



High
Grade
Metals

ASX ANNOUNCEMENT

ASX Code: HGM

ACN: 062 879 583

19 JUNE 2018

HGM APPOINTS GLOBAL DRILLING CONTRACTOR FOR MAIDEN DRILLING CAMPAIGNS

- Global drilling contractor, Energold, engaged to provide drilling services for maiden drilling campaigns at flagship Schellgaden gold project and Leogang cobalt / copper project;
- Drilling to now commence at Leogang and Schellgaden contemporaneously to allow the Company more time to plan Schellgaden drilling program after recent technical work, with drilling expected on both projects in Q3;
- Induced Polarisation geophysical survey finished over Nockelberg recently, results expected end of June;
- Soil geochemistry program almost finished at Nockelberg.

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(Managing Director & CEO)

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(Non Executive Director)

David Palumbo

(Non Executive Director)

High Grade Metals Ltd (ASX: HGM) (“HGM” or the “Company”) is pleased to announce that it has retained Energold Drilling Corporation (“Energold”) as its preferred drilling contractor for the upcoming maiden drilling campaigns at the Schellgaden Gold Project (“Schellgaden”) and Leogang Cobalt-Copper-Nickel Project (“Leogang”).

Energold is a global drilling services firm with operations in 24 countries including Europe. It has confirmed the availability of multiple drill rigs in Austria, which allows the Company flexibility in its approach to the campaigns at each of its flagship projects.

High Grade Metals Managing Director & CEO Torey Marshall said:

“Energold is a globally recognised drilling services firm and we are happy to have a partner of its calibre to support the initial drill programs at our projects in Austria. Energold has confirmed the availability of multiple rigs, meaning the campaign can be scaled up based on the success of the early programs.

Extensive surveying at Schellgaden has highlighted that the historical workings are significantly larger than we originally thought which will necessitate some extra planning before we start drilling. In addition, we have completed an induced polarisation survey at our Nockelberg prospect and look forward to receiving final processed data.

We look forward to commencing drilling at our exciting, high grade, prospects with good news flow expected to follow.”



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Company Secretary:

David Palumbo

Drilling Program

Program Sequence

The Company has completed further underground survey work at Schellgaden and found that the historical workings are significantly more extensive than previously thought (**Figure 1**).

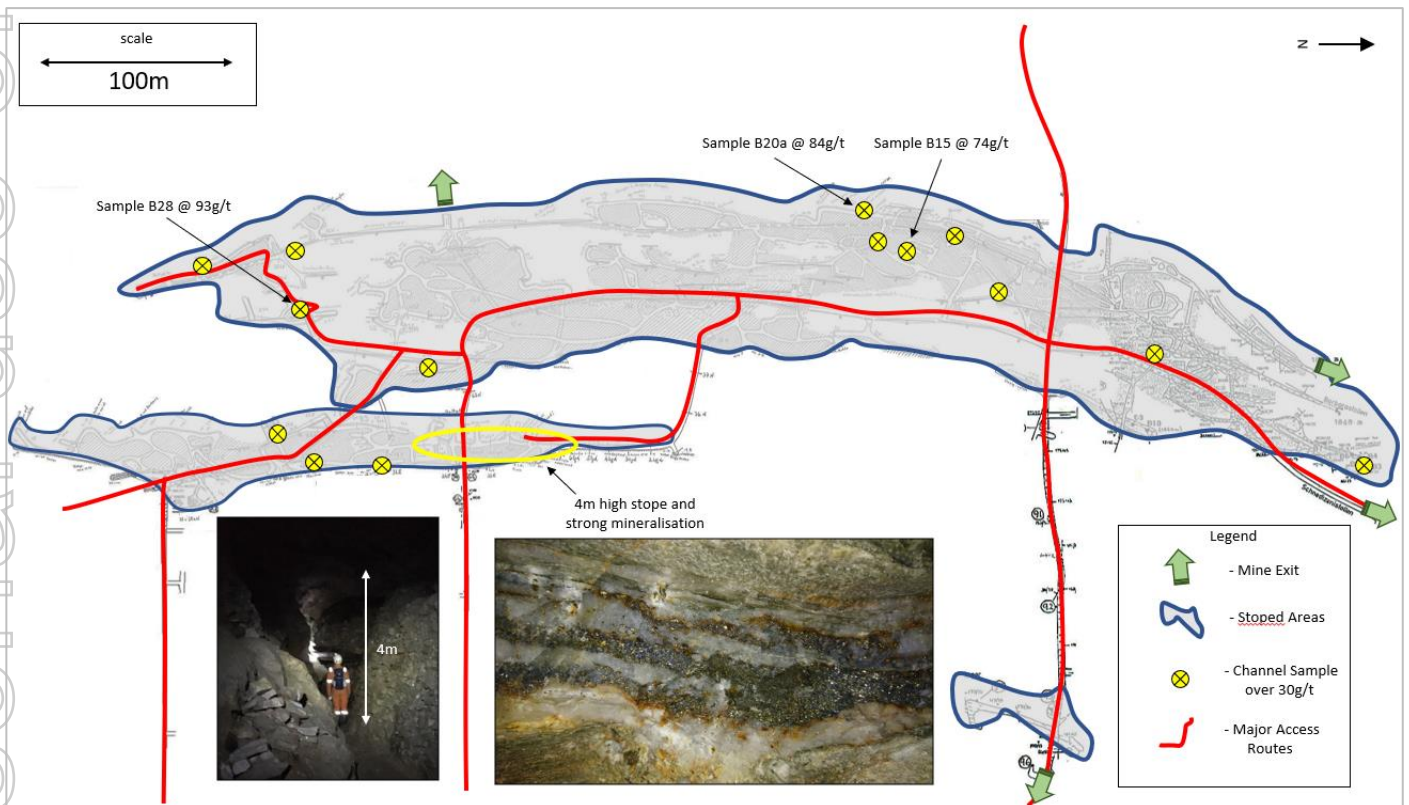


Figure 1: Stüblbau Underground Mine and Workings

Importantly, as previously reported (refer ASX announcement 22 May 2018: “HGM Delivers Exploration Target for Flagship Schellgaden Gold Project”) the extended underground workings continue to appear to be mining multiple mineralised horizons in a vertical sense.

The increased extent is positive and provides a good indication of the north-south lateral continuity of the mineralised horizons, which includes open stopes up to 4 metres in height and broad unmined mineralisation. The Company believes that the mineralised horizons could extend over a considerable area, though local and regional faulting made it difficult for miners to follow these horizons consistently.

Due to the increasing scale of the underground workings, the Company has decided to undertake more work, to ensure that drill holes are located in the best positions relative to those underground workings. This will mean that the two projects will be drilled contemporaneously.

Nockelberg Prospect

The Company has completed an induced polarisation (“IP”) survey at the Nockelberg Cobalt-Copper-Nickel prospect. Results are preliminary and will be released to the market as soon as they are available, but the Company believes it will be beneficial in planning the final drilling program, particularly in terms of the order of targets to be drilled (i.e. geophysically supported targets are prioritised in sequencing the program).

Project Overviews

Schellgaden Gold Project

HGM’s flagship Schellgaden Gold Project 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.

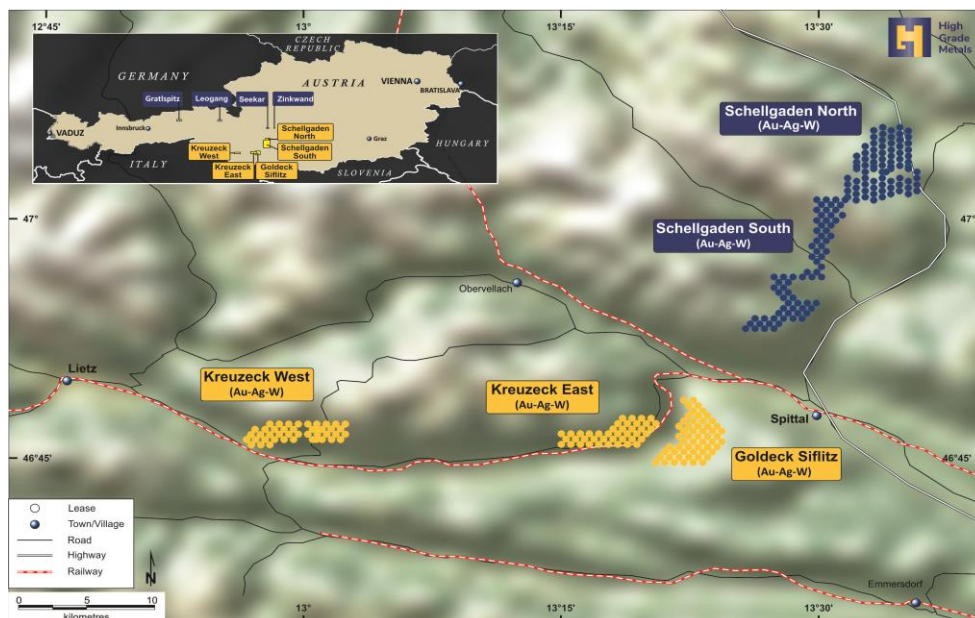


Figure 1: The Schellgaden North and South Exploration Area

Nöckelberg Cobalt, Copper and Nickel Prospect

The flagship Nöckelberg Prospect sits within the broader Leogang Exploration 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 Exploration Area (shown in Figure 1) comprises 30 Freischürfe and covers a total area of approximately 12 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. At various times in its past, cobalt, nickel, copper and silver have been mined at Leogang. However, historical mining records are incomplete and unreliable; although it is clear that a mineralised body has been exploited over a considerable period of time.

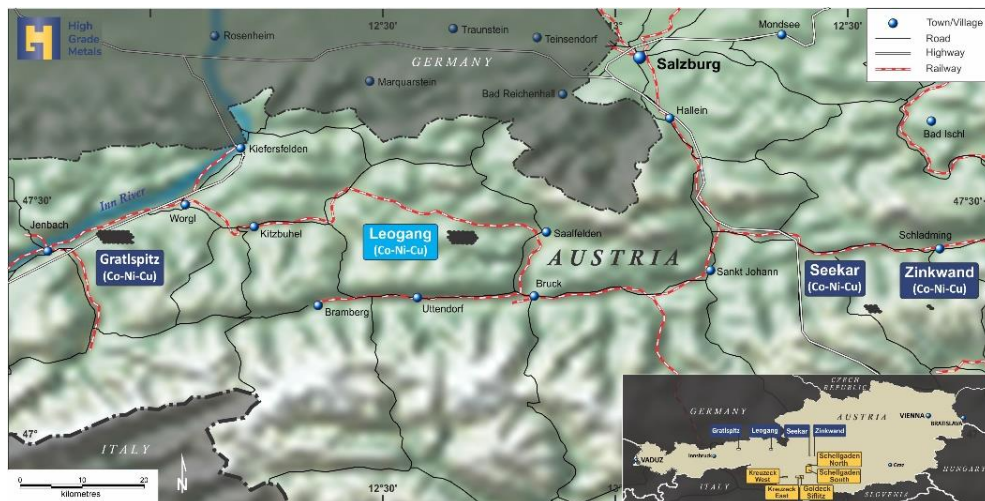


Figure 1: The Leogang Exploration Area

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Competent Persons Statement

The information in this report that relates to the Exploration Target and the Exploration Results results 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 underpins the Company's business strategy.



Figure 4. Location of High Grade Metals' Projects within Austria