



20 August 2018

Notice Letter dispatched to Shareholders

Hammer Metals Limited (Hammer or the Company) (ASX: **HMX**) is pleased to announce that the attached letter was sent to shareholders today, 20 August 2018, in accordance with the notice requirements for the recently announced non-renounceable rights issue of options to raise approximately \$806,776 before expenses. (Offer)

The Rights Issue is being made to Eligible Shareholders on the basis of three (3) Options for every five (5) shares held by Eligible Shareholders registered at 5pm (Perth) Wednesday, 22 August 2018 (the "Record Date"). The price of Options under the Offer is 0.5 cents (\$0.005 per Option), and each option is exercisable at 3 cents (\$0.03) on or before 30 September 2020.

The Offer has been fully underwritten by DJ Carmichael Pty Ltd.

As a reminder the following table sets out the key dates for the Rights Issue

Event	Date
Prospectus and Appendix 3B lodged with ASX	16 August 2018
Notice of Rights Issue sent to security holders	20 August 2018
Existing shares quoted on an 'ex' basis	21 August 2018
Record date	5.00pm (WST) 22 August 2018
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	24 August 2018
Offer Period Closes	7 September 2018
Securities quoted on a deferred settlement basis.	10 September 2018
Notification of under-subscriptions to ASX (if any)	12 September 2018
Holding statements despatched and Options issued	14 September 2018
Quotation of Options under the Offer	19 September 2018

For further information, please contact:

Mark Pitts | Company Secretary

Hammer Metals

info@hammermetals.com.au



20 August 2018

Dear Shareholder

Hammer Metals Limited – pro-rata non-renounceable entitlement issue of options

As announced on 2 August 2018 Hammer Metals Limited (ACN 095 092 158) (**Hammer**) is undertaking a pro rata non-renounceable entitlement issue of Options (**Offer**) on the basis of 3 new Options for every 5 Shares held on the record date, to raise approximately \$806,776 before expenses through the issue of approximately 161,335,205 Listed Options (**Options**). The price of Options under the Offer is \$0.005 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 16 August 2018.

The Offer is fully underwritten by DJ Carmichael Pty Ltd (**Underwriter**). The Company must pay the Underwriter a fee of 6% of the total amount raised pursuant to the Offer, to be satisfied through the issue of 2,305,047 shares and up to 806,776 unlisted options exercisable at \$0.07 on or before 31 August 2020 (**Underwriter Options**), on the basis of 1 Underwriter Option for each \$1 of Underwritten Securities raised by the underwriter. The Company must also reimburse the Underwriter for costs incidental to the Offer.

The Company will use the net proceeds from the Offer to accelerate exploration at the Company's Mt Isa Projects, for new project generation and to supplement working capital.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 22 August 2018, **whose registered address is in** Australia, New Zealand or Hong Kong. (**Eligible Shareholders**)

Upon exercise of the Options, the shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

The Company will seek quotation of the Options on the ASX.

Following completion of the Offer, the Company will have issued approximately 161,335,205 Options, resulting in the total number of options on issue of approximately 183,874,779. The Company currently has 268,925,341 shares on issue and has agreed to issue 2,305,047 shares in lieu of underwriting fees, on completion of the Offer total shares on issue will be 271,230,388.

A copy of the Prospectus is available on ASX's and Hammer's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 24 August 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded down to the nearest whole number of Options.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Options pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Advanced Share Registry (**Share Registry**) by no later than 5.00pm (WST) on 7 September 2018, **making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form** OR by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies.



- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5.00pm (WST) on 7 September 2018, **by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.005 per New Share)** OR by completing and returning your Entitlement and Acceptance Form by filling in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Shareholders will be given the option to subscribe for Options above their entitlement, those who wish to subscribe for Options above their Entitlement are invited to apply for additional Options under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Options using BPAY®.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX	16 August 2018
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If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for Options, please contact your financial adviser or Mark Pitts, Hammer's Company Secretary, on +61 8 9316 9100.

Yours sincerely

Russell Davis
Executive Chairman