



Press release

October 2016

## Deutsche Rohstoff: Hammer Metals releases results from Millennium and Scalper drilling campaigns

New resource estimate for Kalman with higher grades

**Mannheim/Perth.** Hammer Metals, 17.84 % owned by Deutsche Rohstoff, announced further results of its completed drilling campaigns on their “Millennium” and “Scalper” tenements. The company also announced a new resource estimate for its 100% owned “Kalman” deposit.

Since the acquisition of the “Millennium” tenements near the town of Cloncurry in May this year Hammer has drilled 25 exploration holes, totalling 3,857 m. The company has now received all assay results, containing some significant intersects, such as 4 m at 0.51% Co in drill hole MIRC013 and 8 m at 0.35% Co in drill hole MIRC023. Further, exploration hole MIRC019 identified a 10 m high-grade silver-lead zone with average silver grades of 40g/t, including one meter at 337g/t Ag.

The “Millennium” work programme for the upcoming months contains a JORC-compliant resource estimate as well as further examinations around the identified silver anomaly. Further, recently conducted mapping has identified additional resource potential in the northern and eastern part of the tenement, which will be subject to further examination.

Straight after the completion of the “Millennium” drill programme, Hammer continued its drilling activities at the “Scalper” tenements which as now been concluded with a total of 5 holes (506 m). The aim of the programme was to test a combined gravity and magnetic anomaly, which exhibited alteration consistent with IOCG mineralization. The major intersections encountered include an 8 m section at 0.95% Cu and a 12 m section grading 1.2% Cu. A final conclusion about the prospectivity of the anomaly cannot be drawn yet since the drilling campaign has not yet tested the geophysical anomaly or the extents of the outcropping mineralized zones to the north. It is anticipated that this area will be investigated further in 2017.

Currently, drilling activities are carried out at the “Overlander” tenement, which is part of a Joint Venture with Newmont Mining Corp. Their completion is anticipated for end of November.

Hammer also recently announced a renewed JORC resource for its wholly owned copper-gold-molybdenum-rhenium project “Kalman”. The new estimate includes 8 additional holes, which the company had drilled in 2014. The reported total resource contains 20 Mt at 1.8% CuEq. (copper equivalent) in “indicated” and “inferred” category of which 13.3 Mt can potentially mined by open pit methods. Nearly half of that portion (6.2Mt) is reported in the category “indicated”.



In comparison to the previous resource estimate published in 2014 (30Mt at 1.3% CuEq. in the “inferred” category) this represents a decrease in both, tonnage and contained metal content. However, this decrease is solely driven by significant lift in the applied cutoff grade for both, open pit resource (from 0.3% CuEq. to 0.75% CuEq.) and underground resource (from 1.0% CuEq. to 1.3% CuEq.).

Since the “Kalman” deposit is open in lateral direction as well as at depth, Hammer Metals plans to significantly expand its resource through further drilling activities.

Jörg Reichert, CTO of Deutsche Rohstoff, comments: “Even though the results received from the “Millennium” drilling campaign have not completely met our targets, particularly regarding the cobalt grades, we are very happy about the fact that the encountered mineralization is continuous, allowing for a resource estimate to be carried out. Overall, the results are solid and we are looking forward to further exploration activities in the northern part of the tenement.

The results from “Scalper” are encouraging. The drill holes were placed on the basis of geophysical measurements that indicated an elevated potential for mineralization. The obtained results seem to prove this, however further drilling will be needed to fully test the anomaly.

The ongoing efforts that went into the “Kalman” project have paid off in two ways. On the one hand, Hammer Metals was able to produce an economically much more robust resource estimate that honours the current market conditions. On the other hand the inclusion of all available drill hole data as well as a thorough review of the geological model confirmed the resource extension potential along strike as well as at depth. I am very optimistic in that regard.”

Further information can be found at <http://www.hammermetals.com.au>.

(Copper equivalent calculation:

$$\text{CuEq \%} = \text{Cu \%} + (\text{Co \%} \times 5.9) + (\text{Au ppm} \times 0.9) + (\text{Ag ppm} \times 0.01) + (\text{Mo \%} \times 4.741) + (\text{Re ppm} \times 0.065)$$

Mannheim, 14 October 2016

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**Contact:**

Deutsche Rohstoff AG  
Thomas Gutschlag  
Tel. +49 6221 871 000  
[info@rohstoff.de](mailto:info@rohstoff.de)