

Deutsche Rohstoff AG: Hammer Metals and Newmont Mining sign Farmin Joint Venture Agreement on Mount Isa Project

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Heidelberg. The Australian Explorer Hammer Metals ("HMX"), 16.37% owned by Deutsche Rohstoff, announced today that the company has entered into a Farmin Agreement with Newmont Mining to jointly explore a 250km² large tenement package in the Mount Isa Region, Queensland. Newmont (www.newmont.com) is one of the world's leading gold producers, headquartered in Denver, Colorado. The Joint Venture targets copper gold deposits of the IOCG type, as it is found in the nearby Ernest Henry Mine.

The Farmin Joint Venture Agreement contains the following highlights:

- The agreement covers the tenements "Overlander", "Even Steven" and "Dronfield" which account for 250km² of the approximately 2,000km² of the ground held by Hammer in the Mount Isa region.
- Newmont has the option to acquire a total share of 75% in the Joint Venture by spending a total of USD 10.5 Mio. for exploration and project development:
- Phase I: Newmont can earn a 35% interest in the Farmin area by spending a total of USD 1.45 Mio. within two years of the commencement date including a minimum of USD 500,000 of expenditure within the first nine months
- Phase II: Newmont can elect to earn up to a 65% interest by spending an additional USD 3.05 Mio. within two years of earning the 35% interest
- Phase III: If Hammer does not elect to contribute to further expenditure at this point Newmont can elect to earn up to a 75% interest by funding additional expenditure of USD 6.0 Mio. or by completing a feasibility study
- Until the completion of Phase II Hammer acts as the Manager of the Joint Venture and Newmont will cover the full cost of the exploration program
- Before the start of Phase III Hammer has the option to prevent any further dilution below 35% by contributing its proportionate share of the cost. In case Hammer does not use this right, Newmont will cover all further cost up to a total of USD 10.5 million to increase its ownership up to 75%.
- After completion of Phase III, Hammer can elect to participate in the further development cost. In this scenario Hammer will remain 25% owner of the project. In case that Hammer does not participate Newmont will cover all cost until the production start of a potential mine and in exchange will receive 80% of the Joint Venture. Hammer will be obliged to repay those costs carried by Newmont and associated interest out of the cash flow from production.
- The already defined resources "Overlander South" and "Overlander North" are excluded from the Joint Venture. Newmont has received a right of first refusal for these properties after Phase I.
- Over all Phases Newmont will make technical resources as well as geological expertise available to the Joint Venture.

Alex Hewlett, CEO of Hammer Metals, said: "We have been working on this deal for quite some time and the

opportunities it brings are obvious to us. Newmont's contribution gives our exploration budget a major boost. It allows Hammer to accelerate exploration activities for both, the JV tenements as well as the areas that fully remain under Hammer's control. The large size of the mineralizing systems and evidence of the target mineralization provides strong encouragement for the discovery of a major deposit."

Jörg Reichert, CTO of Deutsche Rohstoff comments: "We are pleased to see Hammer forming a Joint Venture with Newmont. There are not many exploration companies in the current market that manage to attract money and long term commitments from major mining companies. It is a testimony for the prospectivity of Hammer Metal's tenements, which has been the reason for Deutsche Rohstoff to become a major shareholder of the company a year ago."

Further details of the original Hammer metals press release can be found under www.hammermetals.com.au.

Heidelberg, 15 December 2015

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