



**24 July 2018**

## **HGM INCREASES SIZE OF AUSTRIAN EXPLORATION PORTFOLIO BY OVER 65KM<sup>2</sup>**

### **HIGHLIGHTS**

- **Flagship Schellgaden Gold Project increased by around 30km<sup>2</sup> to cover prospective areas in the northern extent supported by new geological information**
- **Gratlsnitz Cobalt Copper Project increased by around 35km<sup>2</sup> to cover historic copper and cobalt mines**
- **Schellgaden Project area increased by 30km<sup>2</sup> to 100km<sup>2</sup> and Gratlsnitz Project area increased by 35km<sup>2</sup> to 53km<sup>2</sup>**
- **New Project areas strengthen the Company's position in the key areas that contain the principal target commodities of the business at low entry prices**
- **Further reinforces HGM's position as the dominant explorer in Austria**

High Grade Metals Ltd (ASX: HGM) ("**HGM**" or the "**Company**") is pleased to announce it has increased the project area of its flagship Schellgaden Gold Project and Gratlsnitz Copper Cobalt Project. The Company has received notification that is the first rights holder of the additional areas covering around 65km<sup>2</sup>.

The Schellgaden Project area has been increased by 30km<sup>2</sup> to 100km<sup>2</sup>. The increase is designed to ensure all prospective areas in the northern extent of the Project area are secured given new geological information suggesting the mineralisation may extend into this area.

The Gratlsnitz Project areas has been increased by 35km<sup>2</sup> to 53km<sup>2</sup>. The increase is designed to ensure all historic copper and cobalt mines in the region fall within the Company's project area and will be explored as part of the Company's medium term program.

The additional areas are complimentary to the existing portfolio and consistent with the Company's exploration model that seeks to leverage in country expertise and operational capacity.

### **High Grade Metals Managing Director & CEO Torey Marshall said:**

*"We are pleased to add a further 65km<sup>2</sup> to our exploration portfolio in Austria.*

*Our exploration assessment of the area continues to positively evolve and strengthens our view that Northern Austria could potentially be an important copper-cobalt district within Europe. Our Gratlsnitz Copper Cobalt Project now covers over 53km<sup>2</sup> supported by the presence of over 20 former mines and workings along strike, which reportedly recovered copper and cobalt.*

*As for our Schellgaden Gold Project, we are excited to build further critical mass in an area where we continue to be encouraged by the prospectivity ahead of our upcoming maiden drilling program."*

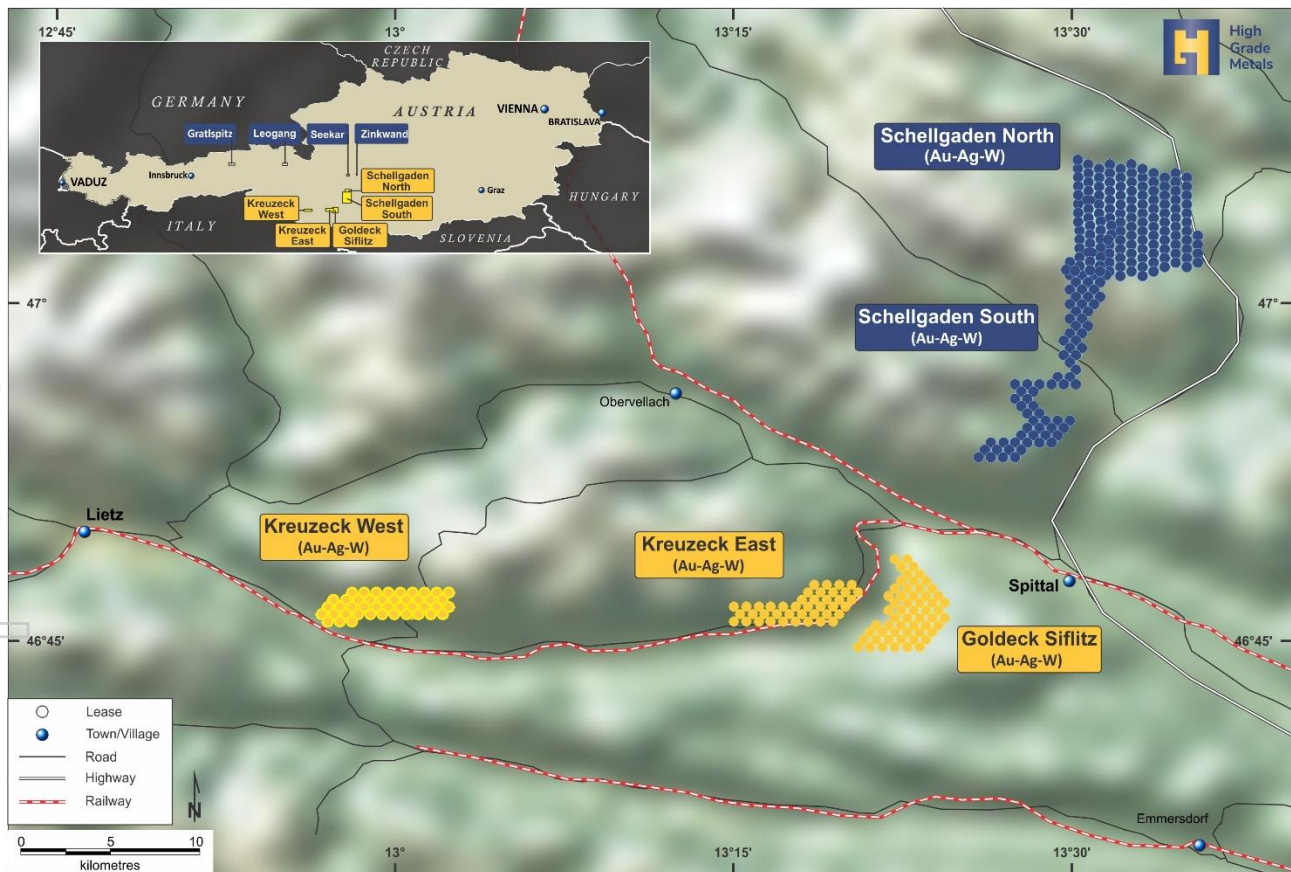
High Grade Metals Ltd	Issued Capital	Australian Registered Office	Directors
ACN: 062 879 583 ASX: HGM	452,937,867 Shares 97,500,000 Options 240,000,000 Perf Shares	Level 11, London House 216 St. Georges Terrace Perth WA 6000	Torey Marshall – Managing Director and CEO Steve Formica – Non Executive Chairman Hayden Locke – Non Executive Director David Palumbo – Non Executive Director and Company Secretary

## Schellgaden Gold Project

### Overview

Located in the historic Schellgaden Mining District (refer Figure 1 below), named after the village of Schellgaden, the focus of the district's gold production until the early years of the 20th Century. Schellgaden is located between the town of St. Michael/Lungau and the Municipality of Muhr, County of Lungau, in the State of Salzburg. The Schellgaden North Project now consists of 152 overlapping Freischürfe covering an area of 69km<sup>2</sup>, and the Schellgaden South Project consists of 67 overlapping Freischürfe covering an area 31km<sup>2</sup>.

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

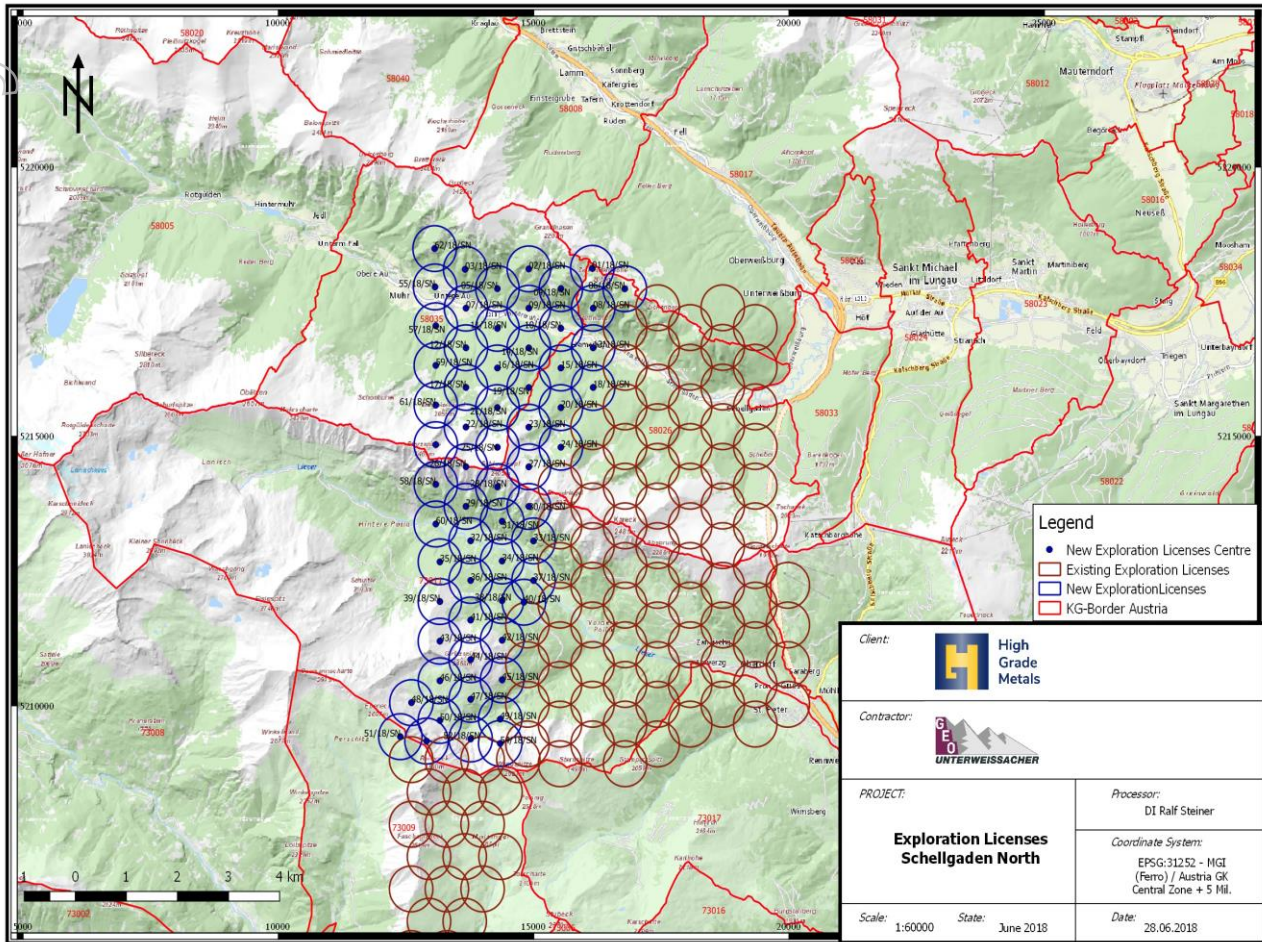


**Figure 1: Location map showing the Company's Austrian Gold Projects**

With the recent completion of underground mine sampling and surveying, and the preparation of a detailed geological model the Company believed mineralisation was likely to extend along the western edge of the Schellgaden North Project. As a result, the Company applied for and was recently awarded



an additional 62 overlapping Freischürfe covering an area of 30km<sup>2</sup>. This has resulted in an increase in the Schellgaden North Project to 69km<sup>2</sup>. The additional Freischürfe are shown below in Figure 2.



**Figure 2 – Location map showing new application areas at Schellgaden**

## Gratspitz Cobalt Copper Project

### Overview

The Gratspitz Project is located in the District of Kufstein in the Federal State of Tyrol. The Gratspitz Project now consists of now consists of 132 overlapping Freischürfe covering an area of 53km<sup>2</sup>.

The region was a significant producer of copper and cobalt. Exploitation of copper deposits dates back to the Late Bronze Age (9<sup>th</sup> 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, at altitudes of between ca. 900 m and 1800 m.



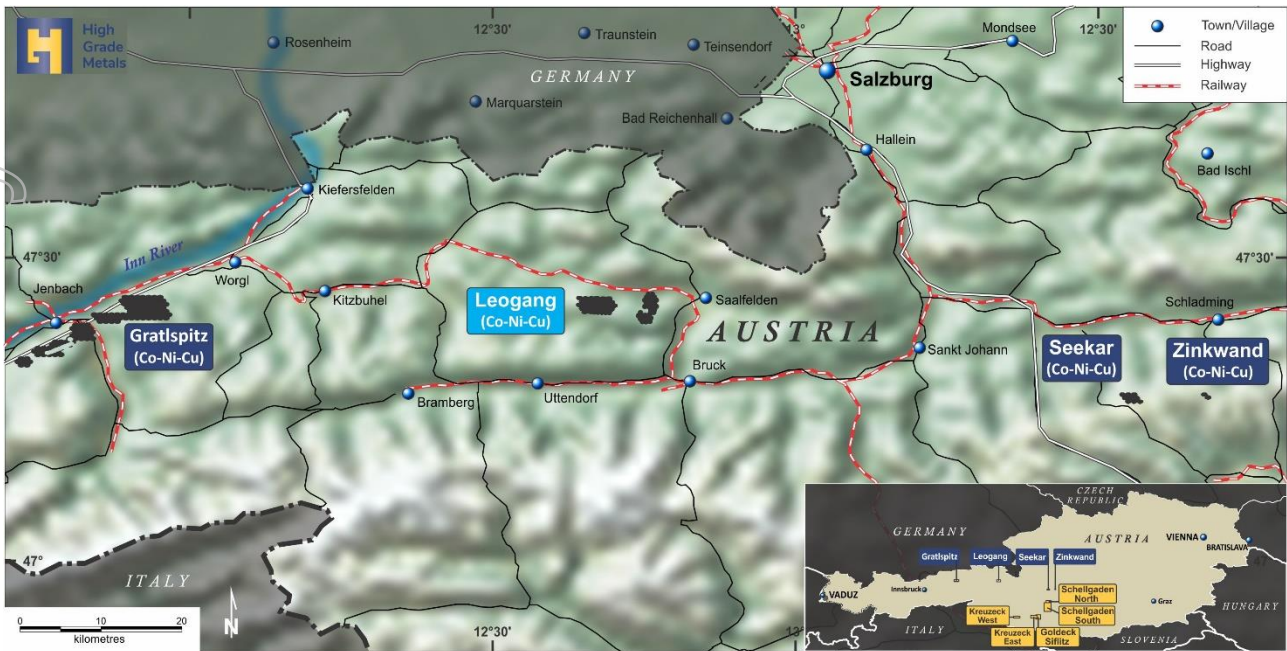


Figure 3 – Location map showing the Company’s Cobalt, Copper and Nickel Projects in Austria

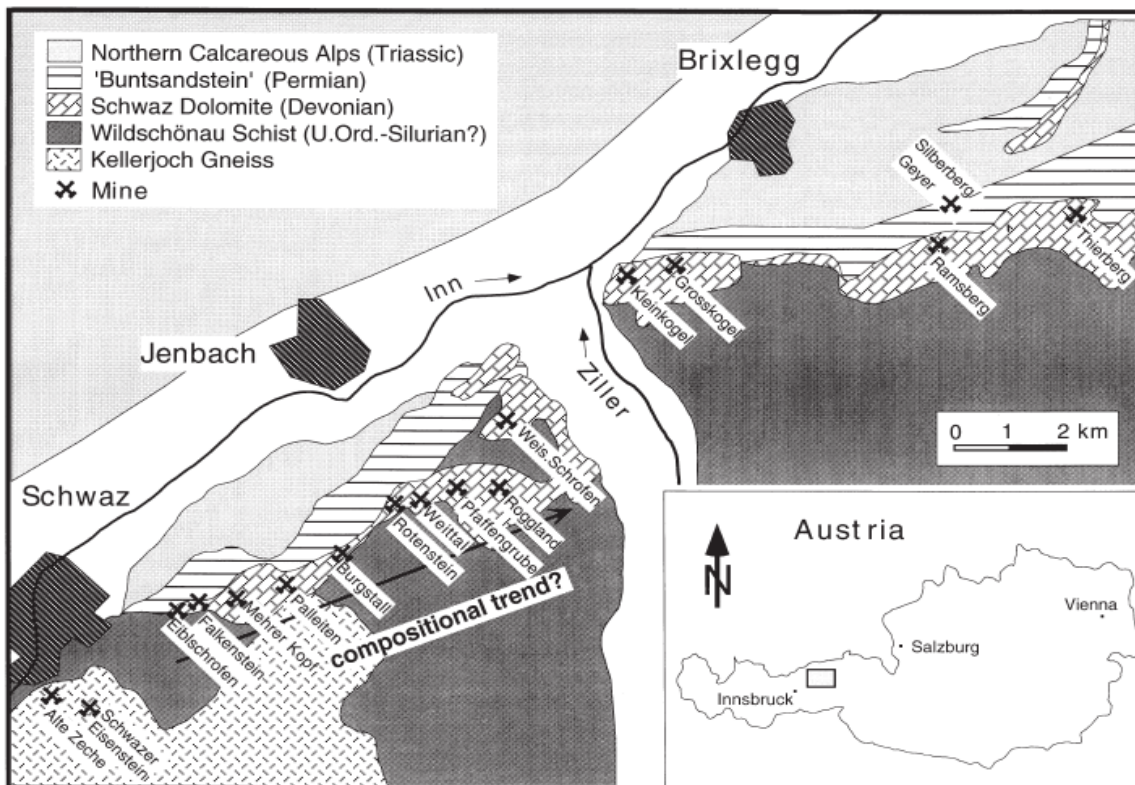


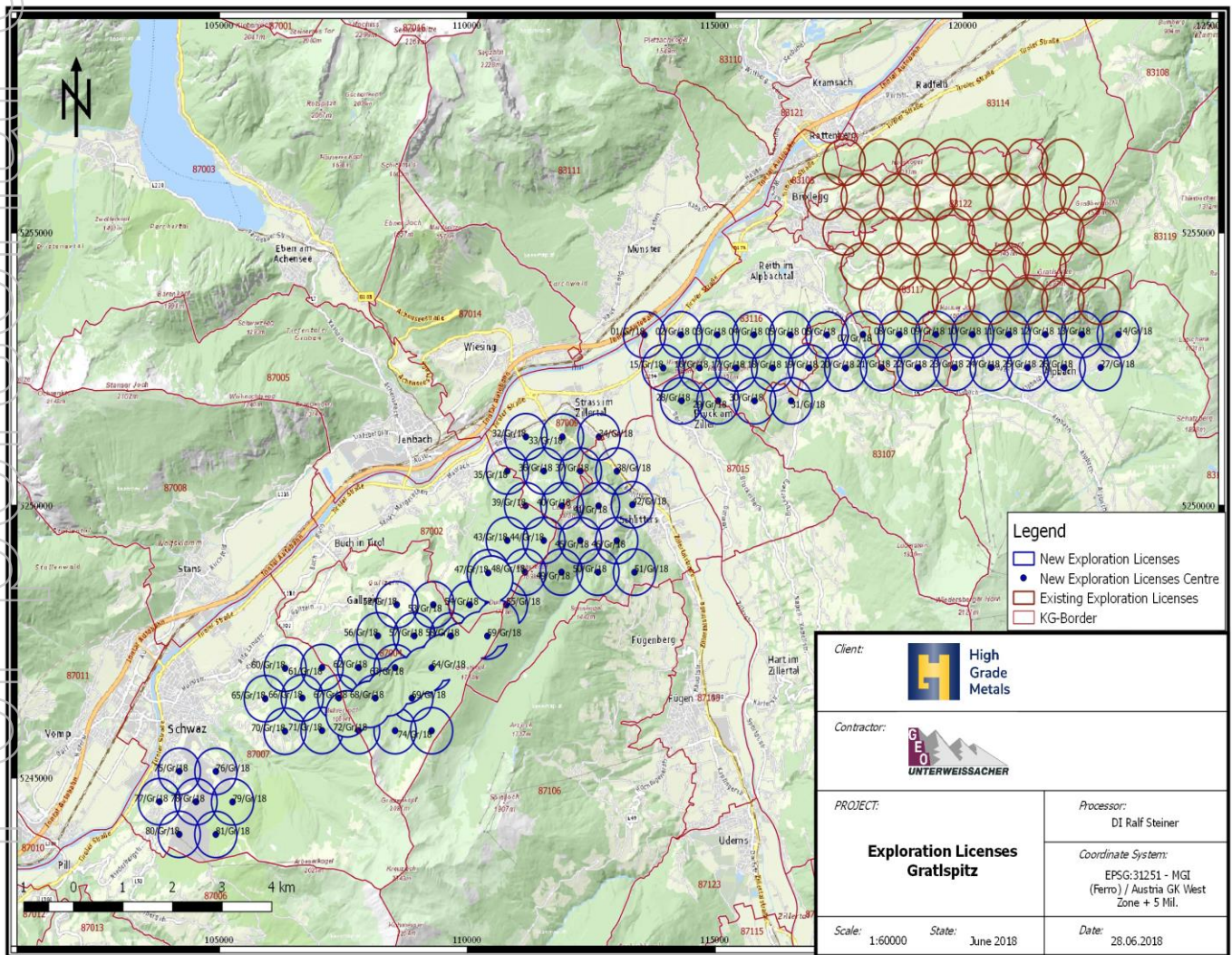
Figure 4 – Geology and location of historic mines in the Schwaz-Brixlegg mining district



**Additional Project Area**

The presence of a ~20km strike length of historical high grade fahlore bearing polymetallic material within the Schwarz Dolomite, in a style similar to that of Mississippi Valley mineralisation, coupled with the overlying Triassic limestones containing copper, lead and zinc mineralisation, with minor cobalt and silver, strongly suggest that the Gratspitz Project has had access to extensive mineralising system(s). Nevertheless, and despite the area’s moderate altitude and ease of access, it has not been subjected to modern exploration. Most of the massive sulphide replacement bodies in this area are likely to have distinct geophysical signatures, including high density, low resistivity, electrical chargeability (when excited by induced polarization) and, providing magnetite or pyrrhotite is present, higher magnetic susceptibility. As such, the Gratspitz Project’s style of mineralisation should be amenable to modern geophysical exploration techniques, as recently demonstrated at Leogang.

As a result of the above, the Company recently applied for and was awarded an additional 81 overlapping Freischürfe covering an area of 35km. This has resulted in an increase in the Project to 53km<sup>2</sup>. The additional Freischürfe are shown below in Figure 5 below.



**Figure 5 – Location map showing new application areas at Gratspitz**



High  
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Metals

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## Competent Persons Statement

The information in this report that relates to the Exploration 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 km<sup>2</sup> 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 11. Location of High Grade Metals' Projects within Austria