High Grade Metals

ASX ANNOUNCEMENT

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LEOGANG COPPER, COBALT AND NICKEL PROJECT UPDATE

High Grade Metals Ltd (ASX: HGM) ("**HGM**" or the "**Company**") is pleased to provide the following updated released correcting errors in its 22 March 2019 with respect to the whole rock geochemistry results announced to the market on 27 March 2018 and repeated on 22 March 2019 for its flagship Leogang Copper, Cobalt and Nickel Project.

Leogang Copper, Cobalt and Nickel Project Overview

Overview

The flagship Leogang Copper, Cobalt and Nickel Project (**"Project"**) covers an exploration area of 63 overlapping licences called "Freischürfe" totalling 27km². The Project covers one of the oldest and most famous mining districts in Austria, the Schwarzeleo Valley, where mining was first documented in 1425. Copper, 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.

Figure 1: Map Showing Location of Leogang Project Within Austria

Mineralisation in Dumps from Historical Mining Operations

On 27 March 2018 the Company released results from mining waste dump samples taken from dumps associated with historic mining operations at Leogang. Assay results showed up to 7.5% Copper, 0.68% Cobalt, and 3.5% Nickel. Table 1 below shows a summary of these results.

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Table 1: Locations and Results of Whole Rock Geochemistry from Waste Dumps at Leogang Project

Sample ID	Coordinates (EPSG: 31252)			Co[1]	Cu[1]	Ni[1]	Cu[2]	Ni[2]	Ni[3]	Co[3]	Comments
	x	y	z	ppm	ppm	ppm	%	%	%	%	
100001	-49615.69	255025.74	1362.49	388	30	806			0.083	0.039	
100002	-49368.53	255017.58		2720	2770	6730			0.658	0.261	
100003	-49280.84	255062.46	1311.75	152	4110	285			0.027	0.015	
100004	-49252.74	255048.84	1305.90	634	4620	288			0.083	0.058	
100005	-49252.74	255048.84	1305.90	97	1240	247			0.025	0.009	
100006				2	30	2			<0.002	<0.002	Blank Sample
100007	-49252.74	255048.84	1305.90	316	4370	558			0.057	0.030	
100008	-49252.74	255048.84	1305.90	3760	>10000	5060	1.680		0.500	0.375	
100009	-49252.74	255048.84	1305.90	51	1410	174			0.018	0.004	
100010	-49252.74	255048.84	1305.90	4320	>10000	7630	7.410		0.772	0.436	
100011	-49252.74	255048.84	1305.90	5830	>10000	7030	1.370		0.695	0.590	
100012	-49252.74	255048.84	1305.90	2660	>10000	5790	2.520		0.600	0.277	
100013				3660	>10000	6720	2.528		0.686	0.376	Duplicate of 100012
100014	-49252.74	255048.84	1305.90	2870	>10000	5630	7.820		0.581	0.293	
100015	-49252.74	255048.84	1305.90	3060	>10000	7290	2.840		0.761	0.320	
100016	-49252.74	255048.84	1305.90	4270	>10000	7200	1.650		0.699	0.428	
100017	-49252.74	255048.84	1305.90	6510	>10000	>10000	4.740	1.085	1.085	0.686	
100018				1620	>10000	>10000	1.230	3.500	3.480	0.163	Standard WMS-1
100019	-49252.74	255048.84	1305.90	938	>10000	2410	2.790		0.244	0.098	
100020	-49252.74	255048.84	1305.90	1110	>10000	1160	1.755		0.113	0.117	
[1] Method: ME-MS61, [2] Method: ME-OG62, [3] Method: ME-ICP-81											

Exploration Target

On 5 April 2018 the Company released a significant Exploration Target* for the Project.

**The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Table 2: Leogang Project Exploration Target dated 30 March 2018

Area	Volume (m^3)	Tonnage Range (Mt)	Co-Range	Cu-Range	Ni-Range
Upper Layer	4,635,000	11 - 16 million	0.004 - 0.686 %	1.23 - 7.82 %	0.018 - 3.48 %
Bottom Layer	11,290,000	26 - 39 million	0.004 - 0.686 %	1.23 - 7.82 %	0.018 - 3.48 %
Total	15,925,000	37 - 55 million	0.004 - 0.686 %	1.23 - 7.82 %	0.018 - 3.48 %

Positive Results from Geophysical Program

On 16 July 2018, the Company released results from its geophysical program at the Project.

The program involved the acquisition of six profiles of a combined geo-electrical (DC), induced polarisation (IP), and electric spontaneous potential (SP) survey data. In addition, a ground magnetic survey was acquired to supplement the other geophysical data.

Importantly the program confirmed the internally generated model that supported the Exploration Target dated 30 March 2018.

Initial Drilling Program

Between 3 October 2018 and 14 November 2018, the Company's drilling contractor drilled four holes with a total length of 468 m.

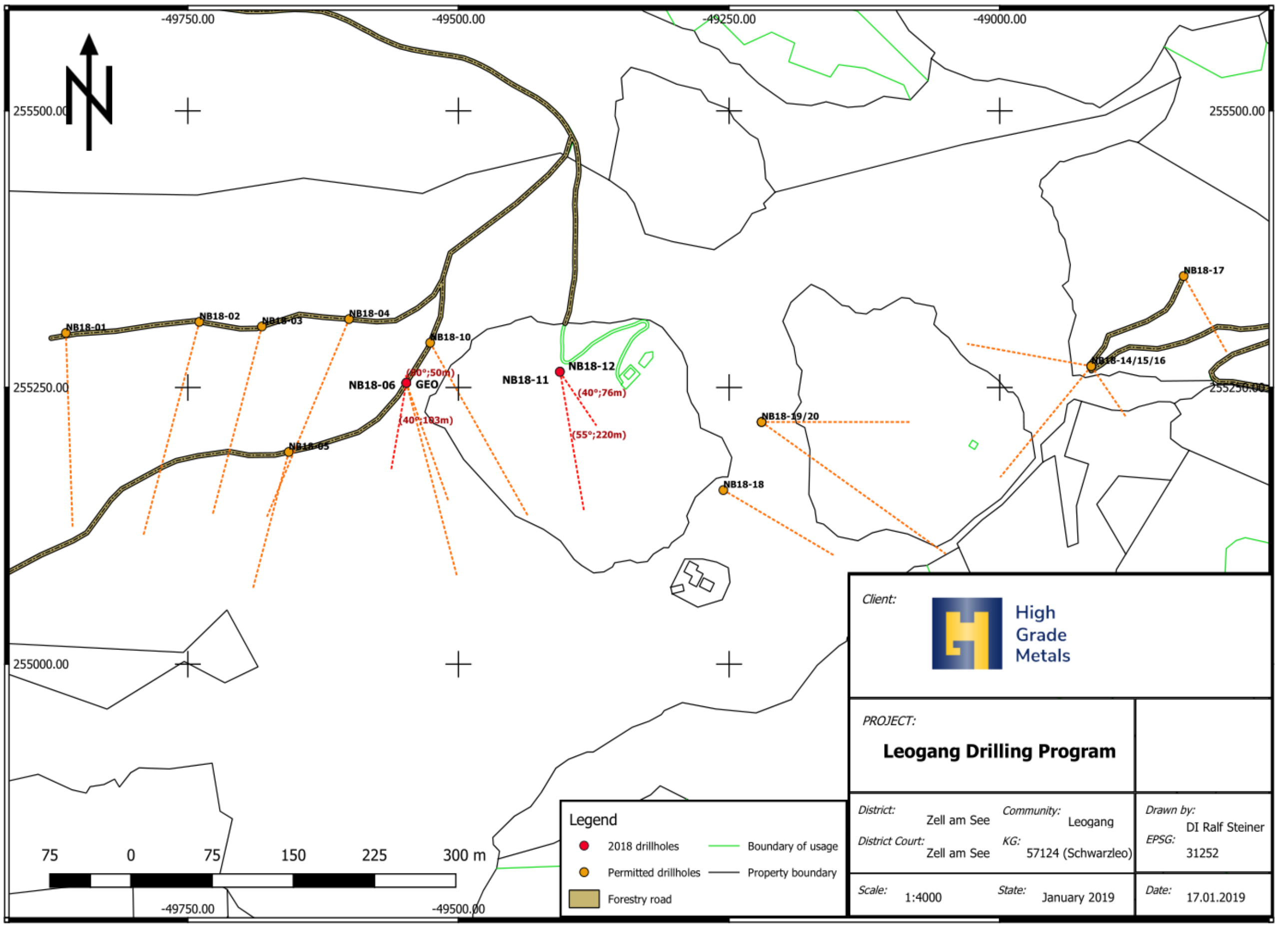

Figure 2: Drill Hole Locations for October to November 2018 Drilling Campaign at Leogang Project

Drill hole NB18-6 was abandoned at a depth of 100 m due to relatively poor rock conditions and low drilling angle, and the difficulty in establishing a water circulation. Drill hole NB18-11 had the same issues and was abandoned at 76.1 m. Drill holes NB18-12 and GEO-01 reached planned depth. NB -12 - 12 was abandoned at 249.9 m and GEO-1 at 42.0 m. Drill holes NB18-11 and NB18-12 inercepted dolomite sequences and those intervals were sampled in full length.

Table 3: Drilling Collar Table

Drill Hole ID	E_GK	N_GK	Collar_Elevation	Dip	Azimuth	Total_Depth
NB18-06	-49548.15	255254.16	1435.58	-40	190	100
NB18-11	-49406.43	255264.16	1388.74	-40	145	76.1
NB18-12	-49406.09	255264.37	1388.74	-55	170	249.9
GEO-01	-49548.15	255254.16	1435.58	-80	360	42

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No hole encountered any meaningful copper, cobalt or nickel results. This result is consistent with the table below. It appears that both drill holes were too steep to result in an intercept with the mineralisation.

Table 4: Summary of Assay Results for Drill Holes NB18-11 and NB18-12

Sample ID	Drill Hole ID	From (m)	To (m)	Ag ppm	Co ppm	Cu ppm	Ni ppm	Pb ppm	Zn ppm	Comment
14251	NB18-11	31.4	32.65	0.016	4.48	3.01	15.4	2.44	9.4	
14252				0.017	4.57	3.17	15.5	2.33	7.8	Crush stage duplicate of 14251
14253	NB18-11	32.65	33.9	0.031	3.97	2.95	13.9	1.725	7.9	
14254				0.002	0.078	0.55	0.61	0.359	1.4	Blank Sample
14255	NB18-11	52.1	53.35	0.065	8.26	9.74	20.1	5.85	7.1	
14256	NB18-11	53.35	54.6	0.025	4.9	2.9	13.2	3.64	7.3	
14257	NB18-11	54.6	55.85	0.006	2.56	0.75	9.88	2.47	8.4	
14258				0.007	2.41	0.76	9.49	2.43	7.9	Pulp stage duplicate of 14257
14259	NB18-11	55.85	57.1	0.025	9.74	20.4	21.3	2.87	6	
14260	NB18-11	57.1	58.45	0.04	11.55	5.22	18.8	4.19	3.9	
14261	NB18-11	58.45	59.8	0.04	4.91	2.98	10.2	7.82	6.2	
14262	NB18-11	59.8	61.1	0.079	10.6	6.22	18.05	10.3	5.9	
14263				0.754	75.4	1540	2130	8.6	54.9	Standard AMIS 0417
14264	NB18-11	61.1	61.6	0.036	10.75	8.94	45.6	3.08	18.5	
14265	NB18-11	64.1	65.6	0.058	14.7	19.1	36.8	4.52	26	
14266	NB18-11	65.6	67.1	0.038	17	35.9	44.4	5.11	28.7	
14267	NB18-12	34.3	35.9	0.09	8.17	78.6	19.45	1.94	4.3	
14268	NB18-12	43.7	44.9	0.019	14.7	57.6	71.4	2.17	11.7	
14269	NB18-12	45.3	45.6	0.032	13.6	46.9	34.7	2.87	5.3	
14270	NB18-12	47.9	48.3	0.019	10.8	57.3	27.2	2.37	10.3	

Importantly both drill holes have enabled the Company to rework the geological model into a one-layer model. This model appears to fit better with the known data including mapping results, visible fault zones, old galleries, and drilling results.

2019 Drilling Program

The Company is currently completing planning for an initial drill program in 2019 that is designed to test the bottom layer of the Exploration Target dated 30 March 2018. This target ranges from 26 to 39m tonnes at stand-alone copper grades of 1.2% to 7.8% with potential by-product credits from cobalt and nickel.

This drill program is likely to be relatively low cost given the shallow nature of the target.

ENDS

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COMPETENT PERSON STATEMENT

The information in this release that relates to Exploration Results is based on information prepared by Dr Thomas Unterweissacher, EurGeol, MAusIMM. Dr Unterweissacher is a licensed Professional Geoscientist registered with European Federation of Geologists and based in Hochfilzen, Austria and The Australasian Institute of Mining and Metallurgy. European Federation of Geologists and The Australasian Institute of Mining and Metallurgy are a Joint Ore Reserves Committee (JORC) Code 'Recognized Professional Organizations' (RPO). An RPO is an accredited organization to which the Competent Person (CP) under JORC Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, or Ore Reserves through the ASX. Dr Unterweissacher has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a CP as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Unterweissacher consents to the inclusion in the release of the matters based on their information in the form and context in which it appears. Dr Unterweissacher is a consultant to the Company.

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.

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 report

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.*	• Diamond drilling used for material collection. High Grade Metals Limited completed drilling of four drill holes at Leogang Project. • Drill hole size is considerably large to ensure that each sample is representative for style of mineralization. • After cutting, a ¼ split of HQ and has been sent to ALS laboratories for analyses.
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).*	• HQ3 and NT-W wireline diamond coring bit and 1.5 m length triple coring tube was used to collect material. • The drill core was not orientated.
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.*	• Core recovery was measured for all runs and recorded into "Recovery Log". At some intervals the recovery is poor due to low angle of drilling. • To prevent disturbance of drilled material split tube was removed from the inner tube using water "pump up" adapter.
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.*	• Lithology logging was undertaken by logging geologists. • For lithology logging descriptions were done over the full length of drill core on paper "Lithology Logging Form", recording rock type, color, foliation and structural characteristics, mineralogy, core recovery and

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	a graphic log representative of the lithology. Paper logs are later transferred to excel spreadsheets template for import to the database. • Individual photographs of each core box are taken. To ensure consistency of the scale, a standard photographic setup was used • Downhole logging was performed by drilling contractor using single shot deviation survey probe.
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.*	• Only the dolomite target horizon was cut in half in first instance and split into quarters subsequently. The cutting was done by technicians and supervised by geologists. • Samples of the target horizon showed no visible mineralisation. • After weighted samples are dried, and then entire sample is crushed -2mm >70% passing. Crushed samples are subsampled using rotary splitter to obtain 250g then pulverised -75µm >85% passing. Remaining crush and pulp are returned and stored in coreshed. • All remaining core after sampling is stored on metal racks in the coreshed.
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.*	• The QA/QC actions taken to provide adequate confidence in data collection and processing are discussed above. A generally QAQC involving duplicates in every stage is implemented. Duplicates, standards and blanks were introduced every 20 samples (5% frequency). Acceptable levels of accuracy for standards and blanks were obtained. • All sample preparation and assays were undertaken by ALS (Ireland). • Sample preparation was using ALS procedure PREP31Y • Lithium analysis was using ALS procedure ME-MS41L by two acid digestion (Aqua Regia) and analyzed by ICP – MS and ICP - AES.
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.*	• Dolomite horizon visibly identified and verified and labeled by logging geologists. • All the primary data was transferred into standardized excel spreadsheet • An electronic database containing collars, surveys, assays and geology and it's maintained by Geo-Unterweissacher, an independent Exploration Management Consultancy in Hochfilzen, Austria.

Criteria	JORC Code explanation	Commentary
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.*	• Drill hole collar survey is conducted by an external licensed surveying company. All coordinates are tied into the state triangulation network and provided in the Austrian Gauss Kruger co-ordinate system. • Drill hole deviation is curried-out by Drilling contractor using single shot downhole survey tool. • All downhole azimuths are oriented to magnetic north. Magnetic declination correction were obtain from an online calculator available at https://www.ngdc.noaa.gov/geomag-web/#declination and used for true north geodetic azimuth calculation.
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.*	• The drill holes are in random spacing.
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.*	• Most of drill holes are inclined and oriented to intersecting target at right angle. When the mineralization is not normal to the core axis the truth thickness of intersected veins was calculated using the formulas for calculating truth thickness. •
Sample security	• *The measures taken to ensure sample security.*	• All drill core was placed into labelled PVC core boxes with drill hole and box number and run intervals. Drill core boxes were transported to the secure coreshed and placed on racks. • All samples for sample preparation and assay are sent to ALS (Ireland) for handover. Chain of custody was followed insuring that only dedicated personal from HGM team and ALS lab had access to the sample at all stages of sampling process. • Remaining coarse and pulp duplicates is returned after assaying and stored in coreshed.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audit has been undertaken. • Geological modelling was checked by multiple professional geoscientists for internal consistency and defensible peer review. Interpretation is subjective in all cases.

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 full list of tenements to purchased with an undiluted 100% working interest are included in the body of the announcement dated 13 November 2018. • There are no known impediments to obtaining a licence to operate a suitable exploration program in the area outside of standard landhold er and regulator consents required under the relevant mining code
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No historic exploration results have been referenced at the Nockelbeg prospect (within the Leogang project area). Historic reporting has referened mineralised material extracted at the site and as such is artisanal mining. No systematic work has been previously completed outside of research work referenced in the prospectus dated 30th Jan uary 2018
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The style of mineralisation at Leogang/Nockelberg relates to the host lithology, dolomites, and their proximity to hydrothermal fluids. Commonly these fluids will concentrate around zones of structural deformation and the main mineralized zone at Leogang is widely reported as proximal/part of a thrusted package, which is demonstrably occurring over a wide area of central Europe (regional structural history). Where previous research indicated structural controls on the mineralised unit, there is little regional exploration information to assess whether the geological setting of mineralisation can be broadened from the Leogang type section/deposit of upper Silurian to Middle Devonian age.

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*
		• All the drill collar, drilling, downhole survey and associated geochemical, and logging data was transferred to standardized excel spreadsheet templates.

Criteria	JORC Code explanation	Commentary
	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.	
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 aggregation methods are reported, or have been sighted for the Cobalt-Nickel-Copper Properties, in particular the Leogang area. • No metal equivalence figures have been reported for any project in this release.
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 (eg 'down hole length, true width not known').*	• Not applicable
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.*	• Included
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.*	• Not applicable
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.*	• Not applicable
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.*	• Further work will include verification of geological model and generating drilling target based on compilation of all available data including previous drilling results, geophysics, detail mapping, soil and rock chips sampling.