 (15,794,033 shares) and 7.1A (19,705,967 shares).

Firm bids for the Placement have been received and an Appendix 3B and section 708A notice will be issued in due course on finalisation of applications and receipt of cleared funds.

### Entitlement Issue

Hammer confirms that it plans to undertake a non-renounceable entitlement offer to raise up to approximately \$1.17 million before costs ("**the Entitlement Offer**").

The Entitlement Offer will be for up to approximately 33,437,096 fully paid ordinary shares ("**Shares**") at an issue price of \$0.035 per Share on the basis of 1 Share for every 7 Shares held on the record date to raise up to approximately \$1.17 million before expenses. Further details including the timetable, the key risks and how to accept the Entitlement Offer, will be set out in a prospectus to be lodged with the ASIC as soon as practicable ("**Prospectus**").

The Entitlement Offer is proposed to be fully underwritten by DJC, subject to execution of an Underwriting Agreement, and will enable existing shareholders to participate on the same terms as the placees and deliver sufficient funds to ensure continued exploration of its extensive tenement portfolio. Recipients in the Placement will be entitled to participate in the Entitlement Offer.

In accordance with the ASX Listing Rules, eligible shareholders have been determined to comprise those shareholders with a registered address in Australia, New Zealand, Hong Kong and Germany.

### Use of funds

The Company will use the net proceeds from the Offers to continue with planned exploration on its 100% owned non-JV tenements in the Mount Isa Mineral Province, general working capital; and expenses associated with the Offers.



These additional funds will allow Hammer to accelerate concurrent work on copper-gold target generation and drill hole planning, with a focus on continuing drilling at the Company's **Kalman West and Revenue** projects.

This work will be followed by new field programs including drilling at Hammertime, Elaine and selected VTEM targets along the Pilgrim Fault zone, which will provide Hammer with a strong level of news flow over coming months.

#### *Prospectus and timetable*

The Prospectus is currently being prepared; once received, eligible shareholders should carefully read the Prospectus and accompanying entitlement and acceptance form. Hammer expects to despatch the Prospectus on 26 September 2017 in accordance with the timetable outlined below.

Event	Date*
Announcement of Offers	6 Sept 2017
Lodgement of Appendix 3B with ASX	14 Sept 2017
Prospectus lodged at ASIC and ASX	14 Sept 2017
Notice sent to Shareholders	19 Sept 2017
"Ex" Date (date Shares are quoted ex-rights)	20 Sept 2017
Record Date to determine Entitlements	5.00pm (WST) 21 Sept 2017
Prospectus (together with Entitlement and Acceptance Form) despatched to Shareholders	26 Sept 2017
Opening Date	26 Sept 2017
Closing Date**	11 Oct 2017
Shares quoted on a deferred settlement basis	12 Oct 2017
Notification to ASX of under subscriptions	16 Oct 2017
Allotment date with respect to Shares and Options	18 Oct 2017

\* These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

\*\* The Directors may extend the Closing Date by giving at least three Business Day's notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

#### **Terms of the Underwriting**

DJC will be Lead Manager and Underwriter to the Offers and the Company has agreed the following terms in respect of the Offers:

- Commission of 5% of the gross amount raised under the Offers;
- Issue of 1,428,571 ordinary shares in Hammer (Broker Shares), the equivalent of \$50,000 at the Offer price;
- Issue of up to 2,412,798 unlisted options to acquire ordinary shares exercisable at \$0.07 on or before 31 August 2020 (Broker Options).



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**Hammer Metals Limited (ASX:HMX):** Hammer Metals holds a strategic tenement position covering approximately 3,200km<sup>2</sup> 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.