

4 October 2018

DRILLING COMMENCES AT LEOGANG

High Grade Metals (ASX:HGM) (“HGM” or “the Company”) is pleased to provide an update to the market on its exploration drilling program at its high grade cobalt-copper-nickel and gold projects in Austria.

HIGHLIGHTS

- **Drilling commenced at Leogang Copper-Cobalt project;**
- **2 Rigs operating;**
- **Third rig expected in Austria in the coming weeks focussing on Schellgaden Gold Project;**
- **Full program anticipated to take 4 to 6 weeks to complete.**

Drilling has commenced at the flagship Leogang Copper-Cobalt Project in Austria. The full program is anticipated to take between 4 and 6 weeks to complete depending on mechanical performance and general geological conditions.

The maiden program at Leogang is focussed around the historic, high grade, Nockelberg mine which was a source of cobalt ore for artisanal mining stretching back over 400 years. The full program will consist of 10 diamond holes from 3 drill pad locations, reducing the overall movement of the drill rigs and minimising the amount of time taken between holes.

These are planned to ‘fan’ down through the areas of historically high grade material and are supported by geochemical and geophysical data acquired by the Company through 2018.

The Company and its drilling contractor, Energold, are in constant contact on the timetable that will see three rigs progressively drilling both the Leogang and Schellgaden Projects before the end of November 2018.

Further updates will be provided as drilling progresses across the Austrian program over the next 8 weeks.

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High Grade Metals Ltd

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Issued Capital

452,937,867 Shares
100,500,000 Options
240,000,000 Perf Shares

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Directors

Torey Marshall – Managing Director and CEO
Steve Formica – Non Executive Chairman
Hayden Locke – Non Executive Director
David Palumbo – Non Executive Director and
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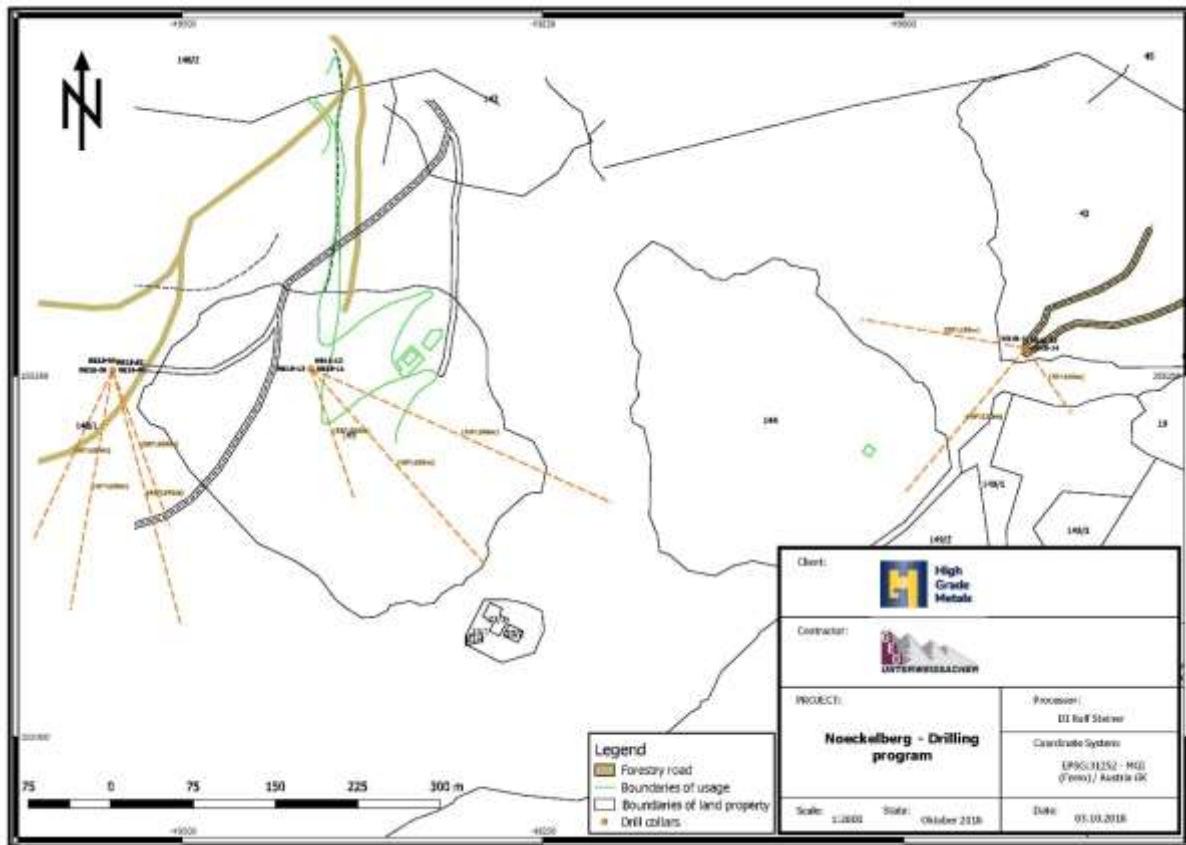


Figure 1 – Location map showing proposed collar locations and hole traces at Leogang

Hole-Id.	Meridian	Coordinates EPSG: 31252			Azimuth	Dip	Depth
		Y	X	Z [ü.A]			
NB18-06	M 31	- 49 548,15	255 254,16	1435,82	190,00	40,00	220,00
NB18-07	M 31	- 49 548,15	255 254,16	1435,82	205,00	50,00	200,00
NB18-08	M 31	- 49 548,15	255 254,16	1435,82	160,00	55,00	200,00
NB18-09	M 31	- 49 548,15	255 254,16	1435,82	165,00	41,00	240,00
NB18-11	M 31	- 49 400,33	255 276,65	1390,30	145,00	40,00	250,00
NB18-12	M 31	- 49 400,33	255 276,65	1390,30	170,00	55,00	200,00
NB18-13	M 31	- 49 400,33	255 276,65	1390,30	120,00	40,00	299,00
NB18-14	M 31	- 48 915,33	255 269,24	1241,52	220,00	40,00	170,00
NB18-15	M 31	- 48 915,33	255 269,24	1241,52	280,00	50,00	180,00
NB18-16	M 31	- 48 915,33	255 269,24	1241,52	145,00	70,00	160,00

Table 1 – Collar location data and drillhole orientation



Figure 2 – Rig 1 commencing drilling at Leogang on 3rd October



Figure 3 – Rig 2 setting up morning of 3rd October, drilling end of day

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 underpins the Company's business strategy.



Figure 1. Location of High Grade Metals' Projects within Austria

HIGH GRADE METALS PROJECT OVERVIEW

Austrian Gold Projects

The Company has a 100% interest in five Austrian gold projects covering a total of 200km².

1. Schellgaden North Gold Project

The flagship project lies within an exploration area of 152 overlapping Freischürfe covering an area of 69km². Located in the historic Schellgaden Mining District (refer Figure 1 below), named after the village of Schellgaden, the focus of the district gold production until the early years of the 20th Century. Gold mining at Schellgaden dates back to pre-Roman times. Known gold mines, such as Stüblbau, date back to the 12th-13th Century and the smaller Schulterbau Mine is likely to be considerably older. Chroniclers described the presence of some 150 gold mines during the heyday of mining in the 16th Century. Accordingly, Schellgaden has been considered one of the richest and most active gold mining districts in Austria. Although frequently interrupted, mining activity continued until the first half of the 20th Century. The Company has prepared an Exploration Target for this area with drilling to test the target expected to commence in Q3 CY18.

2. Schellgaden South Gold Project

The flagship project lies within an exploration area of 120 overlapping Freischürfe covering an area of 57.6km². The project covers the southern extension of the Schellgaden North Gold Project.

3. Goldeck-Siflitz Gold Project

The project lies within an exploration area of 57 overlapping Freischürfe covering an area of 27.6km².

The project covers the historic mine workings of Guginock. The area has been known from the Middle Ages for its deposits of gold and antimony. The large number of mine dumps and traces of collapsed mine entrances that occur across the exploration area, provide testimony to its long history of mining. To the north of the project area lies the ancient Siflitz Gold Mining District, which was exploited during the 16th and 17th centuries from over 106 independent mine sites.

4. Kreuzeck East Gold Project

The project lies within an exploration area of 42 overlapping Freischürfe covering an area of 20.5km². The project covers two famous old mining districts; the high grade gold mines north of Lengholz and the stibnite deposits of Lessnig-Radlberg that sit within the Goldeck-Kreuzeck Mining District. Compared the other projects, little is known about these mines and others within the project area as they have been abandoned for some time and are inaccessible.

5. Kreuzeck West Gold Project

The project lies within an exploration area of 44 overlapping Freischürfe covering an area of 23.9km². The projects also sits within the Goldeck-Kreuzek Mining District and includes for significant historical mines; Rabant, Gurskerkammer, Fundkofel, and Knappenstube-Strieden.



Figure 2: Location map showing the Company's Austrian Gold Projects

Austrian Copper, Cobalt and Nickel Projects

The Company has a 100% interest in four Austrian gold projects covering a total of 85km².

1. Leogang Cobalt, Copper, Nickel Project

The project lies within an exploration area of 63 overlapping Freischürfe covering an area of 27km². The project covers one of the oldest and most famous mining localities in Austria, the Schwarzelo Valley, where mining was first documented in 1425. 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. At various times in its past, cobalt, nickel, copper and silver have been mined at Leogang. Mines include the Nöckelberg and Leogang mines. The Nöckelberg Prospect is the Company's immediate focus for which an Exploration Target has been prepared with drilling to commence in Q3 CY18.

2. Gratlspitz Cobalt, Copper, Nickel Project

The flagship project lies within an exploration area of 132 overlapping Freischürfe covering an area of 53km². The project lies within the Schwaz-Brixlegg Mining District, a renowned mining region, famous as the type locality of the mercurian fahlore variety 'schwarzite'. The region was a significant producer of copper and cobalt. Exploitation of copper deposits dates back to the Late Bronze Age (9th Century BC – Breitenlechner et al., 2013). The first recording of a copper and silver refinery at Brixlegg dates back to 1463. Between 1420 and 1827, it has been estimated that some 190,000 tonnes of copper and 2,600 tonnes of silver were mined in this area. Cobalt occurrences are located at "Silberberg" (2 km south-southeast of Brixlegg), "Geyer", which lies close to Zimmermoos, 2 km - 6 km southeast of Brixlegg, and on the flanks of Gratlspitz Mountain.

3. Seekar Cobalt, Copper and Nickel Project

The project lies within an exploration area of 9 overlapping Freischürfe covering an area of approximately 4km². The project covers historic mine sites first established during the 16th century and mined intermittently through to 1923. Mineralisation is associated with hydrothermal vein sulphides and is typically polymetallic, copper, silver, nickel and cobalt. Vein thicknesses of up to 2m have been historically mined.

4. Zinkwand Cobalt, Copper and Nickel Project

The project lies within an exploration area of 2 overlapping Freischürfe covering an area of approximately 1km². The project covers the site of historic sulphide mining including both cobalt and nickel. Several historical mining adits are still accessible within the project area.



Figure 3 – Location map showing the Company’s Cobalt, Copper and Nickel Projects in Austria