



High
Grade
Metals

ASX ANNOUNCEMENT

ASX Code: HGM

ACN: 062 879 583

10 May 2018

HIGH GRADE METALS COMMENCES ON GROUND ACTIVITIES FOR FLAGSHIP GOLD, COBALT AND COPPER PROJECTS

High Grade Metals Ltd

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Directors:

Steve Formica

(Non Executive Chairman)

Torey Marshall

(Managing Director & CEO)

Hayden Locke

(Non Executive Director)

David Palumbo

(Non Executive Director)



ASX code: HGM

Company Secretary:

David Palumbo

- **Leogang Cobalt, Copper and Nickel Project**
 - Geological mapping commenced
 - Geochemical sampling commencing
 - Geophysical acquisition to begin in May 2018
- **Schellgaden Gold Project**
 - Exploration Target expected to be completed in May 2018;
 - Drilling tenders received with contract award expected in May 2018; and
 - Geological mapping and sampling to commence in May 2018;
 - Drilling expected to commence thereafter

High Grade Metals Ltd (ASX: HGM) (“HGM” or the “Company”) is pleased to provide an update to stakeholders on progress on its portfolio of exciting Austrian assets.

The focus of the Company is on its two flagship projects, the Schellgaden Gold Project and the Leogang Cobalt, Copper and Nickel Project. In both instances, on ground activities have commenced including the submission of documentation to authorities to enable the 2018 field program to commence.

High Grade Metals Managing Director & CEO Torey Marshall said:

“In a short space of time since listing, we have built out very capable project teams who have now completed a huge volume of work in the background to lay the groundwork for the commencement of on ground activity.

We have delivered a substantial exploration target for our flagship cobalt, copper project and we expect to deliver an Exploration Target for our flagship gold project shortly.

Our current and planned on ground activity includes new data acquisition (geophysical and geochemical), at our Nockelberg prospect, and shortly geological mapping and sampling in Schellgaden as a precursor to first drilling which is expected to start in late June or early July.”

Schellgaden Gold Project

Overview:

The flagship Schellgaden Gold Project (“Schellgaden”) is located within the upper Mur Valley, County of Lungau in the Federal State of Salzburg. There is ready access into the area via the Tauern Autobahn A10, a major European freeway. The Schellgaden North Exploration Area consists of 36 overlapping Freischürfe covering a contiguous area of 17.3km². The Schellgaden South Exploration Area consists of 120 overlapping Freischürfe covering a contiguous area of 57.6 km². Known gold mining at Schellgaden dates back to the 12th century with mines such as Stüblbau and the smaller Schulterbau operation. Historically, Schellgaden has been considered one of the richest and most active gold mining districts in Austria.

Update:

The field program is expected to commence in May 2018 with additional geochemical sampling. The Company is currently finalising the geological modelling which has the dual purpose of understanding and optimising the drill hole planning for the upcoming program and also quantifying the Exploration Target of the area. The Exploration Target is expected to be completed in May 2018.

Drilling is on track for commencement in late June / early July 2018, subject to regulatory approvals and drill rig availability. The Company received multiple credible responses to its drilling tender. An award of drilling contract is expected to be made in May 2018 to enable sufficient preparatory time to meet the drilling commencement timeline.

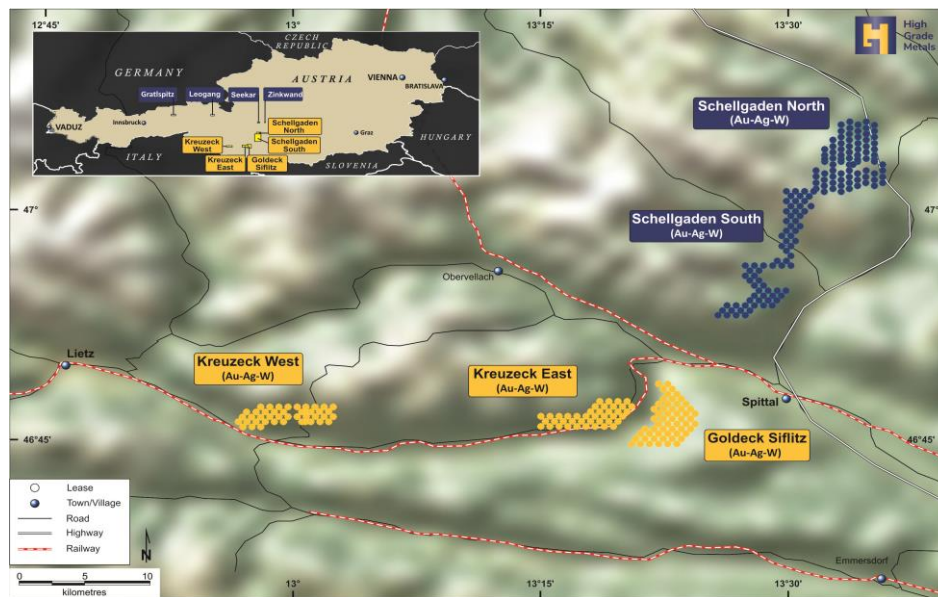


Figure 1: The Schellgaden North and South Exploration Area

Leogang Cobalt, Copper and Nickel Project

Overview:

The Nöckelberg Cobalt, Copper and Nickel Prospect (“**Nöckelberg Prospect**”) sits within the broader Leogang Project area which is located approximately 3 km west of Leogang (population circa 3,200) and 11 km west of Saalfelden (population 16,000) in the District of Zell am See, Federal State of Salzburg. The Leogang Project area (shown in Figure 2) comprises 63 Freischürfe and covers a total area of approximately 27 km², including the historical Nöckelberg and Leogang mine sites. Nickel and cobalt were mined in the region from the mid-16th century when Leogang was famed for the diversity of its mineralogy and rich ore. Cobalt, nickel, copper and silver have all been mined at Leogang.

Update:

An Induced Polarisation geophysical survey will commence during the last week of May with preliminary results expected in June. The Company has commenced geological mapping and geochemical sampling to better define some of the prospective trends within the broader Nöckelberg Prospect. This early exploration work will allow the geological team to better plan a targeted drilling campaign.

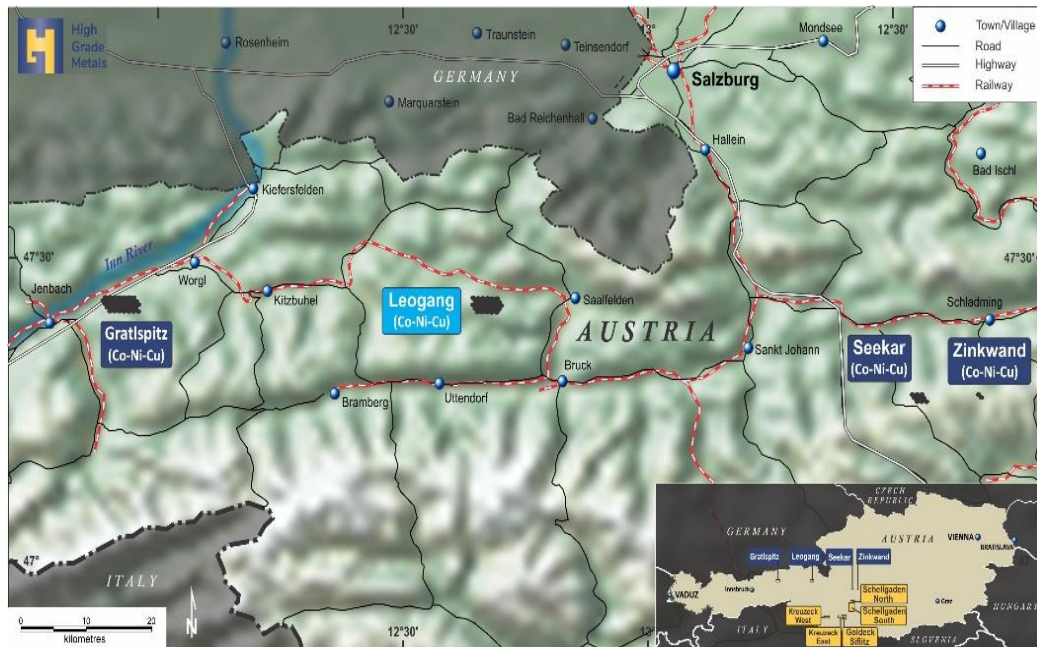


Figure 2: The Leogang Exploration Area

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Competent Persons Statement

The information in this report that relates to the Exploration Results underlying the geological modelling is based on, and fairly represents, information and supporting documentation compiled under the supervision of Mr Torey Marshall, the Managing Director and CEO of HGM. Mr Marshall is a competent person who is a member of the Australian Institute of Mining & Metallurgy. Mr Marshall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2012 edition of the JORC Code. Mr Marshall consents to the inclusion of the matters based in this ASX Release on his information noted in the form and context in which it appears.

About High Grade Metals Ltd

High Grade Metals (ASX: HGM) is an Australian mineral exploration company with a portfolio of brown fields cobalt, copper and gold assets. The company's major projects are all located in mining friendly Austria, which covers an area of about 84,000 km² across Central Europe. The highly experienced management aims to grow the value of HGM's project portfolio to benefit shareholders by leveraging innovation and maximizing value of the assets through systematic exploration and teamwork. The dynamic two-year exploration and development program, focused on discovering, then defining resources, with a view to moving quickly into production, underpins the Company's business strategy.

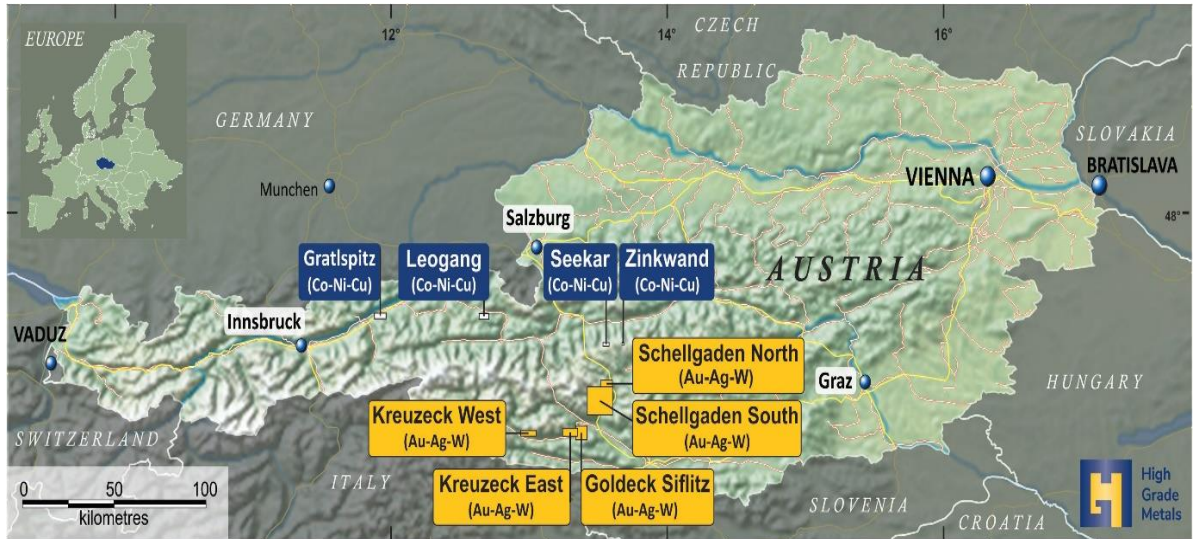


Figure 3. Location of High Grade Metals' Projects within Austria

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