



Date: 6 February 2015

Allotment and Issue of Securities

Hammer Metals Limited (Hammer) (ASX: **HMX**), wishes to confirm the allotment and issue of 15,625,000 ordinary shares together with 3,811,953 attaching unlisted options to sophisticated investors at 8 cents to raise \$1,250,000.

The placement is made pursuant to the Company's placement capacity under listing rules 7.1 and 7.1A as follows; 7,410,219 ordinary shares and 3,811,953 unlisted options pursuant to listing rule 7.1 and the balance of 8,214,781 ordinary shares pursuant to the Company's 7.1A placement capacity.

7.1A DISCLOSURE

The following 7.1A disclosure is in respect of the issue of 8,214,781 ordinary fully paid shares, issued within the Company's 7.1A placement capacity pursuant to the share placement announced to the ASX on 3 February 2015.

The Company provides the following information in accordance with Listing Rule 3.10.5A:

(a) Details of the dilution to the existing holders of ordinary securities caused by the issue.

Number of shares held by existing shareholders before the Placement	82,147,815
Number of Shares on issue after the Placement (Issued pursuant to LR 7.1A)	97,772,815
% dilutionary effect of Placement on existing shareholders before the Placement	19.02%

Further details of the approximate percentage of the issued capital post the 7.1A placement held by the pre-placement security holders and new security holders is as follows:

Pre-placement security holders who did not participate in the placement	100.00%
Pre-placement security holders who did participate in the placement	0.00%
Participants in the placement who were not previously security holders	100.00%



- (b) Where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate.**

It was the Company's view that a pro rata issue would not deliver the necessary capital in the required timeframe and in addition it was considered that the level of support likely to be received from existing shareholders would not be sufficient.

- (c) Details of any underwriting arrangement, including any fees payable to the underwriter.**

No underwriting arrangements or underwriting fees are payable.

- (d) Any other fees or costs incurred in connection with the issue.**

There are no reimbursable expenses and fees payable to non-related parties in respect of the arrangement of the share placement.

An Appendix 3B and section 708A notice are attached for immediate release.

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For further information, please contact:

Alex Hewlett | Executive Director