

MOUNT ISA EAST JV UPDATE

ASX RELEASE

9 April 2021

DIRECTORS / MANAGEMENT

Russell Davis

Chairman

Daniel Thomas

Managing Director

Ziggy Lubieniecki

Non-Executive Director

David Church

Non-Executive Director

Mark Pitts

Company Secretary

Mark Whittle

Chief Operating Officer

CAPITAL STRUCTURE

ASX Code: HMX

Share Price (8/04/2021)	\$0.098
Shares on Issue	750m
Market Cap	\$73m
Options Unlisted	27m
Performance Rights	6.5m

- **JOGMEC commences tender process to potentially secure a strategic long term Japanese natural resources company** to partner Hammer in the Mount Isa East Joint Venture (“JV”)
- Following exploration success at Trafalgar, **JOGMEC has received multiple unsolicited approaches regarding their interest in the JV**
- JOGMEC’s investment mandate was **to secure rights to offtake** (in proportion to its ownership) **of copper and other metals to Japan**
- **Copper-gold discovery at Trafalgar has triggered significant interest in the JV** with JOGMEC having accomplished its primary objective of identifying and securing potential copper resources suitable for future supply to Japan
- Discovery provides an appropriate stage for **JOGMEC to potentially exchange their position in the JV to one of a select group of pre-qualified Japanese companies**
- New partner to advance the exploration programs and will add significant project development and finance expertise for any development of the Trafalgar trend
- The deadline for bids is due 22nd June 2021
- **JV Exploration activities will continue unaffected by the tender process** with the JV agreeing to a work program and budget for Trafalgar **for the period of April to July.**
- **Exploration activities** along the Trafalgar trend **are ongoing with a drilling program scheduled to recommence towards the end of April**

Hammer Metals Ltd (ASX:HMX) (“Hammer” or the “Company”) continues to progress its activities in the Mount Isa East Joint Venture with JOGMEC. JOGMEC is able to earn a 60% interest in the JV area by contributing \$6,000,000 to the JV with an expenditure commitment of \$1,000,000 in the Third-Earn-In Period to 31 March 2022 (see ASX Announcement 25 November 2019).

The Trafalgar copper gold discovery has accelerated JOGMEC’s plans for the Joint Venture and having secured a highly prospective opportunity at Trafalgar, several experienced Japanese natural resource companies are now eager to evaluate the JV project and potentially take it to the next stage of exploration and development.

Whilst the process of the potential exchange of position in the JV progresses, the exploration activities of the JV will continue unaffected with further drilling and exploration activities planned for April on the Trafalgar project and surrounding trends.

Hammer's Managing Director, Daniel Thomas said:

"Our Joint Venture with JOGMEC has shown tremendous progress over an 18-month period with the discovery of the Trafalgar copper and gold deposit. The potential of the JV has been recognised by major Japanese end user copper customers and in line with JOGMEC's investment mandate, they are obliged to complete a defined tender process to elicit firm bids from a select list of suitably qualified and focussed Japanese resource companies

The companies who have already expressed an interest to JOGMEC are all well credentialed parties that are active in the exploration, development, and production of natural resources. These companies have strong balance sheets and share similar operational philosophies to Hammer and if a transaction occurs, they would be welcome long term strategic partners in the development of the Trafalgar trend.

The process has firm timelines with a commitment from JOGMEC to continue exploration activities in a 'business as usual' manner. We look forward to returning to exploration at Trafalgar in the near term whilst also continuing our strong working relationship with the team at JOGMEC."

This announcement has been authorised for issue by the Board of Hammer Metals Limited in accordance with ASX Listing Rule 15.5.

For further information please contact:

Daniel Thomas
Managing Director

T +61 8 6369 1195

E info@hammermetals.com.au

- END -

About Hammer Metals

Hammer Metals Limited (ASX: HMX) holds a strategic tenement position covering approximately 2,200km² 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 and the Elaine (Cu-Au) deposit. Hammer also has a 51% interest in the Jubilee (Cu-Au) deposit. Hammer is an active mineral explorer, focused on discovering large copper-gold deposits of Ernest Henry style and has a range of prospective targets at various stages of testing.

Hammer also has a 100% interest in the Bronzewing South Gold Project located adjacent to the 2.3 million-ounce Bronzewing gold deposit in the highly endowed Yandal Belt of Western Australia.

About JOGMEC

Japan Oil, Gas and Metals National Corporation is a Japanese government Independent Administration Institution tasked to ensure a stable supply of mineral resources for Japan. JOGMEC has a demonstrated track record of participating in the Australian mineral exploration industry. Further details about JOGMEC can be found on the corporation's website: <http://www.jogmec.go.jp/english/index.html>