

22 February 2019

HGM CORPORATE UPDATE

HIGHLIGHTS

- Office being relocated to be proximate to two of the Company's Gold Projects in Austria
- Process commenced to recruit an Austrian in-country manager with natural resources' experience
- Search for CEO and Managing Director commenced
- Testing of the substantial Schellgaden Gold Project Exploration Target of between 1.03m ozs at 6g/t to 4.71m ozs at 15g/t (refer ASX release of 23 May 2018) targeted to commence in Q2 using experienced alpine drillers
- Modest drilling program under planning for Leogang Copper Cobalt Project to test potential mineralisation occurring under old mine workings identified by geophysical surveys

High Grade Metals Ltd (ASX: HGM) ("**HGM**" or the "**Company**") is pleased to provide the following update to the market post the Company's announcement on 11 February 2019.

Corporate

On 12 February 2019 the Company provided notice of its intention to vacate its project office in Bratislava, Slovakia. The Company is currently reviewing office accommodation in a town located centrally between the Schellgaden South Gold Project and the Kreuzeck East Gold Project. This office accommodation is likely to have an area that will be used for core logging, sampling and ongoing core storage.

On 13 February 2019 the Company commenced a process to recruit an Austrian geologist or mining engineer as its in-country manager. Once appointed it is expected the in-country manager will quickly seek to appoint a local community engagement officer and environmental scientist to support necessary drill site rehabilitation works and preliminary environmental studies for mining permits.

The Company continues to engage an in-country project geologist on a full time basis and an in-country senior geologist on a contract basis. The Company intends to work more closely with an experienced Austrian based firm of geologists. The alpine setting of the mineralisation necessitates the Company works with people experienced in this mineralisation.

The search for a new CEO and Managing Director has commenced with meetings scheduled for the coming weeks.

Drilling Program

The Company is targeting the commencement of a drilling program on the Schellgaden Gold Project in Q2 CY2019. Discussions are in train with experienced drillers that have suitable drilling rigs to complete the proposed initial ten to twelve drill hole program.

The Company also expects to drill in the Leogang Copper Cobalt Project. This program is expected to be more modest and designed to test for mineralisation occurring under old mine workings as suggested by geophysical data. The initial program will be three to four drill holes and success or otherwise will determine any future drilling in this area.

High Grade Metals Ltd

ACN: 062 879 583
ASX: HGM

Issued Capital

452,937,867 Shares
97,500,000 Options
240,000,000 Perf Shares

Australian Registered Office

Level 17, 500 Collins Street
Melbourne VIC 3000

Directors

Anthony Hall – Executive Chairman
Steve Formica – Non-Executive Director
Adrien Wing – Non-Executive Director / Company Secretary



Schellgaden Gold Project

HGM’s flagship Schellgaden Gold Project is located within the upper Mur Valley, County of Lingau in the Federal Austrian State of Salzburg. 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 Salzburg, Austria. The Schellgaden North Project consists of 152 overlapping Freischürfe covering an area of 69km², and the Schellgaden South Project consists of 67 overlapping Freischürfe covering an area 31 km².

On 23 May 2018 the Company released an Exploration Target for the Schellgaden Gold Project. Table 1 below is the table.

Table 1: Schellgaden Exploration Target dated 23 May 2018

Area	Minimum Tonnage (t)	Minimum Target @ 6g/t (oz)	Maximum Tonnage (t)	Maximum Target @ 15g/t (oz)
Barbara Lager	1,900,000	366,559	3,594,900	1,773,875
Hangend Lager	1,100,00	212,219	1,966,680	948,559
Horizon G	1,000,000	192,926	1,669,117	805,041
Horizon E-4	1,100,00	212,219	2,057,512	992,369
Horizon F-1	150,00	28,939	258,923	124,883
HorizonLHL	100,00	19,293	218,263	105,272
Total	4,850,00	1,032,154	9,765,396	4,709,998

Figure 1 below shows the geological modelling for this Exploration Target.

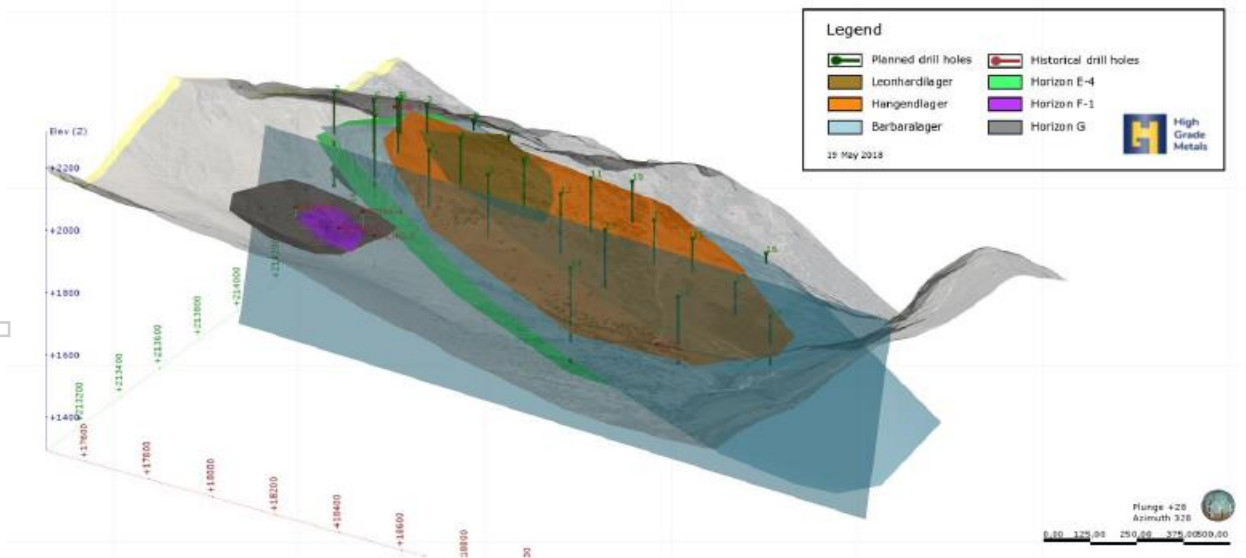


Figure 1: Geological modelling showing the Exploration Target and planned drilling at Schellgaden Gold Project



During the period October to November 2018, four diamond drill holes were completed at Schellgaden (refer ASX Release of 21 February 2019). The location and grid co-ordinates for all four drill holes are given in Figure 2. The orientation is consistent with Figure 1 above.

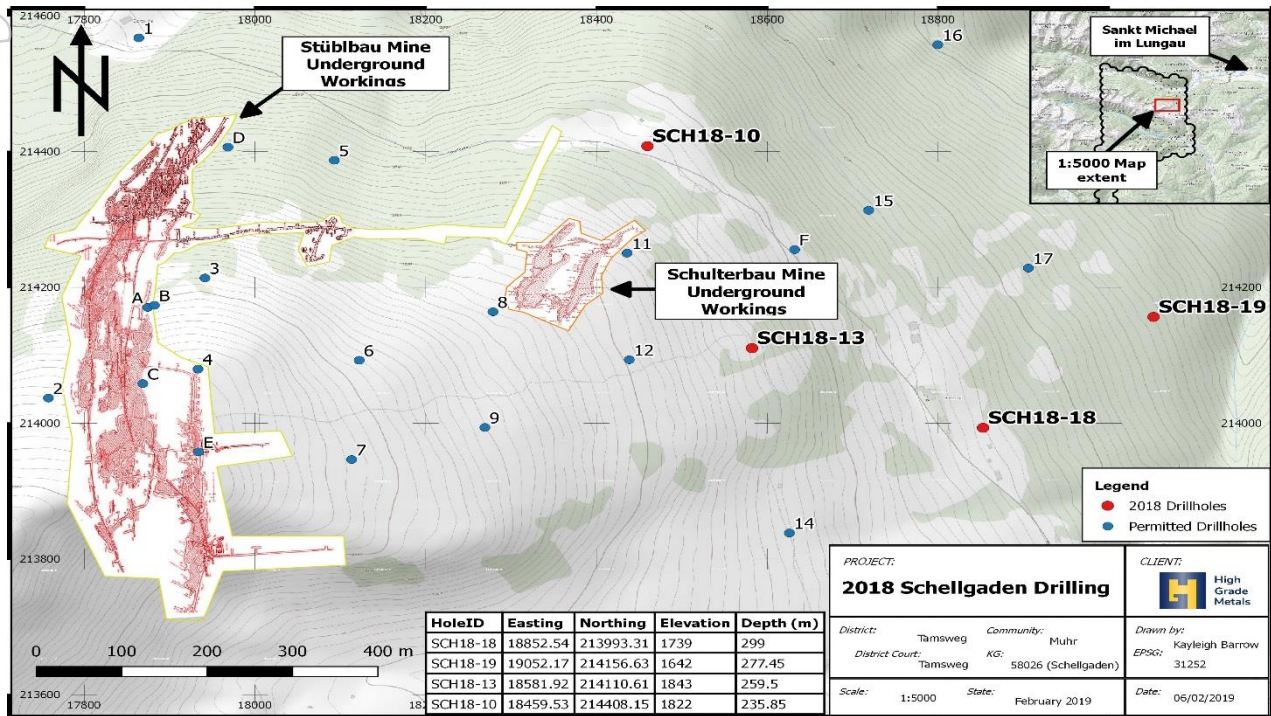


Figure 2: Drill Hole Locations for October to November 2018 Drilling Campaign

Importantly the four drill holes only tested the eastern extension of the Exploration Target as shown above. Drilling activities schedule to commence in Q2 are expected to properly test the full extent of the substantial Exploration Target.

Leogang Copper Cobalt Project

A modest drilling program is being planned for the Leogang Copper Cobalt Project.

Four drill holes were commenced in October and November 2018. Of these four drill holes, the Company had no core recovery from two drill holes. Assay results from samples on the other two drill holes are expected to be received shortly.

Additional Projects

Minimal work is being carried out on the additional projects at this time. The Company’s focus is testing the substantial Exploration Targets on both the Schellgaden Gold Project (ASX Release 23 May 2018) and the Leogang Copper Cobalt Project (ASX Release 5 April 2018).

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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 km².

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

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ACN: 062 879 583	452,937,867 Shares	Level 17, 500 Collins Street	Anthony Hall – Executive Chairman
ASX: HGM	97,500,000 Options	Melbourne VIC 3000	Steve Formica – Non-Executive Director
	240,000,000 Perf Shares		Adrien Wing – Non-Executive Director / Company Secretary