High Grade Metals

ASX ANNOUNCEMENT

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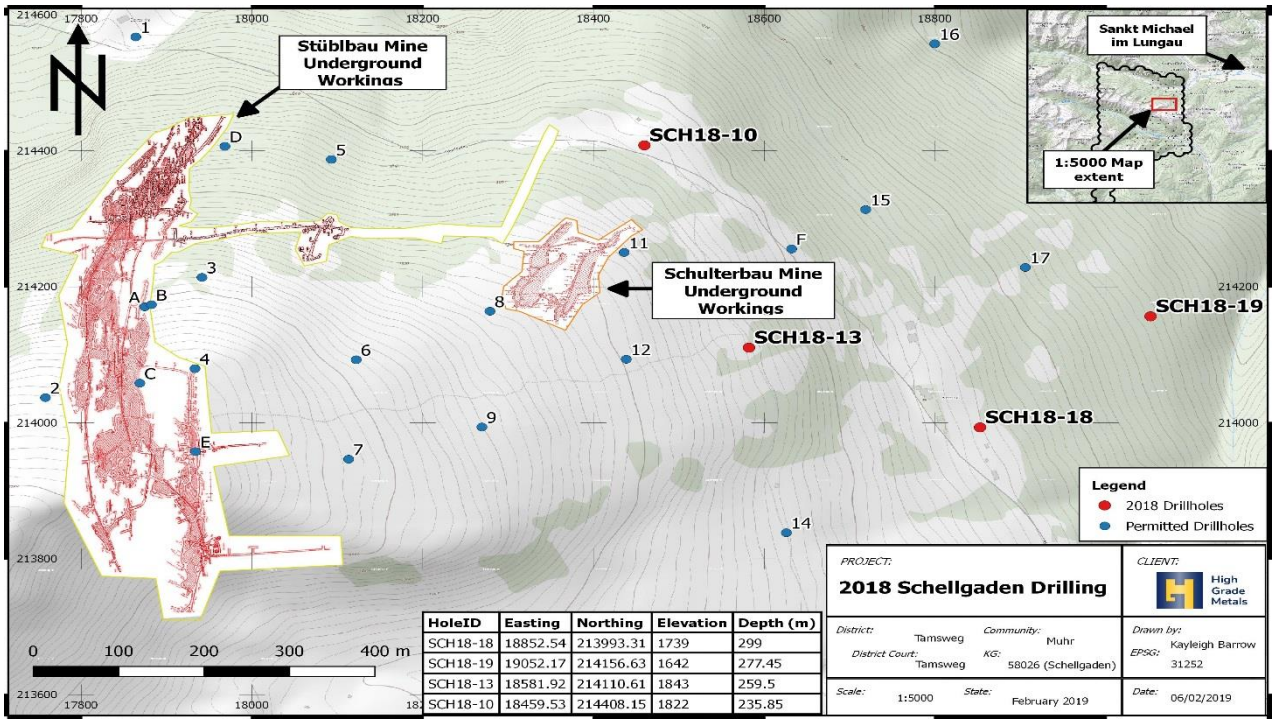
SCHELLGADEN GOLD PROJECT DRILLING RESULTS

High Grade Metals Ltd (ASX: HGM) ("**HGM**" or the "**Company**") is pleased to provide the following update on the Schellgaden Gold Project as first assay results have been received by the company.

Schellgaden Gold Project

HGM's flagship Schellgaden Gold Project is located within the upper Mur Valley, County of Lungau in the Federal Austrian State of Salzburg. The Schellgaden North Project consists of 152 overlapping Freischürfe covering an area of 69km^2, and the Schellgaden South Project consists of 67 overlapping Freischürfe covering an area 31 km^2.

During the period October to November 2018, four diamond drill holes were completed at Schellgaden. The location and grid co-ordinates for all four drill holes are given in Figure 1.



HoleID	Easting	Northing	Elevation	Depth (m)
SCH18-18	18852.54	213993.31	1739	299
SCH18-19	19052.17	214156.63	1642	277.45
SCH18-13	18581.92	214110.61	1843	259.5
SCH18-10	18459.53	214408.15	1822	235.85

Figure 1: Drill Hole Locations for October to November 2018 Drilling Campaign

The maiden program was planned to comprise six drillholes and was designed to test the extension of the mineralisation down dip from the main Stublbau mine towards the Katschberg tunnel. The order of holes was determined based on the operational limitations of the drilling contractor, topography, weather and road access. The program commenced at the base of the main hill and was designed to progressively work its way up to the Stublbau mine. Each drillhole was planned to test down to 300m. The maximum depth of each hole was based on the approximate thickness of the main mineralised sequence within the Stublbau mine (based on the STB-1 historic drillhole), plus permitting restrictions.

Four drill holes were commenced of the six drill hole program. Only one drillhole was completed to its planned depth, SCH18-18, and the remaining three holes did not reach their target depth either due to technical difficulties or adverse weather conditions. Importantly, the final hole (SCH18-10) was terminated due to lost circulation having hit a void, and the onset of inclement weather. The void is interpreted to be a historic mining zone, most likely part of the Schulterbau network of workings.

The results suggest that the main mineralised sequences may occur within the target depths permitted and may occur deeper than 300m down towards the Katschberg tunnel. The geological modelling completed suggests multiple layers may be present through a gross sequence which could be up to 1200m thick based on regional geology. The occurrence and distribution of any singular mineralised layer will be uncertain without proper drilling and the maiden program was designed only to test the distribution of the known mineralised sequence from Stublbau.

As no significant assay results were returned, the summary results for gold (Au), silver (Ag), copper (Cu), lead (Pb), zinc (Zn) and tungsten (W) are given in Table 2.

Table 1: Summary of Assay Results for Maiden Modern Drilling Campaign at Schellgaden

Drill Hole ID	Nº Samples	Au g/t		Ag g/t		Cu ppm		Pb ppm		Zn ppm		W ppm	
		Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
SCH18-10	29	<0.001	0.04	0.01	0.18	2	155	1	28	44	94	0.5	2.2
SCH18-13	26	0.00	0.02	0.01	0.53	9	529	2	13	32	111	0.3	1.8
SCH18-18	56	<0.001	0.02	0.01	2.23	1	110	1	20	18	118	0.3	9.8
SCH18-19	10	<0.01	0.04	0.01	0.18	2	155	1	28	44	94	0.5	2.2

Drilling activities schedule to commence in Q2 are expected to properly test the full extent of the substantial Exploration Target (Refer ASX dated 23rd May 2018).

ENDS

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COMPETENT PERSON STATEMENT

The information in this report that relates to exploration results is based on and fairly represents information compiled by Mr Torey Marshall. Mr Marshall is a member of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Marshall consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

About High Grade Metals Ltd

High Grade Metals (ASX: HGM) is an ASX listed mineral exploration company with a portfolio of brown fields cobalt, copper and gold assets in Austria.

The assets comprise nine exploration areas that are highly prospective for cobalt, nickel, copper and gold, covering an area of around 84,000 km^2.

The Company is currently focused on cobalt/nickel/copper mineralisation at Leogang, and high grade gold potential at Schellgaden.

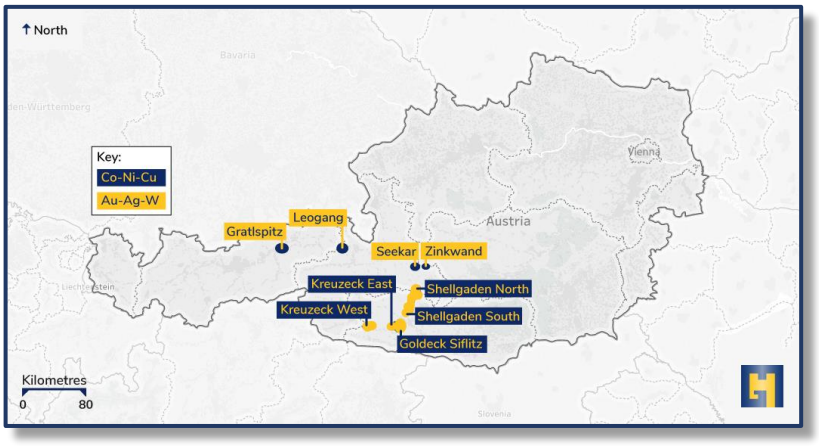

Figure 3. Location of High Grade Metals' Projects within Austria

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	HISTORICAL • No historic procedures or flow sheets were sighted that explain the historic drilling and sampling processes completed at any of the mines within the portfolio described. • Referenced historical data is contained in old reports, largely publicly accessible within the Austrian data system provided by the relevant government departments or over the internet. • The Company has assumed that all reported occurrences/assays are representative of technology available at the time, but no reliance has been put on it, nor is any of it regarded as 'industry standard' under any modern code. • No reference to sampling/analytical method, applicability or procedures were documented in any documentation referenced to the satisfaction of the Company. • Channel sampling (133 samples) in the Schellgaden area comprised: making two parallel incisions with an hand-held electric diamond rock saw, about 3cm apart and about 2cm deep from top of the face to the bottom (depending on the age of the stope between 1.50 and 1.80, in rare cases over 2m, and where it exceeded 2.5 to 3m sampling was split into an upper and lower portion). The next step was to chisel the sample – wall rock and ore off the face collecting it in a sample bag. The cuts were always vertical to bedding and the stratiform ore layers. Samples and sample location were marked accordingly. Once sampling was completed the channel was measured and lithologies mapped: total length of channel, length of hanging wall, of the ore and of the foot wall (if wall rock was part of the channel). This allowed for a later calculation of a factor of ore dilution used to get the actual grade of each sampled ore body. It was during this mapping process that the frequent difference in wall rock lithologies was noted, leading to the multi-layer gold-horizon model for the Schellgaden ore deposit(s), which was confirmed by the core drilling 1995 and 1997. • In the period 1995 to 1997, Argosy Minerals completed geological mapping, underground mine channel sampling and 4 drillholes in the area of the Schellgaden mine. • After Argosy left the project, a single 295m hole was drilled in 1997 through the main mine historic Schellgaden mine area, and another shallow diamond hole adjacent to an access road in 2008/9 for the purposes of permit renewals. MODERN PROGRAM • The modern program will and has included all industry standard processes applicable to drilling, geochemistry, geophysics and geological modelling. • Geological modelling was completed that integrated historical mapping, published academic articles, modern topographic imagery and desktop interpretation based on geological expertise available to the Company. • During 2018 four diamond drill holes were completed on the Schellgaden exploration licence. • The drill holes were drilled in HQ until approximately 150 m, and then continued to the end of hole in NWT. The drill core was cut in half, with a nominal 1 m sample length. Where a duplicate sample was taken the core was quartered. Sampling was largely focused on where there was visible mineralisation, namely pyrite, quartz +/- chlorite veining or alteration, such as extensive chlorite alteration. • Samples and sample size were selected to be representative of the style of mineralization, alteration or veining present in the drill core.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	HISTORICAL • Drilling was not referenced in any results mentioned in this release as the Company was not satisfied with the information available. There are reported diamond core holes (size to be verified), at the Schellgaden and

Criteria	JORC Code explanation	Commentary
		Goldeck-Siflit properties. • In the period 1995 to 1997, Argosy Minerals planned and executed the drilling of 4 diamond holes on the Schellgaden North property, adjacent to the historic mine. MODERN • During 2018 four diamond drill holes were completed on the Schellgaden exploration licence. • The drill holes were all cored from surface and drilled in HQ diameter drill core until approximately 150 m, and then continued to the end of the hole in NWT diameter. As the holes were drilled vertically, and maintained their verticality, no core orientations were or could be taken.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The drill core recoveries were measured on a run by run basis and measured against the core recoveries measured by the driller. Any discrepancies were rectified as soon as possible.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The drill holes have been geologically logged for lithologies, mineralization and alteration styles. The drill holes were also logged for RQDs and core recoveries. • Prior to being logged and sampled the drill core was photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• For sampling the drill core was sawn in half, with one half being sent to the laboratory for analysis, the second half was retained for future reference. Where a duplicate sample was submitted, the half core was sawn again into quarters, with both quarters being submitted for analysis, each with a unique Sample ID number, and the remaining half core kept for reference. • Each sample was selected to be representative of what was being sampled e.g. mineralization, alteration or vein material. Samples were also, taken to ensure that sampling did not occur over lithological or alteration boundaries. • The nominal length of each sample was 1m, with the minimal sample being 0.40 m (1 sample) and the maximum sample length being 2 m (4 samples). The grain/crystal of the sampled lithologies varied from <1 mm up to 10 mm. Therefore, the sample size as discussed above is appropriate for the grain/crystal size present in the various lithologies.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	HISTORICAL • For the historical channel and drillcore samples, the assay techniques employed by the laboratory in Canada is deemed appropriate, though the procedures in terms of blanks, duplicates and standards, do not meet current industry practice. It is recognized as an appropriate test that was routinely completed by company's at the time. • No QA/QC procedures were adequately documented in historical drilling across the Company portfolio MODERN PROGRAMME • The drill core samples from the 2108 drilling program were submitted to ALS Global in Ireland (ALS Loughrea). ALS Loughrea has been accredited by the Irish National Accreditation Board to undertake geochemical testing as per International Standard ISO/IEC 17025:2005 2nd Edition. The samples were analysed for Au (gold) by Fire Assay using a 30 g sample with an ICP-AES finish. Trace elements were analysed by a four-acid digest, with an ICP-AES finish. This technique is suitable for regional drilling programs. • In total 142 samples were submitted to ALS Loughrea for analysis. Of these 6 were blanks, 5 were duplicates and 10 were certified reference material (CRM). That is 15% of the total samples submitted were for QA/QC control. The analytical results for the CRMs all fall within 2SDs of the mean reported value for the CRMs. In addition, ALS Loughrea also inserted 7 internal blanks and standards for their own QA/QC. No spurious assay results were reported.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The sample intervals were cross checked by alternative company geologist, who was also responsible for the sawing of the drill core. The primary assay results were submitted by ALS in electronic format and are stored on the company's server.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The drill hole collar coordinates were surveyed with a handheld Garmin GPS. • The collar positions will be accurately re-surveyed in 2019 once site access is possible (following heavy winter snow) • The drill hole collar coordinates are reported in the following datum; EPSG:31252 (MGI (Ferro) / Austria GK Central Zone
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	HISTORIC • The historic rock chip sampling appears to have been completed on an irregular spacing within selected localities, almost certainly within old workings • No satisfactory evidence of sample compositing being applied for any project at this time • No Mineral Resource or Ore Reserve is reported in this release • As a result of wide spacing and reliance on historical information that has yet to be replicated, it is considered only appropriate expressed as a broad exploration result with considerable additional work required. MODERN PROGRAMME • The Company is continually assessing the appropriate data spacing and distribution at the Schellgaden project both in terms of channel sampling and drilling. • An underground mine survey is planned for 2019, which will enable the accurate location of a modern channel sampling program to be undertaken, as well as potentially being able to accurately locate the historical channel samples. • The data spacing in geological interpretation is appropriate as it was based on historic field mapping and interpretation of airborne imagery. Cross sections generated by previous researchers on circa 250m spacing were also spliced into the interpretation and used as control on the interpretation. Interpolation in the construction of the bodies was created by the software package Leapfrog. The Company applied a hard cut off to the end of the interpreted body based on a lack of confidence deeper than circa 300m sub surface. • Geological modelling creates an interpreted spacing between future drill holes and between key geological units. This is not composited but remains entirely interpretive and subject to significant revision post drilling.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	HISTORICAL • At the Schellgaden historic workings and the Argosy exploration program, the data was gathered across old 'mine faces', and drilling was completed roughly perpendicular to known mineralisation to accurately test the thickness of any mineralisation encountered. Post drilling analysis did identify additional structural controls to these areas which should be followed up in new programs. • In terms of the Argosy program at Schellgaden there appears to be no bias introduced in drilling. MODERN PROGRAMME • Adapting and testing the geological models resulting from historical exploration was and will be critical in ensuring that any potential mineralisation is will be properly tested properly at Schellgaden. • The current geological model was created to provide a more comprehensive understanding the orientation of geological structures. • The location of the 2018 and 2019 was and is based on the geological modelling completed to date.

Criteria	JORC Code explanation	Commentary
		• Once all the information from these drill holes have been fully processed, this additional information these will enable further discussions on orientation of data in relation to geological structure
Sample security	• *The measures taken to ensure sample security.*	HISTORICAL • Sample security measures during transport and sample preparation are unknown. MODERN • The drill core samples were secured in a wooden container, with the lid being secured by screws.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	HISTORICAL • No details sighted on any previous sampling reviews or audits and none were undertaken MODERN PROGRAM • No audit has been undertaken, standards and procedures are reviewed on a tri-weekly basis and their application to the program checked by company representatives to ensure contractors adhere to minimum standards. • Geological modelling was checked by multiple professional geoscientists for internal consistency and defensible peer review. Interpretation is subjective in all cases. • Geochemical modelling was audited by multiple professional geoscientists for internal consistency against the results of the blanks, standards and duplicates inserted in the program as part of JORC standard QA/QC processes (no spurious or unacceptable results were detected).

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Schellgaden project area lies near the village of Schellgaden, located between the town of St. Michael im Lungau and the municipality of Muhr, in the County of Lungau, in the State of Slazburg, Austria. The Schellgaden North Project consists of 152 overlapping Freischürfe covering an area of 69km^2, and the Schellgaden South Project consists of 67 overlapping Freischürfe covering an area 31 km^2 • The full list of tenements purchased with an undiluted 100% working interest are included in the body of the announcement dated 13 November 2017 or the Company prospectus dated 30 January 2018. • The Gold Projects have a 2.5% Net Smelter Royalty, payable up to a cumulative total of US$2,500,000 is reached. After that, no royalties are payable. • There are no known impediments to obtaining a licence to operate a suitable exploration program in the area outside of standard landholder and regulator consents required under the relevant mining code
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The disparate nature of books and records, coupled with the very long history of some projects precludes identification of all phases of exploration completed to date • Argosy Minerals completed exploration programs between 1995 and 1997 over the Schellgaden and Goldeck-Siftliz area. This was limited in scope (very good confirmatory channel sampling and geological mapping/modelling ahead of a small drilling program was undertaken), though executed well. They completed an extensive underground mine/working face sampling program (channel samples), to test the actual presence of gold mineralisation and historically reported grades. Where those samples were deemed representative, small drilling programs were undertaken at Schellgaden and Goldeck. The results showed relatively flat lying mineralised bodies in the Schellgaden area and they considered 4 to be present • Eurocan Mining Gmbh have undertaken geological studies augmented by two drillholes in the 22 years post

Criteria	JORC Code explanation	Commentary
		Argosy that they controlled the Schellgaden area. The STB-1 vertical diamond hole (295m), proved that the Argosy drilling was not completed in the right location, and that the number of mineralised units present was higher, plus there were additional 'blind addits' or former mine stopes below those recognised in historical records. The studies also suggested strongly that there may be missed mineable ore in the mine, which should be properly explored by a systematic drilling program. Ultimately, the geological interpretation of mineralised bodies post drilling the STB-1 core hole, suggests up to 11 mineralised bodies are present.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The project areas comprise a diverse set of deposit styles, principally located around the periphery of the Tauern window. The mid-Alpine sequences have been exposed to volcanic, hydrothermal, epithermal, epigenetic, structural and metamorphic/metasomatic events which has produced a polymetallic halo effect that is quite variable. In general Austria can be subdivided into major tectono-stratigraphic groupings, and particularly those that relate to the Tauern window, around which, the majority of mineralised bodies have been located to date (commodity agnostic). The northern part of the country is dominated by the Bohemian Massif, to the south the Molasse, Helvetic and Penninic zones. Material projects disclosed in this release are located in the southern Penninic zone (Schellgaden). Overall, the Tauern window is classed as a nappe structure, with significant N-S thrusting creating a series of sheets. Its these exposed sheets that carry mineralisation in certain areas around the window. • The style of mineralisation at Schellgaden relates specifically to the genesis of the Penninian epi-metamorphic formations that were a mixture of volcanic, volcaniclastic and sedimentary rocks deposited in a series of E-W basins during the early Paleozoic. Active volcanism during the deposition, produced rhythmic exhalites, forming a complex series of syngenetic stratabound ore deposits. The mineralisation at Schellgaden is complex and regional overlapping metallogenic processes often created a unique blend of ore types. For instance, tungsten and antimony ores often have quite high gold grades and are ascribed to the earliest stage of the metallogenic evolution. The Schellgaden-style of mineralisation, it belongs to this exact system and timing of evolution and is composed of what are interpreted to be a series of stratabound, mineralized units. These stratabound units tend to show much higher gold grades than other constituent commercial minerals, although high copper and silver grades occur in some areas. This stratabound layered style of mineralisation is horizontal to sub-horizontal and occurs over large areas. The current geological model suggests all the old mines and workings occur in this layer (locally the Kareck series within the Habach Formation). These flat lying beds been faulted and offset in the historic mine workings, although the mineralisation is not controlled by the faulting.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Refer to Figure 1

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalent values are reported in this release. • No weighting averaging techniques, or the use of imposing lower r upper cutoff grades have been used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	HISTORICAL • No drilling reported, no mineralisation widths and intercepts from drillholes any any project referred to in this release. • The Argosy channel sampling was broadly undertaken across a large number of sites (but where specifically

Criteria	JORC Code explanation	Commentary
		applicable to the Schellgaden and Goldeck projects); the samples were taken from the top of a mineralised face in an old addit/working/stope, to its base. This corresponds to a perpendicular channel sample which is representative of the overall thickness of the mineralised body being sampled. The thickness of channel samples taken varied from tens of centimetres (quite thin), to 3 metres (quick thick). Significant variation in the thickness of zones was observed during due diligence and as such the true thickness of any layer, at any given point, cannot be reliably estimated at this time MODERN PROGRAMME • The modern resampling and resurveying of the mine areas in all projects will allow a better understanding of the true geometry of the potentially mineralised bodies present, therefore improve drill planning such that it can optimally intersect a target • The geological modelling is designed to orient the geological structures in preparation for drilling planning to ensure intercepts are, within the boundaries of interpretation, likely to be as orthogonal to target units as possible • The Exploration Target assessment is based on the geological modelling completed which is a 'best guess' mathematical interpolation of data collected at surface. The dearth of drill hole data and nature of an Exploration Target statement means that there is no certainty on the relationship of any mineralisation to drill hole angle, thicknesses, or clearly, grade. This statement is based on a future program, to be undertaken and completed in the Austrian summer of 2018, and is not based on any quantitative data recovered as a result of any drilling. • Calculated potential grades at Schellgaden were significantly reduced from the computed averages to create a high hurdle rate for internal assessment. It was determined that a low, medium, and high-grade case would be used based on the range in values available. Critical to the discussion is the understanding that the sampled channels represent the thinnest intervals and were not minable at the time. Therefore, unmined intervals, as evidenced by void space within the mines, were significantly thicker, and potentially of higher grade. The Company took the view that assuming the minimum thickness was unreasonable (with a multi-layer average of around 0.45m), and a maximum thickness was unreasonable (multi-layer maximum of 2-3m), so a thickness, or faux intercept, of 1m was used as a default for all layers. In terms of grade, the range in results from channel sampling was deemed to be extreme so a minimum cutoff grade of 5 g/t, medium of 10 g/t and high of 15 g/t was selected based on the likelihood of economic depth being reached (this also discounts gross outliers in terms of grade in both directions). In this way, the Company used a consistent layer thickness (or intercept) and flat values of gold to calculate the appropriate range in exploration target. • No mineralized widths are reported in this ASX release
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figure 1 for tenure location. • Refer to Figure 1 for drill hole locations. • The historical drill holes along with the completed drillholes completed in 2018 will allow the creation of appropriate maps and cross sections to assist in the future planning and siting of drillholes.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Representative reporting of the range of results found in literature currently available to the Company has been presented in the release. This includes the highest and lowest grades available from rock chip samples across 8 main project areas and 50+ old mines and workings. The spot nature of rock chip samples, lack of documentation, lack of drillholes, variable thickness of key zones as observed, and lack of modern exploration generally is appropriately reported. These areas can, at best, be described as broadly 'prospective', but none have had modern techniques and rigor applied. • No historical drilling results have been reported. • The entirety of reconnaissance geochemical data, which was used to establish ranges of appropriate potential grade at Schellgaden, was presented in the relisting prospectus lodged in January of 2018. The presentation of a range in grades has been determined based on this information only. The reader should be aware this may result in either overstating, or understating, quite significantly the grade or thickness of any layer encountered. Limitations on the accessibility of the mine, and the extreme length between data points (circa 1500m between the main mines and the Katschberg tunnel), mean that averaging any grade, thickness,

Criteria	JORC Code explanation	Commentary
		or continuity is erroneous and highly speculative. • The range in potential volumes of rock, for the high and low side tonnage estimates of the Exploration Target at Schellgaden were based on the geological modelling. No range in volumes was calculated simply because arbitrary cutoffs were already applied which introduced significant high and low side uncertainty. The drilling program was designed to test up to the down dip continuation of the potential mineralisation. • The exploration program from 2018 was not completed and should be completed to provide an accurate picture of the continuation (or not) of the mineralized sequences from the Stublbau/schulterbau mine. The presentation of results in future must take into account the structural complexity of the area with respect to the presence/absence, and depth, of any given mineralized layer. Without proper drilling to depths of at least 600m and at least 10 holes to this depth, its unlikely that representative exploration results can be conclusively presented.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All substantive exploration information has been reported at this time for all the projects. • The Company is continuing to undertake a detailed review of the Schellgaden project considering the historic work completed that includes a historic NI43-101 (completed by an underlying vendor and does not meet current code requirements), a historic prefeasibility study, and preliminary metallurgical testing. This cannot be reported at this time as significant elements to the reports and assumptions need to be verified or updated. This information, if proven to be accurate or currently acceptable, could be material in the future. • The geological modelling reveals units which could host mineralisation. The modelling further suggests that the old mine area, based on historic maps and sections, might be of limited extent. Further work will be undertaken to understand potential rock volumes, which forms the basis of the Exploration Target which has been completed.

Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*
		• The Company has prepared a 2-year program with the specific intention of advancing the understanding of any potential mineralisation to be substantial enough to be proven through drilling as a resource at the Schellgaden area. As such an exploration programme for 2019 has been designed with the following course of action
		  • Survey main underground mines and addits via Laser, complete topographic surveys of the surface to enable final drill planning;
		  • Complete core/RC drilling at Schellgaden to prove the existence of a resource that could be extended, beyond the current mine limits.
		  • Complete additional regional/local geochemical and geophysical surveys to assist in proving the extension of any mineralized body/unit.
		  • Geological mapping and surface rock chip and soil sampling (?) will be undertaken in order to provide any new data that may potentially be able to provide additional insight into the location and extent of the mineralisation
		  • Structural geological review and analysis