

22 October 2018

DRILLING COMMENCES AT SCHELLGADEN

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 Schellgaden Gold project;**
- **1 Rig operating at Schellgaden, 2 more to come down from Leogang in due course;**
- **3 Rigs operating across the portfolio;**
- **Full program anticipated to take 4 to 6 weeks to complete.**

Drilling has commenced at the Schellgaden Gold 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 of the area.

The maiden program at Schellgaden is focussed around the historic, high grade, Stublbau mine which was a source of gold ore with hundreds of years of historical mining. The full program will consist of 4-6 diamond holes from specific locations, with the program to be expanded subject to dynamic results assessment.

A basic grid style program is being undertaken with priority given based on a variety of factors including logistical, geological and time issues, in addition to the performance/capability of the drilling contractor. The planned program focusses on the geological connections between the existing mine, and the Katschberg transport tunnel.

The Company and its drilling contractor, Energold, are in constant contact on the timetable that has seen 3 drilling rigs brought into country and be operating safely at key project locations.

Further updates will be provided as drilling progresses across the Austrian program.

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High Grade Metals Ltd	Issued Capital	Australian Registered Office	Directors
ACN: 062 879 583 ASX: HGM	452,937,867 Shares 100,500,000 Options 240,000,000 Perf Shares	Level 17 500 Collins Street Melbourne, VIC, 3000	Torey Marshall – Managing Director and CEO Simon Francis – Non Executive Chairman Hayden Locke – Non Executive Director Steve Formica – Non Executive Director Adrien Wing – Non Executive Director

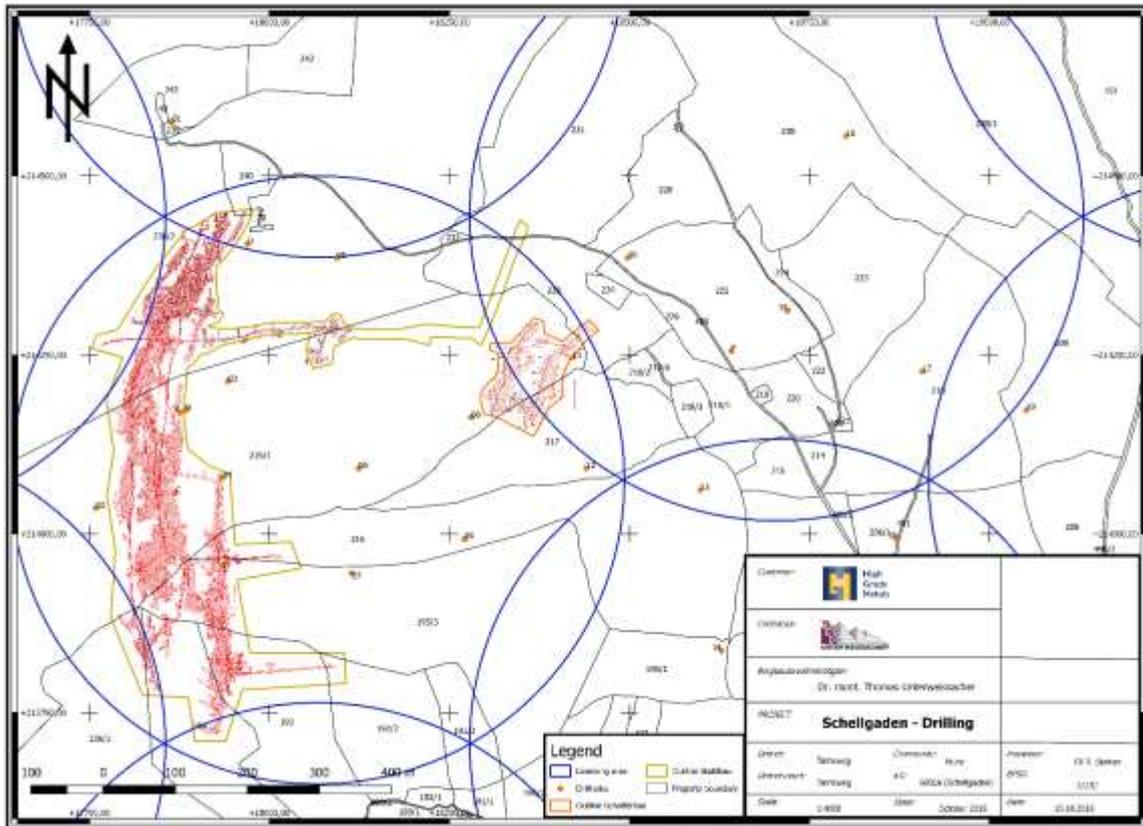


Figure 1 – Location map showing proposed collar locations at the Schellgaden project

DH-Nr.	Meridian	Coordinates		Direction	GST-Nr.	Depth
		Y	X			
01	M 31	+17 865,01	+214 576,49	vertikal	243	299,00
02	M 31	+17 759,04	+214 035,88	vertikal	235/1	299,00
A	M 31	+17 876,01	+214 169,41	vertikal	235/1	299,00
B	M 31	+17 884,13	+214 172,77	vertikal	235/1	299,00
C	M 31	+17 869,81	+214 057,33	vertikal	235/1	299,00
D	M 31	+17 969,81	+214 405,37	vertikal	238/2	299,00
03	M 31	+17 942,65	+214 212,74	vertikal	235/1	299,00
04	M 31	+17 934,92	+214 078,64	vertikal	235/1	299,00
E	M 31	+17 935,29	+213 955,91	vertikal	195/3	299,00
05	M 31	+18 093,76	+214 385,51	vertikal	238/2	299,00
06	M 31	+18 123,96	+214 091,44	vertikal	235/1	299,00
07	M 31	+18 114,60	+213 945,22	vertikal	195/3	299,00
08	M 31	+18 280,23	+214 162,61	vertikal	235/1	299,00
09	M 31	+18 270,94	+213 992,82	vertikal	216	299,00
10	M 31	+18 489,01	+214 375,37	vertikal	225	299,00
11	M 31	+18 437,21	+214 249,25	vertikal	235/1	299,00
12	M 31	+18 440,12	+214 091,62	vertikal	217	299,00
13	M 31	+18 598,29	+214 061,20	vertikal	216	299,00
14	M 31	+18 627,55	+213 837,05	vertikal	195/1	299,00
F	M 31	+18 633,63	+214 254,64	vertikal	225	299,00
15	M 31	+18 719,82	+214 311,82	vertikal	225	299,00
16	M 31	+18 800,57	+214 555,77	vertikal	230	299,00
17	M 31	+18 906,72	+214 227,03	vertikal	210	299,00
18	M 31	+18 870,76	+213 993,78	vertikal	206/1	299,00
19	M 31	+19 051,14	+214 173,12	vertikal	209	299,00
						7475,00

Table 1 – Proposed collar location data

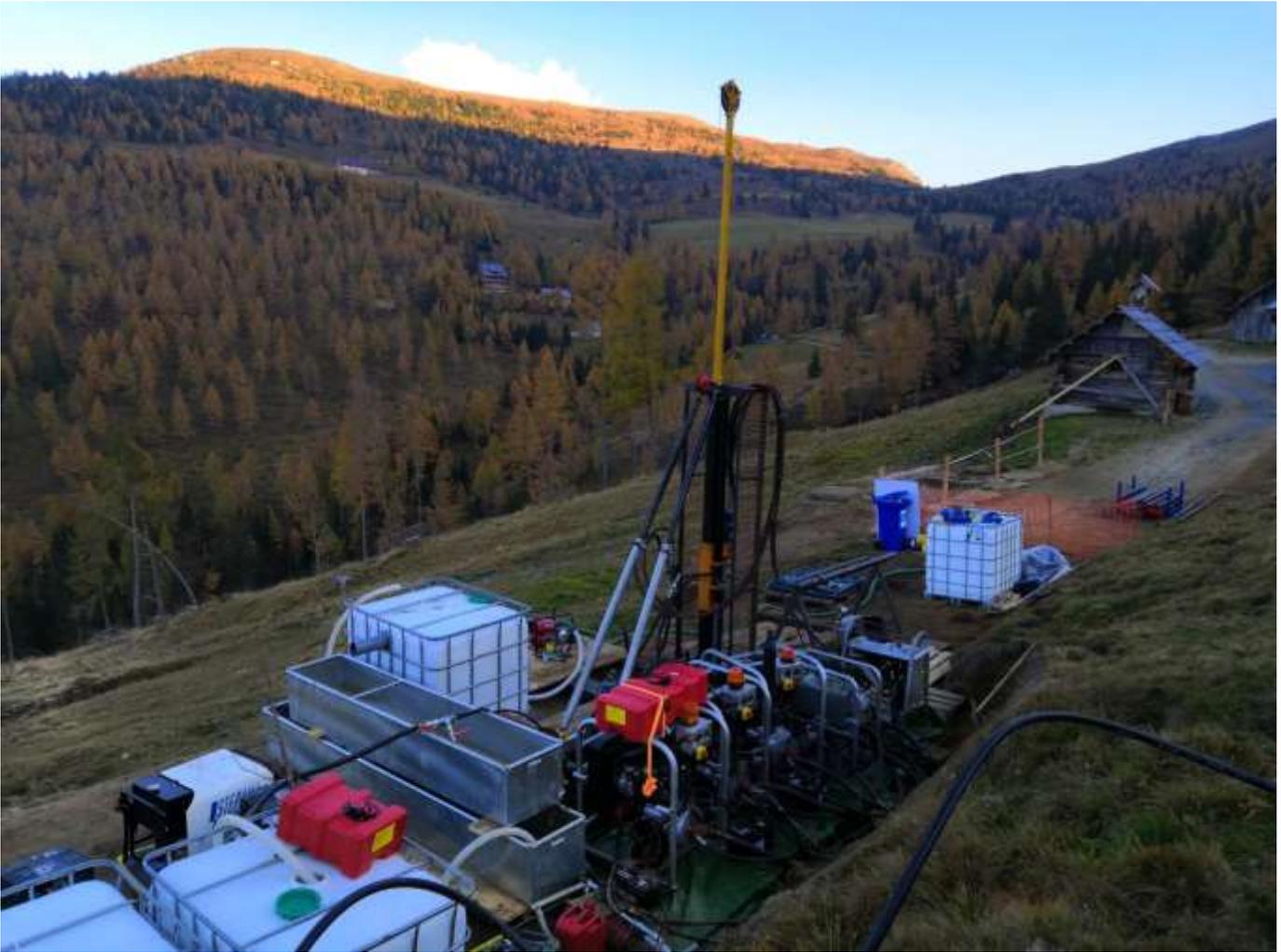


Figure 2 – Rig 3 commencing drilling at Schellgaden (picture taken 20th October in Austria)

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-Kreuzek 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. Gratspitz 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 'schwazite'. 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 Gratspitz 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