High Grade Metals

2018 Annual Report

CORPORATE INFORMATION

Board of Directors

Mr Steven Formica – Non-Executive Chairman

Mr Torey Marshall – Managing Director

Mr Hayden Locke – Non-Executive Director

Mr David Palumbo – Non-Executive Director

Company Secretary

Mr David Palumbo

Registered Office

Level 11
216 St Georges Terrace
PERTH WA 6000
Phone: +61 8 9481 0389
Fax: + 61 8 9463 6103

Company website

www.highgrademetals.com.au

Australian Securities Exchange Listing

Code: HGM (previously: QNL)

Auditors

Grant Thornton Audit Pty Ltd
Central Park, Level 43
152-158 St Georges Terrace
PERTH WA 6000

Share Registry

Advanced Share Registry Ltd
110 Stirling Highway
NEDLANDS WA 6009
Phone: +61 8 9389 8033

Australian Solicitors

Baker & McKenzie
Tower One – International Towers Sydney
Level 46, 100 Barangaroo Avenue
SYDNEY NSW 2000

Austrian Solicitors

Baker & McKenzie
Diwok Hermann Petsche Rechtsanwälte
LLP & Co KG
Schottenring 25
1010 WIEN
AUSTRIA

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DIRECTORS' REPORT

Your Directors submit their report for High Grade Metals Limited ("the Company") (previously Quest Minerals Limited) and its controlled entities ("the Group") for the year ended 30 June 2018.

DIRECTORS

The names of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Director	Position	Appointed	Last elected or re-elected	Resigned
Mr S Formica	Non-Executive Chairman	3 January 2017	24 November 2017	-
Mr T Marshall	Managing Director	26 February 2018	19 January 2018(i)	-
Mr H Locke	Non-Executive Director	26 February 2018	19 January 2018(i)	-
Mr D Palumbo	Non-Executive Director(ii)	18 January 2017	24 November 2017	-
Mr J Vitale	Non-Executive Director	22 April 2013	24 November 2017	26 February 2018

(i) Shareholder elected to appointment Mr Marshall and Mr Locke on the date the Acquisition was completed (refer to Note 14 for further details), being 26 February 2018.

(ii) Appointed Company Secretary on 18 December 2016.

Company directors' details:

Mr Steven Formica	Non-Executive Chairman
Experience	Mr Formica brings to the Group practical management and business developments experience. He has been a successful businessman and operations manager for over 30 years in a number of privately held businesses ventures including manufacturing, construction, landscape contracting, property development and integrated wholesale and retail industries. More recently he has been a successful investor and non-executive director in mineral resource companies.
Interest in shares & options	11,900,000 ordinary shares
Listed entity directorships	Mr Formica is currently a non-executive Director of ASX listed companies: Bowen Coking Coal Ltd (ASX: BCB) (previously Cabral Resources Limited, ASX: CBS), Lindian Resources Limited (ASX: LIN), Orminex Limited (ASX: ONX) and Veriluma Ltd (ASX: VRI). Former directorships in other listed entities in the past 3 years: Nil

DIRECTORS' REPORT

Mr Torey Marshall	**Managing Director and Chief Executive Officer**
Qualifications	Bsc (hons), Msc (Geology) MAusIMMCP
Experience	Mr Marshall is a Chartered Professional (Geology) of AusIMM, and holds a BSc (Hons) and MSc from the University of South Australia. He has been a member of the international resources community for over 17 years having worked in mining, geothermal, petroleum and associated infrastructure projects across South America, Africa, North America and Europe. Mr Marshall has worked for numerous large and small businesses as both advisor and member of the management team (such as EVP Business Development for Eagle Graphite Corporation), including of being a Managing Director and CEO of several companies in the public (Rampart Energy Ltd formerly Earth Heat Resources Ltd) as well as private corporate environments (Red Gum Resources Ltd prior to listing on the ASX, and WAMA Gold). He has been responsible for development of strategic direction, identification and acquisition of new projects, execution of exploration and development programs (and building the teams thereof). Mr Marshall has extensive experience in the capital markets (arranging over $500m in equity and project funding) across a range of projects globally.
Interest in shares & options	8,500,000 ordinary shares 20,000,000 options exercisable at $0.03 on or before 30 September 2020 6,650,000 Class A Performance Shares 6,650,000 Class B Performance Shares
Listed entity directorships	Former directorships in other listed entities in the past 3 years: Managing Director of Rampart Energy Limited (ASX: RTD) and Non-Executive Director of Red Gum Resources Limited (ASX: RGX).

Mr Hayden Locke	Non-Executive Director
Qualifications	BCom, Grad Dip. Min Exp Geo Sc
Experience	Mr Locke is a former investment banker (JP Morgan, London) and private equity investment manager (Barclays) with transactional experience across multiple industries from both the buy and sell-side. He has nearly 10 years' experience in corporate, development, M&A and financing. His most recent experience is leading the in-house corporate development, strategy and sales and marketing function for a small- medium listed specialty fertilizer company based in London and Spain. Prior to that, Mr Locke was Corporate Executive for ASX-listed Papillon Resources Ltd which was sold to B2Gold Corp in 2014. Mr Locke studied engineering, commerce and geology.
Interest in shares & options	1,000,000 ordinary shares 2,000,000 options exercisable at $0.03 on or before 30 September 2020 1,000,000 Class A Performance Shares 1,000,000 Class B Performance Shares
Listed entity directorships	Former directorships in other listed entities in the past 3 years: Director of Papillon Resources Limited (ASX: PIR).

Mr David Palumbo	Non-Executive Director and Company Secretary
Qualifications	BCom, CA
Experience	Mr Palumbo is a Chartered Accountant with over ten years' experience in the accounting and financial reporting of ASX listed and unlisted companies, which includes five years as an external auditor. He provides corporate advisory and financial management advice and specialises in corporate compliance, statutory reporting and financial accounting services. Mr Palumbo is currently a non-executive director and company secretary for ASX listed companies Roto-Gro International Limited and Krakatoa Resources Limited, and company secretary for European Cobalt Ltd as well a number of unlisted public companies.
Interest in shares & options	1,000,000 ordinary shares
Listed entity directorships	Mr Palumbo is currently a non-executive Director of ASX listed Roto-Gro International Limited (ASX: RGI) and Krakatoa Resources Limited (ASX: KTA). Former directorships in other listed entities in the past 3 years: nil

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration including the exploration and evaluation of opportunities located domestically and internationally.

OPERATING RESULTS

The Consolidated Entity's operating loss after tax for the year ended 30 June 2018 was $4,159,298 (2017: $nil).

FINANCIAL POSITION

At the end of the financial year, the Consolidated Entity had a cash balance of $3,569,479 (2017: $nil) and a net asset position of $6,103,646 (2017: $nil).

REVIEW OF OPERATIONS

Corporate

Acquisition of Australian Projects Corporation Pty Ltd ("APC")

On 13 November 2017 the Group announced to ASX that it has entered into a binding Heads of Agreement whereby the Group will acquire 100% of the issued APC Securities from the Vendors for the purposes of acquiring prospective cobalt and gold in Austria (Austrian Cobalt and Gold Projects), together know as the "Acquisition".

At a general meeting held on 19 January 2018, the Company's Shareholders approved:

(a) the issue of securities as consideration of the acquisition:

- (i) 186,000,000 Shares;
- (ii) 65,000,000 Consideration Options, having an exercise price of 3 cents and expiring on 30 September 2020; and
- (iii) 240,000,000 Performance Shares in two classes:
  - (A) Class A: 120,000,000 Performance Shares,
  - (B) Class B: 120,000,000 Performance Shares,

  The Performance Shares terms and conditions are set out in the Remuneration Report.

(b) the Public Offer of $4,500,000, being 150,000,00 share at $0.03 per shares before costs of offer;

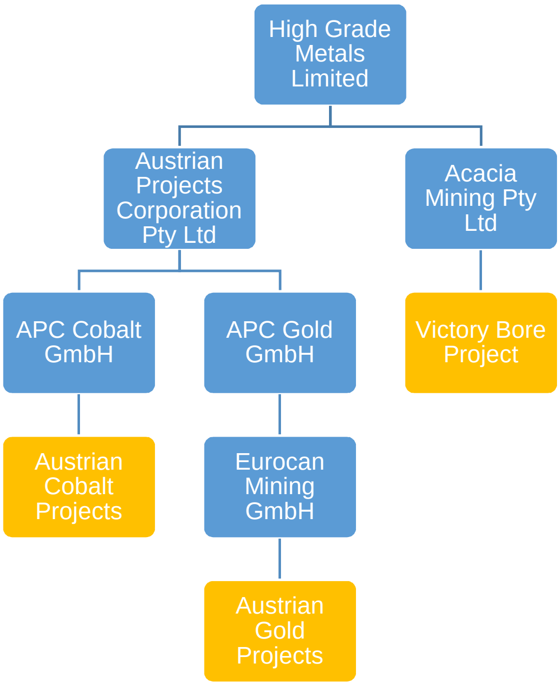
(c) Participation by existing directors in Public offer;

(d) the appointment of Torey Marshall as Managing Director and CEO, and Hayden Locke as a non-executive Director; and

(e) the Company changing its name to "High Grade Metals Limited".

Following the completion of the Acquisition on 26 February 2018, the corporate structure of the Company and its subsidiary undertakings ("Group") is follows:

DIRECTORS' REPORT



APC Cobalt GmbH and APC Gold GmbH were shelf companies acquired in Austria to hold the Tenements constituting the Austrian Cobalt Projects and Austrian Gold Projects respectively.

Eurocan Mining GmbH was acquired by APC Gold GmbH on 11 December 2017 for 25,000,000 shares in APC Gold GmbH, 36,000,000 Performance Shares Class A in APC Gold GmbH and a 2.5% gold net smelter royalty (capped at US$2,500,000).

The Group (through its wholly-owned subsidiary APC, and APC's wholly-owned Austrian subsidiaries) is the sole holder of a 100% legal and beneficial interest in the Projects.

Reinstatement to Official Quotation

On 7 March 2018, the Company was reinstated following the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules pursuant to Listing Rule 11.1.3.

Annual Shareholder Meetings

On 24 November 2017 an annual general meeting was held to consider a number of resolutions to:

- elect directors Mr Formica, Mr Vitale and Mr Palumbo;
- obtain retrospective shareholder approval as required by ASX for a number of historical transactions deemed to be with a related party (details of which were reported in detail in the Group's prior year financial statements); and
- to approve 10% additional capacity.

All of the necessary resolutions were passed at the meeting on a show of hands.

DIRECTORS' REPORT

ASX Listing Rule 4.10.19

The Group confirms that it has used the cash and assets in a form readily convertible into cash that it had at the time of admission in a way consistent with its business objectives.

Operations

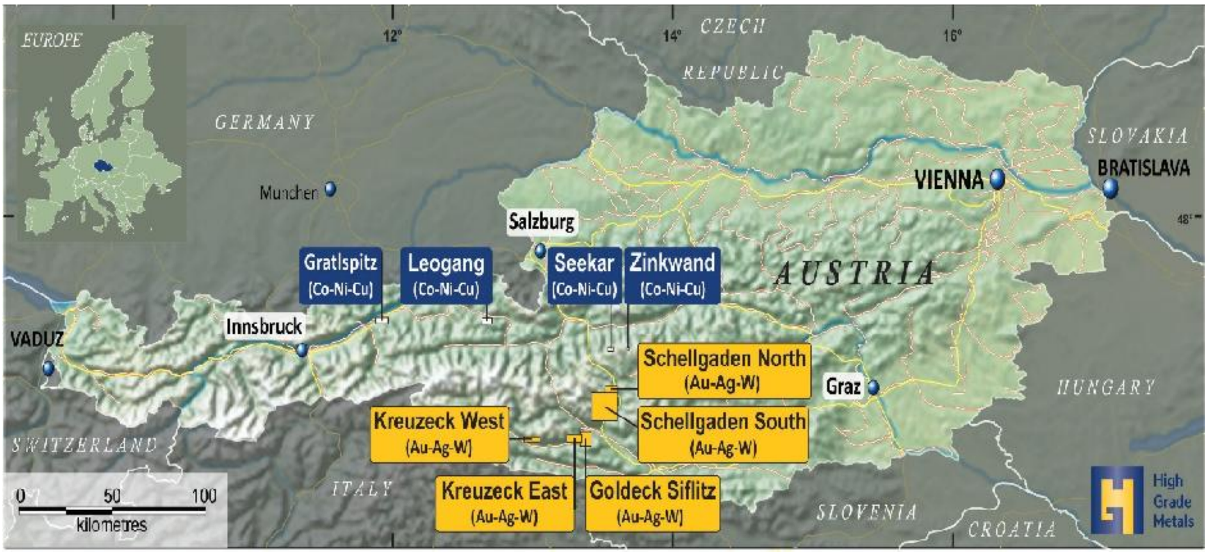


Figure 1: Location map of Austrian Projects

Austrian Gold Projects

The Company has a 100% interest in five Austrian gold projects covering a total of 200km^2.

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 2 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 to 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 four significant historical mines; Rabant, Gurskerkammer, Fundkofel, and Knappenstube-Strieden.

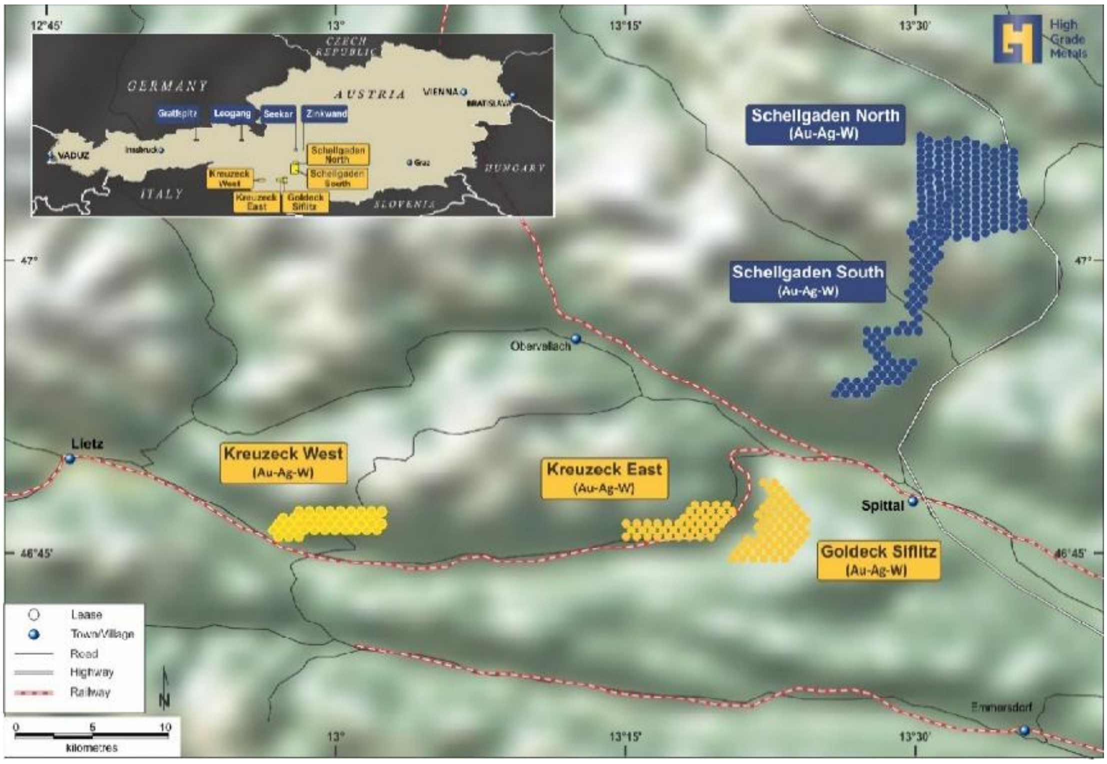


Figure 2: Location map showing the Company's Austrian Gold Projects

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 '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 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

Proposed Exploration Program – Priority Areas

The areas of focus are those where historic mines (and infrastructure) exist, where there is a level of certainty about the presence of a mineralised layer that could prove to be more extensive (exploration required), and where the information available supports that contention. With exploration success, the Group believes these Projects could be fast-tracked towards production.

The exploration program will be centred on cobalt-nickel-copper in and around the historic Leogang mine (inclusive of Nockelberg and surrounds), and the historic high grade Schellgaden gold mine. The Group believes these Projects represent the highest priority targets in its exploration portfolio.

The style of mineralisation is amenable to delineation by a range of geophysical methods. These may be undertaken either prior to or after exploration drilling, and include airborne potential field in addition to test programs of induced polarisation, electro magnetics and resistivity. These surveys will supplement environmental baselining, field mapping, geochemical sampling, underground mine engineering assessments, metallurgical studies, and potentially scoping/prefeasibility studies which will be undertaken where appropriate.

Based on the results of these initial rounds of exploration it is intended to undertake a minimum of 1000m of reconnaissance drilling (Phase 1), to be followed by an additional drilling phase of approximately 2000m (during Year 2).

DIRECTORS' REPORT

Victory Bore Project E57/1036

During the prior year the Group's wholly owned subsidiary Acacia Mining Pty Ltd ("Acacia") was awarded Exploration Licence E57/1036 comprising 13 blocks covering an area of 39 km^2 in the East Murchison Mineral Field in Western Australia. The tenement is located near the town of Sandstone, 560 km north east of Perth. On 21 August 2018, the Group announced that it has agreed to sell its non-core Victory Bore vanadium project to ASX listed Surefire Resource NL ("SRN") for:

- $500,000 in cash;
- 62,500,000 SRN shares at a deemed price of $750,000 at $0.012 per share (escrowed for six months);
- $650,000 in cash consideration within 60 days of SRN announcing a PFS for the project with an IR of over 20%; and
- $650,000 in cash or share consideration within 60 days of SRN announcing a decision to mine.

Competent Persons Statement

Information in this Annual 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 the Company. Mr Marshall is a Competent Person who is a member of the Australian Institute of Mining and 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 in this report of the matters based on the information compiled by him, in the form and context in which it appears.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for Directors and Key Management Personnel of High Grade Metals Limited.

The key management personnel of High Grade Metals Limited for the financial year consisted of the following directors:

- Steven Formica was appointed non-executive director on 3 January 2017 and non-executive chairman on 18 January 2017;
- Torey Marshall was appointed Managing Director and Chief Executive Officer on 26 February 2018;
- Hayden Locke was appointed non-executive director on 26 February 2018;
- David Palumbo was appointed non-executive director on 18 January 2017 and company secretary on 18 December 2016; and
- Jerome Vitale was the managing director until 18 January 2017 when he was appointed as a non-executive director until he resigned on 26 February 2018.

Shareholders AGM votes on Remuneration Report

The Company received 73.17% of 'yes' proxy votes and the Remuneration Report for the financial year ending 30 June 2017 was adopted unanimously on a show of hands. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

DIRECTORS' REPORT

Remuneration report (audited) (cont'd)

Remuneration policy

The remuneration policy of High Grade Metals Limited has been designed to align Director objectives with Shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board of High Grade Metals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Executives and Directors to run and manage the Group as well as create goal congruence between Directors and Shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

The remuneration policy, setting the terms and conditions for an Executive Director was developed by the Board. The Board reviews Executive packages annually by reference to the Group's performance, Executive performances and comparable information from industry sectors and other listed companies in similar industries.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by Shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group.

The full Board reviews recommendations on Remuneration packages and other terms of employment for Executive Directors and other senior Executives. Remuneration packages are set at levels that reflect the nature of the Group's operations and resources. Remuneration for work outside that ordinarily performed by Non-Executive Directors from time to time is determined by the Board.

Non-executive Director and executive remuneration

The remuneration of non-executive directors may not exceed in aggregate in any financial year the amount fixed by the Company and approved by shareholders, currently being $300,000 per annum. Currently, non-executive directors are remunerated by way of director fees (including any applicable superannuation), as set out below:

- Steven Formica $84,000 per annum from 28 February 2018 (previously $nil per annum). Mr Formica has also been paid a one off payment of $60,000 in fees for past services provided outside the scope of the ordinary duties of a non-executive Chairman, including for services performed in connection with the re-instatement of the Company to trading on the ASX on 17 February 2017, and additional services performed with respect to identifying new opportunities for the Group in Austria. Mr Formica had previously agreed to waive any director fees until such time that the workload associated with his duties as Chairman was further assessed;
- Torey Marshall $219,000 per annum and Mr Marshall will also have the opportunity to earn performance-based bonuses (appointed 26 February 2018);
- Hayden Locke $36,000 per annum (appointed 26 February 2018);
- David Palumbo $24,000 per annum; and
- Jerome Vitale $24,000 per annum from 1 August 2017 previously $60,000 per annum, (resigned 26 February 2018).

High Grade Metals

DIRECTORS' REPORT

Remuneration report (audited) (cont'd)

The principal terms of non-executive directors, Steven Formica, Hayden Locke and David Palumbo are set out in a signed Non-Executive Letter of appointment. Torey Marshall's principal terms are set out in a signed Executive Service Agreement, dated 18 January 2018.

Reward for Performance

Torey Marshall, under his Executive Service Agreement, dated 18 January 2018, has the opportunity to earn performance-based bonuses, based on key performance indicators set by the Company from time to time and any other matter that the Company deems appropriate.

During the year no reward for the performance component was issued under any remuneration package.

Remuneration of Directors and Key Management Personnel

	Short-term employee benefits	Post-employment benefits	Share-based payment			Proportion of remuneration	
	Salary & fees[1] $	**Superannuation $**	**Equity-settled**		**Total $**	**Performance related (%)**	**Value of options (%)**
			Shares $	**Options $**			
Consolidated							
2018							
Steven Formica	28,000	-	-	-	28,000	-	-
Torey Marshall[2] [3]	66,667	6,333	-	-	73,000	-	-
Hayden Locke[2]	12,000	-	-	-	12,000	-	-
David Palumbo[4]	8,000	-	-	-	8,000	-	-
Jerome Vitale[5]	-	-	-	-	-	-	-
Foreign exchange difference	(2,054)	-	-	-	(2,054)	-	-
Total 2018	**112,613**	**6,333**	**-**	**-**	**118,946**	-	-
Total 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Legal parent							
2018							
Steven Formica	88,000	-	-	-	88,000	-	-
Torey Marshall[2]	66,667	6,333	-	-	73,000	-	-
Hayden Locke[2]	12,000	-	-	-	12,000	-	-
David Palumbo[4]	24,000	-	-	-	24,000	-	-
Jerome Vitale[5]	20,357	-	-	-	20,357	-	-
Total 2018	**211,024**	**6,333**	**-**	**-**	**217,357**	-	-

DIRECTORS' REPORT

Remuneration report (audited) (cont'd)

	Short-term employee benefits	Post-employment benefits	Share-based payment			Proportion of remuneration	
	Salary & fees[1] $	**Superann-ation $**	**Equity-settled**		**Total $**	**Perform - ance related (%)**	**Value of options (%)**
			Shares $	**Options $**			
Legal parent							
2017							
Steven Formica	-	-	-	-	-	-	-
David Palumbo[4]	8,857	-	-	-	8,857	-	-
Jerome Vitale[6]	102,500	-	-	29,975	132,475	-	-
Paul Piercy	-	-	-	-	-	-	-
Dennis Gee	-	-	-	-	-	-	-
Stuart Third	-	-	-	-	-	-	-
Ian Crawford	-	-	-	-	-	-	-
Total 2017	**111,357**	**-**	**-**	**29,975**	**141,332**	**-**	**-**

(1) The salary and fees are all paid in cash and there is no profit share or bonuses.
(2) Mr Marshall and Mr Locke were appointed as directors on 26 February 2018.
(3) Mr Marshall is a director of APC and prior to his appointment as a director of the Company, APC paid $56,495 (2017: $nil) consulting fees (net of GST) via his controlled entity Vibrante Pty Ltd in the period 1 July 2017 to 27 February 2018.
(4) Director's fees paid or payable to Mr Palumbo's employer, Mining Corporate Pty Ltd.
(5) Mr Vitale resigned as a director on 26 February 2018.
(6) In the prior year, share based option payments amounting to 2,500,000 options acquired by Mr Vitale for a consideration of $0.00001 per option were revalued using black–scholes, and deemed to have a fair value of $0.012 per option.

Nomination and Remuneration Committee

The Board is responsible for establishing the Company's remuneration policies and practices and to ensure they match the group's objectives. The Company's Board proposed the Managing Director's total remuneration package and is responsible for reviewing the non-executive remuneration. The Board is of the opinion that given the size and circumstances of the Company, the functions of the Remuneration Committee are more readily attended to by the Board than a separate committee. The Board did not engage any remuneration consultants during the period.

High Grade Metals

DIRECTORS' REPORT

Remuneration report (audited) (cont'd)

Amounts payable to KMP
During the prior year, the following amounts were settled pursuant to deed of release agreements executed between the relevant KMP and the Company. The amounts relate to settlement of payables to KMP or their related entities accrued since execution of the Deed of Company Arrangement on 18 August 2014:

30 June 2017	Cash	Shares	Total
	$	$	$
P Piercy	11,693	10,000	21,693
J Vitale	4,233	50,000	54,233
D Gee	11,693	10,000	21,693
S Third	12,281	10,000	22,281

Options granted as part of remuneration
No Options were issued as part of remuneration in the current financial year.

During the prior financial year, 2,500,000 options over unissued shares in High Grade Metals Limited were granted to Jerome Vitale as part of his remuneration. Mr Vitale paid $0.00001 per option, for a total consideration of $25. The terms and conditions of options are as follows:

Name	Number of options granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per option at grant date
J Vitale	2,500,000	14/11/2016	14/12/2016	30/09/2020	$0.03	$0.012

Options granted vested immediately and carry no dividend or voting rights.

During the financial year, there were no options over unissued shares in High Grade Metals Limited granted to the directors, employees or consultants as part of their remuneration that expired.

KMP Options Holdings
The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

Name	Balance at start of year	Commencing /(ceasing) Office	Granted as remuneration during the year	Acquired during the year	Expired during the year	Balance at end of year
S Formica	-	-	-	-	-	-
D Palumbo	-	-	-	-	-	-
T Marshall(1)	-	20,000,000	-	-	-	**20,000,000**
H Locke	-	2,000,000	-	-	-	**2,000,000**
J Vitale	2,500,000	(2,500,000)	-	-	-	-
	2,500,000	**19,500,000**	**-**	**-**	**-**	**22,000,000**

(1) 20,000,000 options are held by Torey Marshall <Torey Marshall Family Trust>, an entity controlled by Mr Marshall.

There has been no change in KMP options holdings since the year end.

High Grade Metals

DIRECTORS' REPORT

Remuneration report (audited) (cont'd)

KMP Performance Shares Holdings
The number of performance shares held by each KMP of the Group during the financial year is as follows:

	Balance at start of year	Commencing /(ceasing) Office	Granted as remuneration during the year	Acquired during the year	Expired during the year	Balance at end of year
S Formica	-	-	-	-	-	-
D Palumbo	-	-	-	-	-	-
T Marshall[(1)]	-	13,300,000	-	-	-	**13,300,000**
H Locke	-	2,000,000	-	-	-	**2,000,000**
J Vitale	-	-	-	-	-	-
	-	**15,300,000**	**-**	**-**	**-**	**15,300,000**

(1) 13,300,000 Performance Shares are held by Torey Marshall <Torey Marshall Family Trust>, an entity controlled by Mr Marshall.

There has been no change in KMP performance shares holdings since the year end.

Terms and conditions of Class A Performance Shares Terms
The Class A Performance Shares were issued on 26 February 2018.

Each Class A Performance Share will convert into a Share on a one-for-one basis, upon the delineation of a JORC-compliant Mineral Resource estimate of at least Inferred category (as defined in the JORC Code) of a minimum of 500,000 ounces of gold or gold equivalent (in accordance with clause 50 of the JORC Code) at an average grade of at least 8 grams per tonne (Class A Milestone).

The Class A Milestone must be determined to have been achieved, or not achieved, by no later than 5.00pm on the date that is one month after the Expiry Date, being 25 February 2023. The Class A Milestone has not been achieved as at 30 June 2018 or the date of this report.

Terms and conditions of Class B Performance Shares
The Class B Performance Shares were issued on 26 February 2018.

Each Class B Performance Share will convert into a Share on a one-for-one basis, upon completion of a positive Scoping Study (as defined in the JORC Code) in relation to any one or more Austrian Cobalt Project by an independent third-party expert which evidences an internal rate of return greater than 20% (using publicly available industry assumptions including deliverable spot commodity/mineral prices which are independently verifiable), provided that the total cumulative EBITDA over the life of the relevant Austrian Cobalt Project is over $US50,000,000, and provided that (while the Company remains listed on the ASX) the Scoping Study is released as an announcement on the ASX Announcements Platform and is not required by reason of regulatory intervention by ASX or ASIC to be retracted within a period of one month from the date of its release (Class B Milestone).

The Class B Milestone must be determined to have been achieved or not achieved by no later than 5.00pm on the date that is one month after the Expiry Date, being 25 February 2023. The Class B Milestone has not been achieved as at 30 June 2018 or the date of this report.

High Grade Metals

DIRECTORS' REPORT

Remuneration report (audited) (cont'd)

KMP shareholdings

The number of ordinary shares in the Company held by each KMP of the Group during the financial year is as follows:

	Balance at start of year	Commencing /(ceasing) Office	Issued during the year	Purchased/ (sold) during the year(1)	Balance at end of year
S Formica(2)	5,900,000	-	-	6,000,000	**11,900,000**
D Palumbo	250,000	-	-	750,000	**1,000,000**
T Marshall(3)	-	8,500,000	-	-	**8,500,000**
H Locke	-	1,000,000	-	-	**1,000,000**
JG Vitale	1,175,001	(3,425,001)	-	2,250,000	**-**
Total	**7,325,001**	**6,074,999**	**-**	**9,000,000**	**22,400,000**

(1) During the year the shares were purchased by the KMP pursuant to the prospectus dated 30 January 2018 at $0.03 per share and approved by shareholders on 19 January 2018.
(2) 11,900,000 Shares are held in total by Stevsand Holdings Pty Ltd <Formica Horticultural A/C> and Stevsand Investments Pty Ltd <Steven Formica Family A/C>, companies of which Mr Formica is a director.
(3) 8,500,000 shares are held by Torey Marshall <Torey Marshall Family Trust>, an entity controlled by Mr Marshall.

There has been no change in KMP shareholdings since the year end.

OTHER CONTRACTS AND TRANSACTIONS WITH KMP

During the prior year, a $600 loan previously provided by Haramont Pty Ltd an entity controlled by Jerome Vitale to meet urgent expenses of the Group was repaid.

END OF REMUNERATION REPORT (AUDITED)

DIVIDENDS

The directors do not recommend the payment of a dividend for this financial year. No dividends have been paid or declared by the Company since the end of the previous financial year (2017: Nil).

DIRECTORS' MEETINGS

The number of Directors' meetings held in the year and the number of meetings attended by each Director during the year were as follows:

Name	Directors' Meetings	
	No. of meetings held while in office	Meetings attended
S Formica	2	2
D Palumbo	2	2
T Marshall	-	-
H Locke	-	-
J Vitale	2	2

DIRECTORS' REPORT

It is noted that the Directors were able to attend to business of the Company during the period by circulated resolution and telephone meetings as permitted by the Company's Constitution in place of conducting meetings.

As at the date of this report, the Consolidated Entity did not have an audit committee, as the directors believe the size of the Consolidated Entity and the size of the Board do not currently warrant its existence.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of Directors there were no significant changes in the state of affairs of the group that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

Other than as referred to in the Review of Operations, further information as to likely developments in the operations of the Consolidated Entity would, in the opinion of the Directors, be speculative and may hinder the Consolidated Entity in the achievement of its commercial objectives.

UNQUOTED OPTIONS

The Company had on issue 100,500,000 (2017: 32,500,000) unquoted options at the end of the financial year and at the date of this report; the movements and terms and conditions are as follows:

Exercise price	**$0.12**	**$0.03**	**$0.03**	**$0.03**
Expiry date	**30 Sept 2020**	**30 Sept 2020**	**30 Sept 2020**	**30 Sept 2020**
Escrow restriction	**-**	**7 Mar 2020**	**26 Feb 2019**	**-**
	No	**No**	**No.**	**No.**
At the beginning of the reporting period	-	-	-	32,500,000
Options issued during the year:				
- 26 February 2018	-	61,350,000	3,650,000	-
- 19 March 2018	3,500,000	-	-	-
- 5 June 2018	2,500,000	-	-	-
Options lapsed on 5 June 2018	(3,000,000)	-	-	-
At the end of the reporting period and at the date of this report	**3,000,000**	**61,350,000**	**3,650,000**	**32,500,000**

Prior year:

At 30 June 2017, the Group had 32,500,000 options exercisable at $0.03 on or before 30 September 2020 on issue. No options expired or were exercised during the year ended 30 June 2017.

During, and since the end of, the financial year, no fully paid ordinary shares were issued by virtue of the exercise of options (2017: Nil). None of the options on issue entitle the holder to participate in any share issue of the Company or any other body corporate.

The options have been valued using the Black-Scholes option pricing model:

High Grade Metals

DIRECTORS' REPORT

	2018	2017
	$	$
Opening balance	-	-
Reverse acquisition 28 February 2018	23,835	-
Issue of 500,000 options on 19 March 2018	11,083	-
Issue of 2,500,000 options on 5 June 2018	50,255	-
Total	**85,173**	-

On 26 February 2018, 65,000,000 options were issued at fair value of $0.00037 per option to the vendors of APC. The value on reverse acquisition of APC options had a fair value of $23,835.

On 19 March 2018 3,500,000 options were issued, of which 3,000,000 lapsed on 5 June 2018. The remaining 500,000 options have a fair value of $0.022 per option. The Group have calculated the fair value using the Black-Scholes option pricing model, based on the spot price of $0.053, volatility of 100% and an interest rate of 1.9%.

On 5 June 2018 2,500,000 options have a fair value of $0.02 per option. The Group have calculated the fair value using the Black-Scholes option pricing model, based on the spot price of $0.054, volatility of 100% and an interest rate of 1.9%.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's exploration operations are subject to environmental regulations under Commonwealth and State legislation where those operations are in Australia (asset disposed of after the end of the Financial year). Where the Groups exploration operations are in Austria, it is subject to environmental regulations in that jurisdiction. The Directors believe that the Group has adequate systems in place for the management of the requirements under those regulations, and are not aware of any breach of such requirements as they apply to the Group.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has entered into deeds of indemnity with each director and the company secretary whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company has paid premiums to insure each of the directors and the company secretary against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The disclosure of the amount of the premium is prohibited by the insurance policy.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of the Company support and have adhered to the principles of Corporate Governance. Refer to the Company's Corporate Governance Statement at www.highgrademetals.com.au.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001, is set out on the following page and forms part of the Directors' report.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

On 24 July 2018, the Group announced that it has received notification that its had successfully been awarded extra exploration licences expanding areas:

- Schellgaden Gold Project by approximately $30km^2$:and
- Gratlspitz Cobalt Project by approximately $35km^2$

On 21 August 2018, the Group announced that it has agreed to sell its non-core Victory Bore vanadium project to ASX listed Surefire Resource NL ("SRN") for:

- $500,000 in cash;
- 62,500,000 SRN shares at a deemed price $750,000 at $0.012 per share (escrowed for six months);
- $650,000 in cash consideration within 60 days of SRN announcing a PFS for the project with an IR of over 20%; and
- $650,000 in cash consideration within 60 days of SRN announcing a decision to mine.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NON-AUDIT SERVICES

There were no non-audit services provided by the external auditors during the financial year.

SIGNED in accordance with a resolution of the directors

Steven Formica
Non-Executive Chairman
Perth,

Grant Thornton

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Auditor's Independence Declaration

To the Directors of High Grade Metals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of High Grade Metals Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Partner – Audit & Assurance

27 September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Other income			
Financial income	3	13,401	-
Forgiveness of loan on reverse takeover		185,055	-
Total other income		198,456	-
Expenses			
Corporate expenses	4	(848,768)	-
Administrative expenses		(41,591)	-
ASX listing fees and reverse takeover costs	14	(3,467,395)	-
Total Expenses		(4,357,754)	-
Loss before income tax expense		(4,159,298)	-
Income tax expense	5	-	-
Loss for the year		(4,159,298)	-
Other comprehensive income			
Foreign exchange on the translation of subsidiaries		(6,976)	-
Total other comprehensive loss, net of tax		(6,976)	-
Total comprehensive loss for the year		(4,166,274)	-
Basic and diluted loss per share			
Loss per share (cents per share)	6	(1.95)	-

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

High Grade Metals

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018	2017
ASSETS		**$**	**$**
Current assets			
Cash and cash equivalents	8	3,569,479	-
Trade and other receivables	9	56,101	-
Other assets	10	14,489	-
Assets held for sale	11	147,868	-
Total current assets		3,787,937	-
Non-current assets			
Exploration and evaluation expenditure	12	2,637,518	-
Total non-current assets		2,637,518	-
TOTAL ASSETS		6,425,455	-
LIABILITIES			
Current liabilities			
Trade and other payables	13	321,809	-
Total current liabilities		321,809	-
TOTAL LIABILITIES		321,809	-
NET ASSETS		6,103,646	-
EQUITY			
Contributed equity	15	10,184,747	-
Reserves	15	78,197	-
Accumulated losses		(4,159,298)	-
TOTAL EQUITY		6,103,646	-

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Contributed Equity	Accumulated Losses	Other Reserves	Total Equity/ (Deficiency)
	$	$	$	$
Balance at 1 July 2016	-	-	-	-
Loss after income tax expense for the year	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
Shares issued during the year	-	-	-	-
Transactions with owners	-	-	-	-
Balance at 30 June 2017	-	-	-	-
Balance at 1 July 2017	-	-	-	-
Loss after income tax expense for the year	-	(4,159,298)	-	(4,159,298)
Other comprehensive income for the year, net of tax	-	-	(6,976)	(6,976)
Total comprehensive loss for the year	-	(4,159,298)	(6,976)	(4,166,274)
Options issued during the year	-	-	61,338	61,338
Securities issued during the year	6,471,000	-	-	6,471,000
Reverse acquisition	4,083,136	-	23,835	4,106,971
Share issue costs	(369,389)	-	-	(369,389)
Transactions with owners	10,184,747	-	85,173	10,269,920
Balance at 30 June 2018	10,184,747	(4,159,298)	78,197	6,103,646

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		12,897	-
Payment to suppliers and employees		(626,211)	-
Net cash used in operating activities	20	(613,314)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired via reverse takeover		843,508	-
Payment for Exploration assets		(829,196)	-
Net cash provided by investing activities		14,312	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares and options		4,500,000	-
Share issue expenses		(331,519)	-
Net cash provided by financing activities		4,168,481	-
Net increase in cash held		3,569,479	-
Cash and cash equivalents at the beginning of financial year		-	-
Cash and cash equivalents at the end of financial year	8	3,569,479	-

The above statement of cash flows should be read in conjunction with the accompanying note

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of High Grade Metals Limited ("the Company") and its Controlled Entities ("the Group"). High Grade Metals Limited is a listed public Company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 27 September 2018 by the Directors of the Company.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The comparative information contained within this report is that of Austrian Projects Corporation Pty Ltd ("APC") (ACN 622 432 428). APC was incorporated on 24 October 2017.

Reverse acquisition

On 26 February 2018, the Company, formerly named Quest Minerals Limited, completed the 100% acquisition of Austrian Project Corporation Pty Ltd (referred to as "APC"). As a result of this acquisition Quest Minerals Limited changed its name to High Grade Metals Limited. The acquisition of APC resulted in the Shareholders of APC obtaining control of the merged entity. In addition, the Board of Directors of the merged entity was restructured such that two of the four directors comprise of APC nominees. Mr Torey Marshall, a nominee of APC serves as the only executive director, Managing Director and Chief Executive Officer; and the APC management team has assumed responsibility of the management of the merged entity. Consequently, the acquisition has been accounted for with reference to the guidance for reverse acquisitions as set out in Australian Accounting Standards ("AASB") 3 "*Business Combinations*".

The application of the reverse acquisition guidance contained within AASB 3 has resulted in High Grade Metals Limited (the legal parent) being accounted for as the acquiree and APC (the legal subsidiary) being accounted for as the acquirer in the combination.

At the time of the Company's acquisition of APC, its operations did not fall within the scope of a 'business' under AASB 3. Consequently, the acquisition did not meet the definition of a 'business combination' under AASB 3, and the principles of AASB 3 could not be applied in their entirety.

Instead, the acquisition has been accounted for as a share-based payment transaction using the principles set out in AASB 2 "*Share-based Payments*" whereby APC is deemed to have issued shares in exchange for the net assets and lasting status of High Grade Metals Limited. In accordance with AASB 2, the difference between the fair value of the deemed consideration paid by High Grade Metals Limited and the fair value of the identifiable assets of APC , is required to be recognised as an expense. Consequently, an expense of $3,467,395 has been recognised, as set out in Note 14.

The accounting parent of the Group is APC, the consolidated financial statements therefore represent the continuation of the financial statement of APC, with the exception of the capital structure. The results for the year ended 30 June 2018 comprise the results of APC for the period from incorporation and the results of High Grade Metals Limited subsequent to the completion of the acquisition.

The comparative information provided is that of accounting parent, APC. The accounting parent was incorporated on 24 October 2017, as a result the comparatives are nil.

Australian Accounting Standards ("AASB") set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2018. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All Australian subsidiaries have a reporting date of 30 June; the Austrian subsidiaries have a 31 December reporting date for tax purposes.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

b. Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

d. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

e. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

ii) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Fair values

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference similar to instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of non-current assets

At the end of each reporting period, the Group assesses whether there is any indication that a non-current asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. Contributed equity

Issued and paid up-capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

h. Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed of.

i. Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Equity-settled compensation

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions)

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes pricing model which incorporates all market vesting conditions.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-based transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If any equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

j. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

l. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Recognition of revenue from research and development concessions available to the Group has been adopted on a receipts basis due to the inherent uncertainty of the receipt of the concession each year.

All revenue is stated net of the amount of goods and services tax.

m. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST and VAT, except where the amount of GST incurred is not recoverable from the Australian Taxation Office and Austrian Taxation Office (Tax Office).

Receivables and payables are stated inclusive of the amount of GST and VAT receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the Tax Office is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST and VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the Tax Office are presented as operating cash flows included in receipts from customers or payments to suppliers.

o. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

p. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the Australian Taxation Office.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and Evaluation Expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at balance date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in Note 1(c).

q. Earnings per Share

Basic earnings per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net loss attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends)
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

r. Share-based payments

Equity settled transactions:

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

s. Going concern

As disclosed in the financial statements, the Group recorded an operating loss of $4,159,298 and a cash outflow from operating activities of $613,314 for the year ended 30 June 2018 and at balance date, had net current assets of $3,466,128.

As the Group is in the exploration phase, and recognises no revenue streams, it continues to rely heavily on equity or debt raisings.

The Group's cash flow forecast for the next 12 months indicates that based upon current planned expenditure the Group will have a positive cash position and will not require additional capital raisings during the next 12 months.

t. Changes in accounting policies and disclosure

In the year ended 30 June 2018, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

u. New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new and revised standards became effective for the first time for annual periods beginning on or after 1 July 2018:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

New / revised pronouncement (Superseded pronouncements)	Nature of change	Likely impact on initial application
AASB 9 *Financial Instruments (December 2014)* (Superseded: *AASB 139 Financial Instruments: Recognition and Measurement)*	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flow. b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments. d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: Z the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) Z the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: Z classification and measurement of financial liabilities; and Z derecognition requirements for financial assets and liabilities. AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.	The entity has undertaken an assessment of the impact of AASB 9. When this standard is first adopted for the year ended 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

New / revised pronouncement (Superseded pronouncements)	Nature of change	Likely impact on initial application
AASB 9 *Financial Instruments (December 2014) continued*	Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.	

AASB 15 *Revenue from Contracts with Customers*
(Superseded:
AASB 118 *Revenue*
AASB 111 *Construction Contracts*
Int. 13 *Customer Loyalty Programmes*
Int. 15 *Agreements for the Construction of Real Estate*
Int. 18 *Transfer of Assets from Customers)*
	AASB 15:
	- replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related Interpretations:
	  - establishes a new revenue recognition model
	  - changes the basis for deciding whether revenue is to be recognised over time or at a point in time
	  - provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
	  - expands and improves disclosures about revenue.
		The entity has assessed the impact of AASB 15 and has concluded that as there are currently no contracts with customers the is currently no material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 16 *Leases* (Superseded: AASB 117 *Leases* Int. 4 *Determining whether an Arrangement contains a Lease* Int. 115 *Operating Leases—Lease Incentives* *Int. 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease)*	AASB 16: - replaces AASB 117 *Leases* and some lease-related Interpretations - requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases - provides new guidance on the application of the definition of lease and on sale and lease back accounting - largely retains the existing lessor accounting requirements in AASB 117 - requires new and different disclosures about leases	The entity currently has only two office leases and has assessed there is no material impact of these leases and as a result AASB 117 is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020. The standard will be assessed when new leasing agreements are being negotiated to ensure the impacts are known prior to any contact being signed.

There is no impact of new accounting standards and interpretations applied during the year.

NOTE 2: PARENT INFORMATION

The following information has been extracted from the books and records of the legal parent, being High Grade Metals Limited and has been prepared in accordance with Accounting Standards.

STATEMENT OF FINANCIAL POSITION	2018 $	2017 $
ASSETS		
Current assets	3,505,321	973,709
Intercompany loans	578,648	-
Investment in subsidiaries	4,083,138	-
TOTAL ASSETS	8,167,107	973,709
LIABILITIES		
Current liabilities	76,165	80,588
TOTAL LIABILITIES	76,165	80,588
EQUITY		
Issued capital	102,552,496	94,338,750
Share option reserve	1,808,238	1,746,900
Accumulated losses	(96,269,792)	(95,192,529)
TOTAL EQUITY	8,090,942	893,121

STATEMENT OF COMPREHENSIVE INCOME

Total loss for the year	(1,077,263)	(1,017,240)

Guarantees
The Company has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities
Details of contingent liabilities are set out in Note 18.

Contractual commitments
Details of contractual commitments are set out in Note 17.

At 30 June 2018, the Company had not entered into any contractual commitments for the acquisition of property, plant and equipment (2017: Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: OTHER INCOME

	2018	2017
	$	$
Interest income	13,401	-
Total other income from ordinary activities	13,401	-

NOTE 4: LOSS FOR THE YEAR

Loss from ordinary activities before income tax expenses has been arrived at after charging the following items:

	2018	2017
Corporate expenses	$	$
ASX & ASIC	65,132	-
Accounting and company secretarial fees	24,389	-
Audit fees	60,060	-
Consulting fees	102,059	-
Director fees	73,390	-
Legal fees	405,877	-
Marketing and travel expenses	99,744	-
Share registry fees	18,117	-
	848,768	-

NOTE 5: INCOME TAX

A reconciliation between tax revenue and the product of accounting loss before income tax multiplied by Group's applicable income tax rate is as follows:

	2018	2017
	$	$
Accounting loss before tax from continuing operations	(4,159,298)	-
At the parent entity's statutory income tax rate of 30% (2017: 30%)	(1,247,789)	-
- Non-deductible expenses	1,012,468	-
- Deductible equity raising costs	(72,352)	-
- Unused tax losses and temporary differences not recognised as deferred tax assets	307,673	-
Income tax attributable to entity	-	-

Deferred tax not brought to accounts, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(b) occur:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	$	$
Losses available for offset against future tax liabilities (at 30%)	5,129,130	4,743,862
Deductible temporary differences	26,143	29,156
	5,155,273	4,773,018

The Group has based its workings on the current 30% tax rate, on the basis the Group has future taxable profits it is likely that the Group will not be a Small Business Entity (SBE) and therefore the tax rate applicable will be 30%.

The Continuity of Ownership Test (COT), or failing that, the Same Business Test, has not been considered to determine whether tax losses can be carried forward as at 30 June 2018. The recovery of the losses is subject to satisfaction of the tax loss recoupment rules.

NOTE 6: EARNINGS PER SHARE

	2018	2017
	$	$
Earnings used in the calculation of EPS		
Loss for the year	(4,159,298)	-
Weighted average number of ordinary shares used	**Number**	**Number**
as the denominator in calculating basic EPS	212,987,111	-

The Company's 100,500,000 options on issue (refer to Note 15 for further details) are not considered dilutive and accordingly basic loss per share is the same as diluted loss per share.

NOTE 7: KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2018. The totals of remuneration attributable to KMP of the Group during the year are as follows:

	2018	2017
	$	$
Short-term employee benefits	73,390	-
Shore term employee benefits capitalised as exploration expenditure	45,556	-
Share-based payments	-	-
Total KMP compensation	118,946	-

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NOTE 8: CASH AND CASH EQUIVALENTS

	2018	2017
	$	$
Cash at bank	3,569,479	-
	3,569,479	-

NOTE 9: TRADE AND OTHER RECEIVABLES

	2018	2017
	$	$
GST and VAT receivable	56,101	-
	56,101	-

As all amounts are short-term, the net carrying value is considered to be a reasonable approximation of fair value.

NOTE 10: OTHER ASSETS

	2018	2017
	$	$
Prepayments	14,489	-
	14,489	-

NOTE 11: ASSETS HELD FOR SALE

	2018	2017
Current Assets: exploration assets held for sale	$	$
Balance at beginning of year	-	-
Exploration and evaluation assets transferred to be held for sale at carrying value (Note 12)	147,868	-
	147,868	

On 21 August 2018, the Group announced that it has agreed to sell its non-core Victory Bore vanadium project to ASX listed Surefire Resource NL ("SRN") for:

- $500,000 in cash;
- 62,500,000 SRN shares at a deemed price of $750,000 at $0.012 per share (escrowed for six months);
- $650,000 in cash consideration within 60 days of SRN announcing a PFS for the project with an IR of over 20%; and
- $650,000 in cash consideration within 60 days of SRN announcing a decision to mine.

NOTE 12: EXPLORATION AND EVALUATION EXPENDITURE

	2018	2017
Non-current assets: exploration assets	**$**	**$**
Balance at beginning of the year	-	-
Exploration and evaluation acquired in reverse takeover (Note 14)	137,222	-
Acquisition of exploration assets	1,782,503	-
Foreign exchange	11,887	-
Asset held for sale (Note 11)	(147,868)	-
Exploration and evaluation expenditure incurred	853,774	-
Balance at the end of the year	2,637,518	-

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest,

or alternatively, by their sale.

NOTE 13: TRADE AND OTHER PAYABLES

	2018	2017
	$	**$**
Trade payables	83,150	-
Sundry payables and accrued expenses	238,659	-
	321,809	-

Trade payables are non-interest bearing and have normal trade terms of 30 days or less.

NOTE 14: ACQUISITION

On 26 February 2018, the Company, formerly named Quest Minerals Limited, completed the 100% acquisition of Austrian Projects Corporation Pty Ltd (referred to as "APC"). As a result of this acquisition Quest Minerals Limited changed its name to High Grade Metals Limited. The acquisition of APC resulted in the Shareholders of APC obtaining control of the merged entity. In addition, the Board of Directors of the merged entity was restructured such that two of the four directors comprise of APC nominees. Mr Torey Marshall, a nominee of APC serves as the only executive director, Managing Director and Chief Executive Officer; and the APC management team has assumed responsibility of the management of the merged entity. Consequently, the acquisition has been accounted for with reference to the guidance for reverse acquisitions as set out in Australian Accounting Standards ("AASB") 3 "*Business Combinations*".

The application of the reverse acquisition guidance contained within AASB 3 has resulted in High Grade Metals Limited (the legal parent) being accounted for as the acquiree and APC (the legal subsidiary) being accounted for as the acquirer in the combination.

At the time of the Company's acquisition of APC, its operations did not fall within the scope of a 'business' under AASB 3. Consequently, the acquisition did not meet the definition of a 'business combination' under AASB 3, and the principles of AASB 3 could not be applied in their entirety.

Instead, the acquisition has been accounted for as a share-based payment transaction using the principles set out in AASB 2 "*Share-based Payments*" whereby APC is deemed to have issued shares in exchange for the net assets and lasting status of High Grade Metals Limited. In accordance with AASB 2, the difference between the fair value of the deemed consideration paid by High Grade Metals Limited and the fair value of the identifiable assets of APC , is required to be recognised as an expense. Consequently, an expense of $3,467,395 has been recognised, as set out below.

Acquisition consideration

As consideration for the acquisition of 100% of the issued APC securities, High Grade Metals Limited issued the following:

(a) 186 million consideration shares;

(b) 65 million consideration options;

(c) 120 million class A performance shares; and

(d) 120 million class B performance shares

Deemed purchase consideration

The deemed acquisition costs for obtaining control over High Grade Metals Limited calculated at fair value in accordance to AASB 13 Fair Value Measurement fair value hierarchy. The agreed acquisition price per share of High Grade Metals Limited is more reliable. The deemed acquisition costs is, therefore, $4,083,136 (116,937,867 of High Grade Metals Limited shares at $0.03 per share and its existing 32,500,000 options).

	Fair Value
	$
Fair value of securities transferred	**4,083,136**
Fair value of net identifiable assets held at acquisition date	
Cash and cash equivalents	843,508
Trade and other receivables	246,847
Exploration assets (Note 12)	137,222
Trade and other payables	(611,836)
Total fair value of identifiable net assets	**615,741**
Excess consideration arising on reverse acquisition	**3,467,395**

Costs of $387,722 relating to the acquisition were incurred by High Grade Metals Limited prior to the acquisition.

The net cash inflow arising as a result of the reverse acquisition was $843,508 being the cash on hand held by High Grade Metals Limited at the time of acquisition.

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NOTE 15: ISSUED CAPITAL

	2018 $	2017 $
Issued share capital		
452,937,867 fully paid ordinary shares (2017: 116,937,867)	10,184,747	-
	10,184,747	-

a. Ordinary shares	2018 Number	2017 Number	2018 $	2017 $
At the beginning of the reporting period	116,937,867	625,443,285	-	-
Shares of APC at the date of acquisition	186,000,000	-	1,971,000	-
Shares issued during the year:				
- 26 February 2018 public offer at $0.03 per share	150,000,000	-	4,500,000	-
- 26 February 2018 vendor shares to acquire APC	186,000,000	-	4,083,136	-
Consolidation of securities (300/1)	-	(623,356,557)	-	-
Shares issued during the prior year:				
- 11 November 2016	-	312,700	-	-
- 15 December 2016	-	4,000,000	-	-
- 10 February 2017	-	101,000,000	-	-
- 15 March 2017	-	10,000,000	-	-
- 19 April 2017	-	10,000	-	-
Share buy-back	-	(471,561)	-	-
Capital raising costs	-	-	(369,389)	-
Reverse acquisition	(186,000,000)	-	-	-
At the end of the reporting period	452,937,867	116,937,867	10,184,747	-

Terms and conditions of contributed equity – ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company. The shares do not have a par value.

b. Reserve

	2018 $	2017 $
Option reserve (Note c)	85,173	-
Foreign exchange reserve on the conversion of subsidiary undertakings	(6,976)	-
Total	78,197	-

c. Share Option reserve

	2018 $	2017 $
Opening balance	-	-
Reverse acquisition 28 February 2018(1)	23,835	-
Issue of 500,000 options on 19 March 2018(2)	11,083	-
Issue of 2,500,000 options on 5 June 2018(3)	50,255	-
Total	85,173	-

(1) On 26 February 2018, as consideration for the acquisition of 100% of the issued APC securities, High Grade Metals Limited issued 65,000,000 options and 240,000,000 performances shares in two classes, as set out below, subject to specified performance hurdles being met, expiring 5 years from the date of issue. Refer to Note 14: Acquisition note on deemed consideration computation.

Class A Performance Shares Terms

120,000,000 Class A Performance Shares were issued on the 26 February 2018. Each Class A Performance Share will convert into a share on a one for one basis, upon the delineation of a JORC-compliant Mineral Resource estimate of at least Inferred category (as defined in the JORC Code) of a minimum of 500,000 ounces of gold or gold equivalent (in accordance with clause 50 of the JORC Code) at an average grade of at least 8 grams per tonne (Class A Milestone). The Class A Milestone must be determined to have been achieved or not achieved by no later than 5.00pm on the date that is one month after the expiry date, being 25 February 2023. The Class A Milestone has not been achieved as at 30 June 2018 or the date of this report.

Class B Performance Shares Terms

The Class B Performance Shares were issued on the 26 February 2018. Each Class B Performance Share will convert into a Share on a one for one basis, upon completion of a positive Scoping Study (as defined in the JORC Code) in relation to any one or more Austrian Cobalt Project by an independent third-party expert which evidences an internal rate of return greater than 20% (using publicly available industry assumptions including deliverable spot commodity/mineral prices which are independently verifiable), provided that the total cumulative EBITDA over the life of the relevant Austrian Cobalt Project is over $US50,000,000, and provided that (while the Company remains listed on ASX) the Scoping Study is released as an announcement on the ASX Announcements Platform and is not required by reason of regulatory intervention by ASX or ASIC to be retracted within a period of one month from the date of its release (Class B Milestone). The Class B Milestone must be determined to have been achieved or not achieved by no later than 5.00pm on the date that is one month after the Expiry Date being 25 February 2023. The Class B Milestone has not been achieved as at 30 June 2018 or the date of this report.

(2) On 19 March 2018 3,500,000 options were issued, of which 3,000,000 lapsed on 5 June 2018. The remaining 500,000 options have a fair value of $0.022 per option. The Company have calculated the fair value using the Black-Scholes option pricing model, (refer to note 22: Share-based payments).

(3) On 5 June 2018 2,500,000 options have a fair value of $0.02 per option. The Company have calculated the fair value using the Black-Scholes option pricing model (refer to Note 21: Share-based payments).

The following summarises the number and movement in options for the reporting period:

	No.
Outstanding at the beginning of the year	32,500,000
Granted during the year	71,000,000
Forfeited during the year	(3,000,000)
Outstanding at the end of the year	100,500,000

At 30 June 2018, the Group had 100,500,000 (2017: 32,500,000) options on issue, the terms and details are set out below:

Exercise price	**$0.12**	**$0.03**	**$0.03**	**$0.03**
Expiry date	**30 Sept 2020**	**30 Sept 2020**	**30 Sept 2020**	**30 Sept 2020**
Escrow restriction	**-**	**7 Mar 2020**	**26 Feb 2019**	**-**
	No	**No**	**No.**	**No.**
At the beginning of the reporting period	-	-	-	32,500,000
Options issued during the year:	-	-	-	-
- 26 February 2018	-	61,350,000	3,650,000	-
- 19 March 2018	3,500,000	-	-	-
- 5 June 2018	2,500,000	-	-	-
Options forfeited on 5 June 2018	(3,000,000)	-	-	-
At the end of the reporting period	3,000,000	61,350,000	3,650,000	32,500,000

At 30 June 2017, the Group had 32,500,000 options exercisable at $0.03 on or before 30 September 2020 on issue. No options expired or were exercised during the year ended 30 June 2017.

d. Capital management policy

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund its activities. The Group monitors capital on the basis of the gearing ratio.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group is not subject to externally imposed capital requirements.

NOTE 16: CONTROLLED ENTITIES

Controlled entities consolidated	Country of incorporation	Principal Activity	Percentage owned (%)	
Subsidiaries of High Grade Metals Limited			2018	2017
Direct				
Acacia Mining Pty Ltd	Australia	Vanadium project	100	100
Austrian Projects Corporation Pty Ltd(1)	Australia	Intermediate parent	100	-
APC Cobalt GmbH(2)	Austria	Cobalt projects	100	-
APC Gold GmbH(3)	Austria	Intermediate parent	100	-
Eurocan Mining GmbH(4)	Austria	Gold projects	100	-

(1) Austrian Projects Corporation Pty Ltd (“APC”) was incorporated on 24 October 2017 and acquired by High Grade Metals Limited on 26 February 2018.

(2) APC Cobalt GmbH is a 100% subsidiary of APC. It was incorporated on 24 October 2017 and acquired by High Grade Metals Limited on 26 February 2018 as part of the APC acquisition.

(3) APC Gold GmbH is a 100% subsidiary of APC. It was incorporated on 24 October 2017 and acquired by High Grade Metals Limited on 26 February 2018 as part of the APC acquisition.

(4) Eurocan Mining GmbH is a 100% subsidiary of APC Gold GmbH. It was acquired by APC Gold GmbH on 11 December 2017.

NOTE 17: CONTRACTUAL AND LEASING COMMITMENTS

Exploration expenditure commitments

The Austrian Exploration Permits have no minimum annual expenditure requirement (2017: $Nil), the Group must submit annual reports on its exploration activities to the Austrian Mining Authority. Having performed the work in one Exploration Permit is sufficient for the extension of up to 100 Exploration Permits forming part of a contiguous exploration area made up of overlapping exploration permits.

Subsequent to year end, the Group has entered into an agreement to sell the Acacia Victory Bore tenement in Western Australia; therefore it has been reclassified as asset held for sale as at 30 June 2018. Refer to Note 22: Events after reporting period for details.

NOTE 18: CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities as at the date of the financial statements.

High Grade Metals

NOTE 19: OPERATING SEGMENT

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on geographical location. The Group's reportable segments under AASB 8 are therefore as follows:

- Australia Vanadium
- Austria Gold
- Austria Cobalt

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

30 June 2018	Australia Vanadium Projects $	Austria Gold Projects $	Austria Cobalt Projects $	Unallocated $	Total $
Revenue from external sources					
Interest revenue	-	-	-	13,401	**13,401**
Total Group Revenue	-	-	-	13,401	**13,401**
Segment loss	-	(75,543)	(37,350)	-	**(112,893)**
Corporate charges	-	-	-	(4,059,806)	**(4,059,806)**
Total Group loss	-	(75,543)	(37,350)	(4,046,405)	**(4,159,298)**
Segment assets	152,792	1,509,980	1,199,086	-	**2,861,858**
Cash and receivables	-	-	-	3,563,597	**3,563,597**
Total Group assets	152,792	1,509,980	1,199,086	3,563,597	**6,425,455**
Segment liabilities	-	120,062	167,433	-	**287,495**
Corporate trade payables	-	-	-	34,314	**34,314**
Total Group liabilities	-	120,062	167,433	34,314	**321,809**

There is no segmental analysis in the prior year.

Accounting Policies
Segment revenues and expenses are those directly attributable to the segments. Segment assets include all assets used by a segment and consist principally of cash, receivables, exploration and evaluation expenditure. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables and accrued expenses. Segment assets and liabilities do not include deferred income taxes.

Intersegment Transfers
Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Company at an arm's length. These transfers are eliminated on consolidation. At 30 June 2018 there were no such intersegment transfers.

NOTE 20: CASH FLOW INFORMATION

	2018	2017
	$	$
a. Reconciliation of cash		
Cash at end of financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	3,569,479	-

	2018	2017
	$	$
b. Reconciliation with operating loss		
Reconciliation of cash flows from operations with operating loss after income tax is set out as follows:		
Operating loss after income tax	(4,159,298)	-
Non-cash flows included in loss:		-
- Loan forgiven on reverse acquisition	(185,055)	-
- Share based payments: ASX listing fees and reverse takeover costs (Note 14)	3,467,395	-
- Foreign exchange on the translation of subsidiaries	6,976	-
Changes in assets and liabilities:		-
- Decrease in receivables	36,203	-
- (Increase) in prepayments	(4,176)	-
- Increase in creditors and accruals	224,641	-
Net cash used in operating activities	(613,314)	-

c. Non-cash operating activities

During the financial year ended 30 June 2018, the Company issued 186,000,000 shares as part of the Acquisition, refer to Note 14 for further details.

d. Non-cash financing activities

During the financial year ended 30 June 2018, there are no non-cash financing activities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 21: SHARE-BASED PAYMENTS

	2018	2017
	$	**$**
The following share based payments were in existence during the year:		
Share consideration of the Acquisition of APC(1)	4,083,136	-
500,000 Options issued to a consultant(2)	11,083	-
2,500,000 Options issued to a consultant (2)	50,254	-
Total	4,144,473	-

(1) Refer to acquisition note 14 for further details.

(2) The option value was calculated using the Black-Scholes option pricing model applying the following inputs:

Options issued	**3,500,000**	**2,500,000**
Options forfeited	**3,000,000**	**-**
Share price	$0.054	$0.053
Grant date	19 March 2018	5 June 2018
Exercise price	$0.12	$0.12
Expected volatility	100%	100%
Risk-free interest rate	1.9%	1.9%
Annualised time to expiry	2.54	2.32

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

On 24 July 2018, the Group announced that it has received notification that its had successfully been awarded extra exploration licences expanding areas:

- Schellgaden Gold Project by approximately 30km^2; and
- Gratlspitz Cobalt Project by approximately 35km^2.

On 21 August 2018, the Group announced that it has agreed to sell its non-core Victory Bore vanadium project to ASX listed Surefire Resource NL ("SRN") for:

- $500,000 in cash;
- 62,500,000 SRN shares at a deemed price of $750,000 at $0.012 per share (escrowed for six months);
- $650,000 in cash consideration within 60 days of SRN announcing a PFS for the project with an IR of over 20%; and
- $650,000 in cash consideration within 60 days of SRN announcing a decision to mine.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 23: AUDITORS' REMUNERATION

	2018	2017
	$	$
Audit of accounts – Grant Thornton Audit Pty Ltd	60,060	-
	60,060	-

The audit fees for the legal parent in the prior year amounted to $31,600.

NOTE 24: FINANCIAL RISK MANAGEMENT

This note presents information about the Group's exposure to credit, liquidity and market risks, its objectives, policies and processes for measuring and managing risk and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company and the Group through regular reviews of the risks.

The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

Categories of financial instruments	**Note**	**2018**	**2017**
		$	**$**
Financial assets			
Cash and cash equivalents	8	3,569,479	-
Receivables	9	56,101	-
		3,625,580	-
Financial liabilities			
Payables	13	321,809	-
		321,809	-

a. General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The principal financial instruments from which financial instrument risk arises:

- trade and other receivables
- cash at bank
- trade and other payables
- borrowings

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Group's finance function.

The Group's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Group where such impacts may be material.

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

b. Credit risks

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of the contract obligations that could lead to a financial loss to the Group. There is no material amount of collateral held as security at 30 June 2018.

Cash and cash equivalents
The Group limits its exposure to credit risk by only depositing cash at banks or financial institutions that have an acceptable credit rating.

Trade and other receivables
As the Group operates primarily in investment and exploration activities, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Group, where necessary, establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. Management does not expect any counterparty to fail to meet its obligations.

Exposure to credit risk
The carrying amount of the group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at balance date is as follows:

	Note	2018	2017
		$	$
Other receivables	9	56,101	-
		56,101	-

c. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual flows. The Group does not have any external borrowings.

The Group may need to raise additional capital in the next 12 months if forecast operational activities are competed earlier than anticipated. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Financial liability and financial asset maturity analysis

At 30 June 2018	Within 1 year	1 to 5 years	Over 5 years	Total
	$	$	$	$
Financial liabilities due for payment				
Payables	321,809	-	-	321,809
Total expected outflows	321,809	-	-	321,809
Financial assets – cash flows realisable				
Cash and cash equivalents	3,569,479	-	-	3,569,479
Receivables	56,101	-	-	56,101
Total anticipated inflows	3,625,580	-	-	3,625,580
Net inflow/(outflow) on financial instruments	3,303,771	-	-	3,303,771

There is no financial liability and financial asset maturity analysis in the prior year.

d. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

i) Foreign exchange risk

At balance date, the following cash, amounts receivable and amounts payable in foreign currency. The Group does not have any exposure to foreign currency risk.

	2018	2017
	$	$
Euros		
Cash held	81,857	-
Trade and other receivables	-	-
Trade and other payables	(402,712)	-
	(320,855)	-
US Dollars		
Cash held	27,152	-
	27,152	-

ii) Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents on short term deposit at best available market interest rates.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Consolidated and Company carrying amount	
	2018	**2017**
	$	**$**
Variable rate instruments		
Financial assets – cash and cash equivalents	3,569,479	-

Fair value sensitivity analysis for variable rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

Cash flow sensitivity analysis for variable rate instruments

The group has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the prior year.

	Profit or loss		**Equity**	
	100bp Increase	**100bp decrease**	**100bp increase**	**100bp decrease**
	$	**$**	**$**	**$**
30 June 2018				
Variable rate instruments	35,694	(35,694)	35,694	(35,694)
30 June 2017				
Variable rate instruments	-	-	-	-

e. Fair values

Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

High Grade Metals

DIRECTORS' DECLARATION

1. In the opinion of the Directors of High Grade Metals Limited (the 'Company'):

   (a) the financial statements and notes and the Remuneration disclosures that are contained in the Remuneration Report in the Director's Report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance, for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

      (iii) complying with International Financial Reporting Standards as disclosed in Note 1; and

   (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Non-Executive Chairman and Chief Financial Officer for the financial year ended 30 June 2018.

Signed in accordance with a resolution of the Board of Directors:

Steven Formica

Non-Executive Chairman

Perth, 27 September 2018

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Independent Auditor's Report

To the Members of High Grade Metals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of High Grade Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Acquisition - Note 14	
On 26 February 2018, the company formerly named Quest Minerals Limited ("QNL") completed the acquisition of 100% of the share capital of Austrian Project Corporation Pty Ltd ("APC") that resulted in the shareholders of APC obtaining control of QNL. As the result of the acquisition, QNL changed its name to High Grade Metals Limited ("HGM"). The purchase consideration was satisfied via issuance of 186 million new shares, 64 million options, 120 million class A performance shares and 120 million class B performance shares in HGM to shareholders of APC. Due to the matters above, the company has recognised the above transaction as a reverse acquisition for accounting purpose. Consequently, HGM (the legal parent) has been accounted for as the accounting subsidiary and APC (the legal subsidiary) has been accounted for as the accounting parent. We considered this transaction to be a key audit matter because of the degree of complexity involved in reverse acquisition and the materiality of the matter to the users of the financial statements.	Our procedures included, amongst others: • obtaining the signed agreements relating to the acquisition and reviewing the terms and conditions to the support the accounting; • evaluating the appropriateness of the accounting treatment for the transaction as a reverse acquisition permitted in accordance with AASB 3 *Business Combination*; • testing management's assessment of the fair value of assets and liabilities acquired of the listed shell as part of the reverse acquisition accounting to determine the deemed acquisition cost recognised in the profit and loss in accordance with AASB 2 *Share Based Payments*; • testing the methodology, inputs and mathematical accuracy of the calculations of the Group for the deemed accounting consideration; and • evaluating the appropriateness of the entity's consolidation of the reverse acquisition, as well as presentation and disclosure of the related transaction within the financial statements.
Exploration and evaluation assets - Note 12	

At 30 June 2018 the carrying value of exploration and evaluation assets was $2,637,518.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.
	Our procedures included, amongst others:
	• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• reviewing management's area of interest considerations against AASB 6;
	• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	  ○ tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
	  ○ enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
	  ○ understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and
	• assessing the appropriateness of the related financial statement disclosures.

Grant Thornton

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 12 to 18 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of High Grade Metals Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Grant Thornton

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M J Hillgrove
Partner – Audit & Assurance

Perth, 27 September 2018

High Grade Metals

ASX INFORMATION

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 24 September 2018.

1. Shareholder and Option holder information

a. Number of Shareholders and Option Holders

Shares

As at 24 September 2018, there were 875 shareholders holding a total of 452,937,867 fully paid ordinary shares.

Options

As at 24 September 2018, there were 97,500,000 Unquoted Options exercisable at $0.03 on or before 30 September 2020 held by 46 holders and 3,000,000 Unquoted Options exercisable at $0.12 on or before 30 September 2020 held by 2 holders.

Performance Shares

At 24 September 2018, there were 120,000,000 Class A Performance Shares held by 18 holders and 120,000,000 Class B Performance Shares held by 24 holders.

b. Distribution of Equity Securities

Fully paid ordinary shares	**Number (as at 24 September 2018)**	
Category (size of holding)	**Shareholders**	**Ordinary Shares**
1 – 1,000	139	18,434
1,001 – 5,000	18	40,687
5,001 – 10,000	25	237,426
10,001 – 100,000	275	14,117,086
100,001 – and over	418	438,524,234
	875	452,937,867

The number of shareholdings held in less than marketable parcels is 193 shareholders amounting to 446,265 shares.

c. The names of substantial shareholders listed in the company's register as at 24 September 2018 are:

Shareholder	**Ordinary Shares**	**%Held of Total Ordinary Shares**
EUROCAN MINING ANSTALT	25,000,000	5.52%

d. Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

High Grade Metals

ASX INFORMATION

e. 20 Largest Shareholders as at 24 September 2018 — Ordinary Shares

	Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	EUROCAN MINING ANSTALT	25,000,000	5.52
2.	VERONIKA MORAVCIKOVA	17,000,000	3.75
3.	GRAVNER LIMITED	15,000,000	3.31
4.	E & E HALL PTY LTD <E & E HALL P/L S/F A/C>	13,766,667	3.04
5.	1215 CAPITAL PTY LTD	13,732,403	3.03
6.	JAWAF ENTERPRISES PTY LTD <HALL FAMILY A/C>	12,833,333	2.83
7.	NORTHERN STAR NOMINEES PTY LTD	12,288,889	2.71
8.	IVEY PHYSIOTHERAPHY PTY LTD <SEI FAMILY A/C>	12,000,000	2.65
9.	CITICORP NOMINEES PTY LIMITED	10,886,099	2.40
10.	FIRST ONE REALTY PTY LTD	9,068,791	2.00
11.	VISION TECH NOMINEES PTY LTD <NO 2 ACCOUNT>	8,500,000	1.88
12.	TOREY MARSHALL <TOREY MARSHALL FAMILY A/C>	8,500,000	1.88
13.	VISION TECH NOMINEES PTY LTD <NO 1 ACCOUNT>	7,000,000	1.55
14.	STEVSAND INVESTMENTS PTY LTD <STEVEN FORMICA FAMILY A/C>	6,000,000	1.32
15.	STEVSAND HOLDINGS PTY LTD <FORMICA HORTICULTURAL A/C>	5,900,000	1.30
16.	BODIE INVESTMENTS PTY LTD	5,877,778	1.30
17.	DANIEL EDDINGTON + JULIE EDDINGTON <DJ HOLDINGS A/C>	5,666,666	1.25
18.	PERMANENT 4 NOMINEES PTY LTD	5,000,000	1.10
19.	PEARLGLOW INVESTMENT PTY LTD <THE PEARLGLOW A/C>	4,770,000	1.05
20.	LAKE SPRINGS PTY LTD <THE LAKE SPRINGS S/F A/C>	4,500,000	0.99
		203,290,626	44.86

f. At 24 September 2018, the following securities were restricted:

Restriction Period: 24 months from date of reinstatement to official quotation (7 March 2020)	
Class	**Number**
Shares	112,333,334
Options exercisable at 3 cents each on or before 30 September 2020	61,350,000
Class A Performance Shares	84,000,000
Class B Performance Shares	101,333,334

Restriction Period: 12 months from date of issue of securities		
Class	**Number**	**End of restriction period**
Shares	40,000,000	26 February 2019
Shares	2,499,999	10 November 2018
Shares	1,999,999	9 November 2018
Shares	500,000	8 November 2018
Shares	333,333	7 November 2018
Shares	1,499,999	6 November 2018
Shares	1,166,666	3 November 2018
Options exercisable at 3 cents each on or before 30 September 2020	3,650,000	26 February 2019
Class A Performance Shares	36,000,000	26 February 2019
Class B Performance Shares	18,666,666	26 February 2019

2. Company secretary

The name of the company secretary is David Palumbo.

3. The address of the principal registered office in Australia

Level 11, 216 St Georges Terrace Perth WA 6000

4. Registers of securities are held at the following address

Advanced Share Registry Ltd, 110 Stirling Highway NEDLANDS WA 6009

5. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

High Grade Metals

SCHEDULE OF TENEMENTS

High Grade Metals Limited and its subsidiary undertakings hold 100% interest in the following tenements as at 30 June 2018:

Subsidiary: Acacia Pty Ltd	
Project name	**Claim No.**
Victory Bore	EL57/1036
Subsidiary: APC Cobalt GmbH	
Project name	**Claim No.**
Gratlspitz	01/17/T
Gratlspitz	02/17/T
Gratlspitz	03/17/T
Gratlspitz	04/17/T
Gratlspitz	05/17/T
Gratlspitz	06/17/T
Gratlspitz	07/17/T
Gratlspitz	08/17/T
Gratlspitz	09/17/T
Gratlspitz	10/17/T
Gratlspitz	11/17/T
Gratlspitz	12/17/T
Gratlspitz	13/17/T
Gratlspitz	14/17/T
Gratlspitz	15/17/T
Gratlspitz	16/17/T
Gratlspitz	17/17/T
Gratlspitz	18/17/T
Gratlspitz	19/17/T
Gratlspitz	20/17/T
Gratlspitz	21/17/T
Gratlspitz	22/17/T
Gratlspitz	23/17/T
Gratlspitz	24/17/T
Gratlspitz	25/17/T
Gratlspitz	26/17/T
Gratlspitz	27/17/T
Gratlspitz	28/17/T
Gratlspitz	29/17/T
Gratlspitz	30/17/T
Gratlspitz	31/17/T
Gratlspitz	32/17/T
Gratlspitz	33/17/T
Gratlspitz	34/17/T
Gratlspitz	35/17/T
Gratlspitz	36/17/T
Gratlspitz	37/17/T

Subsidiary: APC Cobalt GmbH	
Project name	**Claim No.**
Leogang Schwarzleo	38/17/S
Leogang Schwarzleo	39/17/S
Leogang Schwarzleo	40/17/S
Leogang Schwarzleo	41/17/S
Leogang Schwarzleo	42/17/S
Leogang Schwarzleo	43/17/S
Leogang Schwarzleo	44/17/S
Leogang Schwarzleo	45/17/S
Leogang Schwarzleo	46/17/S
Leogang Schwarzleo	47/17/S
Leogang Schwarzleo	48/17/S
Leogang Schwarzleo	49/17/S
Leogang Schwarzleo	50/17/S
Leogang Schwarzleo	51/17/S
Leogang Schwarzleo	52/17/S
Leogang Schwarzleo	53/17/S
Leogang Schwarzleo	54/17/S
Leogang Schwarzleo	55/17/S
Leogang Schwarzleo	56/17/S
Leogang Schwarzleo	57/17/S
Leogang Schwarzleo	58/17/S
Leogang Schwarzleo	59/17/S
Leogang Schwarzleo	60/17/S
Leogang Schwarzleo	61/17/S
Leogang Schwarzleo	62/17/S
Leogang Schwarzleo	63/17/S
Leogang Schwarzleo	64/17/S
Leogang Schwarzleo	65/17/S
Leogang Schwarzleo	66/17/S
Leogang Schwarzleo	67/17/S
Seekar	68/17/S
Seekar	69/17/S
Seekar	70/17/S
Seekar	71/17/S
Seekar	72/17/S
Seekar	73/17/S
Seekar	74/17/S
Seekar	75/17/S
Seekar	76/17/S
Zinkwand	77/17/S
Zinkwand	78/17/S

SCHEDULE OF TENEMENTS

Subsidiary: APC Cobalt GmbH	
Project name	**Claim No.**
Leogang East	LE/01
Leogang East	LE/02
Leogang East	LE/03
Leogang East	LE/04
Leogang East	LE/05
Leogang East	LE/06
Leogang East	LE/07
Leogang East	LE/08
Leogang East	LE/09
Leogang East	LE/10
Leogang East	LE/11
Leogang East	LE/12
Leogang East	LE/13
Leogang East	LE/14
Leogang East	LE/15
Leogang East	LE/16
Leogang East	LE/17
Leogang East	LE/18
Leogang East	LE/19
Leogang East	LE/20
Leogang East	LE/21
Leogang East	LE/22
Leogang East	LE/23
Leogang East	LE/24
Leogang East	LE/25
Leogang East	LE/26
Leogang East	LE/27
Leogang East	LE/28
Leogang East	LE/29
Leogang East	LE/30
Leogang East	LE/31
Leogang East	LE/32
Leogang East	LE/33

Subsidiary: Eurocan Mining GmbH	
Project name	**Claim No.**
Schellgadeen North/Salzburg	02/05/S
Schellgadeen North/Salzburg	03/05/S
Schellgadeen North/Salzburg	04/05/S
Schellgadeen North/Salzburg	05/05/S
Schellgadeen North/Salzburg	06/05/S
Schellgadeen North/Salzburg	07/05/S
Schellgadeen North/Salzburg	08/05/S
Schellgadeen North/Salzburg	09/05/S
Schellgadeen North/Salzburg	10/05/S
Schellgadeen North/Salzburg	11/05/S
Schellgadeen North/Salzburg	12/05/S
Schellgadeen North/Salzburg	13/05/S
Schellgadeen North/Salzburg	14/05/S
Schellgadeen North/Salzburg	15/05/S
Schellgadeen North/Salzburg	16/05/S
Schellgadeen North/Salzburg	17/05/S
Schellgadeen North/Salzburg	18/05/S
Schellgadeen North/Salzburg	19/05/S
Schellgadeen North/Salzburg	20/05/S
Schellgadeen North/Salzburg	21/05/S
Schellgadeen North/Salzburg	22/05/S
Schellgadeen North/Salzburg	23/05/S
Schellgadeen North/Salzburg	24/05/S
Schellgadeen North/Salzburg	25/05/S
Schellgadeen North/Salzburg	26/05/S
Schellgadeen North/Salzburg	27/05/S
Schellgadeen North/Salzburg	28/05/S
Schellgadeen North/Salzburg	29/05/S
Schellgadeen North/Salzburg	30/05/S
Schellgadeen North/Salzburg	31/05/S
Schellgadeen North/Salzburg	32/05/S
Schellgadeen North/Salzburg	33/05/S
Schellgadeen North/Salzburg	34/05/S
Schellgadeen North/Salzburg	35/05/S
Schellgadeen North/Salzburg	36/05/S
Schellgadeen North/Salzburg	37/05/S
Schellgadeen South/Carinthia	15/05/K
Schellgadeen South/Carinthia	16/05/K
Schellgadeen South/Carinthia	17/05/K
Schellgadeen South/Carinthia	18/05/K
Schellgadeen South/Carinthia	19/05/K
Schellgadeen South/Carinthia	20/05/K
Schellgadeen South/Carinthia	21/05/K

High Grade Metals

SCHEDULE OF TENEMENTS

Subsidiary: Eurocan Mining GmbH	
Project name	**Claim No.**
Schellgadeen South/Carinthia	22/05/K
Schellgadeen South/Carinthia	23/05/K
Schellgadeen South/Carinthia	24/05/K
Schellgadeen South/Carinthia	25/05/K
Schellgadeen South/Carinthia	26/05/K
Schellgadeen South/Carinthia	27/05/K
Schellgadeen South/Carinthia	28/05/K
Schellgadeen South/Carinthia	29/05/K
Schellgadeen South/Carinthia	30/05/K
Schellgadeen South/Carinthia	31/05/K
Schellgadeen South/Carinthia	32/05/K
Schellgadeen South/Carinthia	33/05/K
Schellgadeen South/Carinthia	34/05/K
Schellgadeen South/Carinthia	35/05/K
Schellgadeen South/Carinthia	36/05/K
Schellgadeen South/Carinthia	37/05/K
Schellgadeen South/Carinthia	38/05/K
Schellgadeen South/Carinthia	39/05/K
Schellgadeen South/Carinthia	40/05/K
Schellgadeen South/Carinthia	41/05/K
Schellgadeen South/Carinthia	42/05/K
Schellgadeen South/Carinthia	43/05/K
Schellgadeen South/Carinthia	44/05/K
Schellgadeen South/Carinthia	45/05/K
Schellgadeen South/Carinthia	46/05/K
Schellgadeen South/Carinthia	47/05/K
Schellgadeen South/Carinthia	48/05/K
Schellgadeen South/Carinthia	49/05/K
Schellgadeen South/Carinthia	50/05/K
Schellgadeen South/Carinthia	51/05/K
Schellgadeen South/Carinthia	52/05/K
Schellgadeen South/Carinthia	53/05/K
Schellgadeen South/Carinthia	54/05/K
Schellgadeen South/Carinthia	55/05/K
Schellgadeen South/Carinthia	56/05/K
Schellgadeen South/Carinthia	57/05/K
Schellgadeen South/Carinthia	58/05/K
Schellgadeen South/Carinthia	59/05/K
Schellgadeen South/Carinthia	60/05/K
Schellgadeen South/Carinthia	61/05/K
Schellgadeen South/Carinthia	62/05/K
Schellgadeen South/Carinthia	63/05/K

Subsidiary: Eurocan Mining GmbH	
Project name	**Claim No.**
Schellgadeen South/Carinthia	64/05/K
Schellgadeen South/Carinthia	65/05/K
Schellgadeen South/Carinthia	66/05/K
Schellgadeen South/Carinthia	67/05/K
Schellgadeen South/Carinthia	68/05/K
Schellgadeen South/Carinthia	69/05/K
Schellgadeen South/Carinthia	70/05/K
Schellgadeen South/Carinthia	71/05/K
Schellgadeen South/Carinthia	72/05/K
Schellgadeen South/Carinthia	73/05/K
Schellgadeen South/Carinthia	74/05/K
Schellgadeen South/Carinthia	75/05/K
Schellgadeen South/Carinthia	76/05/K
Schellgadeen South/Carinthia	77/05/K
Schellgadeen South/Carinthia	78/05/K
Schellgadeen South/Carinthia	79/05/K
Schellgadeen South/Carinthia	80/05/K
Schellgadeen South/Carinthia	81/05/K
Schellgadeen South/Carinthia	82/05/K
Schellgadeen South/Carinthia	83/05/K
Schellgadeen South/Carinthia	84/05/K
Schellgadeen South/Carinthia	85/05/K
Schellgadeen South/Carinthia	86/05/K
Schellgadeen South/Carinthia	87/05/K
Schellgadeen South/Carinthia	88/05/K
Schellgadeen South/Carinthia	89/05/K
Schellgadeen South/Carinthia	90/05/K
Schellgadeen South/Carinthia	91/05/K
Schellgadeen South/Carinthia	93/05/K
Schellgadeen South/Carinthia	94/05/K
Schellgadeen South/Carinthia	95/05/K
Schellgadeen South/Carinthia	96/05/K
Schellgadeen South/Carinthia	97/05/K
Schellgadeen South/Carinthia	98/05/K
Schellgadeen South/Carinthia	99/05/K
Schellgadeen South/Carinthia	100/05/K
Schellgadeen South/Carinthia	101/05/K
Schellgadeen South/Carinthia	102/05/K
Schellgadeen South/Carinthia	103/05/K
Schellgadeen South/Carinthia	104/05/K
Schellgadeen South/Carinthia	105/05/K
Schellgadeen South/Carinthia	106/05/K

High Grade Metals

SCHEDULE OF TENEMENTS

Subsidiary: Eurocan Mining GmbH	
Project name	**Claim No.**
Schellgadeen South/Carinthia	107/05/K
Schellgadeen South/Carinthia	108/05/K
Schellgadeen South/Carinthia	109/05/K
Schellgadeen South/Carinthia	110/05/K
Schellgadeen South/Carinthia	111/05/K
Schellgadeen South/Carinthia	112/05/K
Schellgadeen South/Carinthia	113/05/K
Schellgadeen South/Carinthia	114/05/K
Schellgadeen South/Carinthia	115/05/K
Schellgadeen South/Carinthia	116/05/K
Schellgadeen South/Carinthia	117/05/K
Schellgadeen South/Carinthia	118/05/K
Schellgadeen South/Carinthia	119/05/K
Schellgadeen South/Carinthia	120/05/K
Schellgadeen South/Carinthia	121/05/K
Schellgadeen South/Carinthia	122/05/K
Schellgadeen South/Carinthia	123/05/K
Schellgadeen South/Carinthia	124/05/K
Schellgadeen South/Carinthia	125/05/K
Schellgadeen South/Carinthia	126/05/K
Schellgadeen South/Carinthia	127/05/K
Schellgadeen South/Carinthia	128/05/K
Schellgadeen South/Carinthia	129/05/K
Schellgadeen South/Carinthia	130,05/K
Schellgadeen South/Carinthia	131/05/K
Schellgadeen South/Carinthia	132/05/K
Schellgadeen South/Carinthia	133/05/K
Schellgadeen South/Carinthia	134/05/K
Schellgadeen South/Carinthia	135/05/K
Kreuzeck West/Carinthia	136/05/K
Kreuzeck West/Carinthia	137/05/K
Kreuzeck West/Carinthia	138/05/K
Kreuzeck West/Carinthia	139/05/K
Kreuzeck West/Carinthia	140/05/K
Kreuzeck West/Carinthia	141/05/K
Kreuzeck West/Carinthia	142/05/K
Kreuzeck West/Carinthia	143/05/K
Kreuzeck West/Carinthia	144/05/K
Kreuzeck West/Carinthia	145/05/K
Kreuzeck West/Carinthia	146/05/K
Kreuzeck West/Carinthia	147/05/K
Kreuzeck West/Carinthia	148/05/K
Kreuzeck West/Carinthia	149/05/K
Kreuzeck West/Carinthia	150/05/K

Subsidiary: Eurocan Mining GmbH	
Project name	**Claim No.**
Kreuzeck West/Carinthia	151/05/K
Kreuzeck West/Carinthia	152/05/K
Kreuzeck West/Carinthia	153/05/K
Kreuzeck West/Carinthia	154/05/K
Kreuzeck West/Carinthia	155/05/K
Kreuzeck West/Carinthia	156/05/K
Kreuzeck West/Carinthia	157/05/K
Kreuzeck West/Carinthia	158/05/K
Kreuzeck West/Carinthia	159/05/K
Kreuzeck West/Carinthia	160/05/K
Kreuzeck West/Carinthia	161/05/K
Kreuzeck West/Carinthia	162/05/K
Kreuzeck West/Carinthia	163/05/K
Kreuzeck West/Carinthia	164/05/K
Kreuzeck West/Carinthia	165/05/K
Kreuzeck West/Carinthia	166/05/K
Kreuzeck West/Carinthia	167/05/K
Kreuzeck West/Carinthia	168/05/K
Kreuzeck West/Carinthia	169/05/K
Kreuzeck West/Carinthia	170/05/K
Kreuzeck West/Carinthia	171/05/K
Kreuzeck West/Carinthia	172/05/K
Kreuzeck West/Carinthia	173/05/K
Kreuzeck West/Carinthia	174/05/K
Kreuzeck West/Carinthia	175/05/K
Kreuzeck West/Carinthia	176/05/K
Kreuzeck West/Carinthia	177/05/K
Kreuzeck West/Carinthia	178/05/K
Kreuzeck West/Carinthia	179/05/K
Kreuzeck East/Carinthia	180/05/K
Kreuzeck East/Carinthia	181/05/K
Kreuzeck East/Carinthia	182/05/K
Kreuzeck East/Carinthia	183/05/K
Kreuzeck East/Carinthia	184/05/K
Kreuzeck East/Carinthia	185/05/K
Kreuzeck East/Carinthia	186/05/K
Kreuzeck East/Carinthia	187/05/K
Kreuzeck East/Carinthia	188/05/K
Kreuzeck East/Carinthia	189/05/K
Kreuzeck East/Carinthia	190/05/K
Kreuzeck East/Carinthia	191/05/K
Kreuzeck East/Carinthia	192/05/K
Kreuzeck East/Carinthia	193/05/K
Kreuzeck East/Carinthia	194/05/K

SCHEDULE OF TENEMENTS

Subsidiary: Eurocan Mining GmbH	
Project name	**Claim No.**
Kreuzeck East/Carinthia	195/05/K
Kreuzeck East/Carinthia	196/05/K
Kreuzeck East/Carinthia	197/05/K
Kreuzeck East/Carinthia	198/05/K
Kreuzeck East/Carinthia	199/05/K
Kreuzeck East/Carinthia	200/05/K
Kreuzeck East/Carinthia	201/05/K
Kreuzeck East/Carinthia	202/05/K
Kreuzeck East/Carinthia	203/05/K
Kreuzeck East/Carinthia	204/05/K
Kreuzeck East/Carinthia	205/05/K
Kreuzeck East/Carinthia	206/05/K
Kreuzeck East/Carinthia	207/05/K
Kreuzeck East/Carinthia	208/05/K
Kreuzeck East/Carinthia	209/05/K
Kreuzeck East/Carinthia	210/05/K
Kreuzeck East/Carinthia	211/05/K
Kreuzeck East/Carinthia	212/05/K
Kreuzeck East/Carinthia	213/05/K
Kreuzeck East/Carinthia	214/05/K
Kreuzeck East/Carinthia	215/05/K
Kreuzeck East/Carinthia	216/05/K
Kreuzeck East/Carinthia	217/05/K
Kreuzeck East/Carinthia	218/05/K
Kreuzeck East/Carinthia	219/05/K
Kreuzeck East/Carinthia	220/05/K
Kreuzeck East/Carinthia	221/05/K
Goldeck Siflitz/Carinthia	222/05/K
Goldeck Siflitz/Carinthia	223/05/K
Goldeck Siflitz/Carinthia	224/05/K
Goldeck Siflitz/Carinthia	225/05/K
Goldeck Siflitz/Carinthia	226/05/K
Goldeck Siflitz/Carinthia	227/05/K
Goldeck Siflitz/Carinthia	228/05/K
Goldeck Siflitz/Carinthia	229/05/K
Goldeck Siflitz/Carinthia	230/05/K
Goldeck Siflitz/Carinthia	231/05/K
Goldeck Siflitz/Carinthia	232/05/K
Goldeck Siflitz/Carinthia	233/05/K
Goldeck Siflitz/Carinthia	234/05/K
Goldeck Siflitz/Carinthia	235/05/K
Goldeck Siflitz/Carinthia	236/05/K

Subsidiary: Eurocan Mining GmbH	
Project name	**Claim No.**
Goldeck Siflitz/Carinthia	237/05/K
Goldeck Siflitz/Carinthia	238/05/K
Goldeck Siflitz/Carinthia	239/05/K
Goldeck Siflitz/Carinthia	240/05/K
Goldeck Siflitz/Carinthia	241/05/K
Goldeck Siflitz/Carinthia	242/05/K
Goldeck Siflitz/Carinthia	243/05/K
Goldeck Siflitz/Carinthia	244/05/K
Goldeck Siflitz/Carinthia	245/05/K
Goldeck Siflitz/Carinthia	246/05/K
Goldeck Siflitz/Carinthia	247/05/K
Goldeck Siflitz/Carinthia	248/05/K
Goldeck Siflitz/Carinthia	249/05/K
Goldeck Siflitz/Carinthia	250/05/K
Goldeck Siflitz/Carinthia	251/05/K
Goldeck Siflitz/Carinthia	252/05/K
Goldeck Siflitz/Carinthia	253/05/K
Goldeck Siflitz/Carinthia	254/05/K
Goldeck Siflitz/Carinthia	255/05/K
Goldeck Siflitz/Carinthia	256/05/K
Goldeck Siflitz/Carinthia	257/05/K
Goldeck Siflitz/Carinthia	258/05/K
Goldeck Siflitz/Carinthia	259/05/K
Goldeck Siflitz/Carinthia	260/05/K
Goldeck Siflitz/Carinthia	261/05/K
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Goldeck Siflitz/Carinthia	268/05/K
Goldeck Siflitz/Carinthia	269/05/K
Goldeck Siflitz/Carinthia	270/05/K
Goldeck Siflitz/Carinthia	271/05/K
Goldeck Siflitz/Carinthia	272/05/K
Goldeck Siflitz/Carinthia	273/05/K
Goldeck Siflitz/Carinthia	274/05/K
Goldeck Siflitz/Carinthia	275/05/K
Goldeck Siflitz/Carinthia	276/05/K
Goldeck Siflitz/Carinthia	277/05/K
Goldeck Siflitz/Carinthia	278/25/K