# HIGH GRADE METALS LTD

## A PORTFOLIO OF COBALT AND GOLD ASSETS.

13 March 2018

# IMPORTANT INFORMATION

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Various statements in this presentation constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. Prospective shareholders should not place undue reliance on these words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and similar expressions that are intended to identify forward-looking statements. HGM caution shareholders and prospective shareholders not to place undue reliance on those forward looking statements, which reflect the view of HGM only as of the date of this presentation. The

forward-looking statements made in this presentation relate only to events as of the date on which the statements are made.

**COMPETENT PERSON**

The information in this report that relates to exploration results and historical mineral estimates is based on, and fairly represents, information and supporting documentation compiled by Ian Buckingham of Global Resources & Infrastructure Pty Ltd (GRI). Mr Buckingham is a Competent Person, who is a Fellow of the Australasian Institute of Mining & Metallurgy. Mr Buckingham 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 Buckingham consents to the inclusion of the matters based in this Presentation on his information noted in the form and context in which it appears.

**HISTORICAL MINERAL ESTIMATES**

The historical mineral estimates in this report are not reported in accordance with the guidelines of the JORC Code (2012). A competent person has not completed sufficient work to classify these estimates as Mineral Resources or Ore Reserves in accordance with the guidelines of the JORC Code (2012). It is uncertain that following evaluation and/or further exploration work that the estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with JORC Code (2012). The full source details of the above estimates are contained in the HGM Prospectus dated 30 January 2018. The Company is not in possession of any new information or data relating to the historical mineral estimates that materially impacts on the reliability or the estimates or the Company's ability to verify the estimates in accordance with the JORC Code. The supporting information provided in the Prospectus in relation to the historical mineral estimates continues to apply and has not materially changed.

# INVESTMENT HIGHLIGHTS

## HIGH GRADE COBALT AND GOLD.

**1**

The assets comprise **nine projects** that are highly prospective **for cobalt**, nickel sulphide, **copper** and **gold**.*

**2**

All projects include **former high-grade mines** (**cobalt**, **copper** and **nickel** sulphide, and **gold**) with workings, and no modern exploration.

**3**

**Focussed on the highly prospective** cobalt/nickel/copper mineralisation at **Leogang**, and high grade gold potential at **Schellgaden**.

**4**

**Austria is a mining friendly country** with no mining royalties, access **to excellent infrastructure** and close to end customers.

**5**

**Cobalt consumption** by EV market to grow **from 6.5%** (of total supply) **in 2016 to 16.9%** by 2021[1].

1: Electric car boom spurs investor scramble for cobalt, Reuters, 15 February 2017. * Refer to Prospectus dated 30 January 2018 and detailed reference in Endnotes on slide 20.

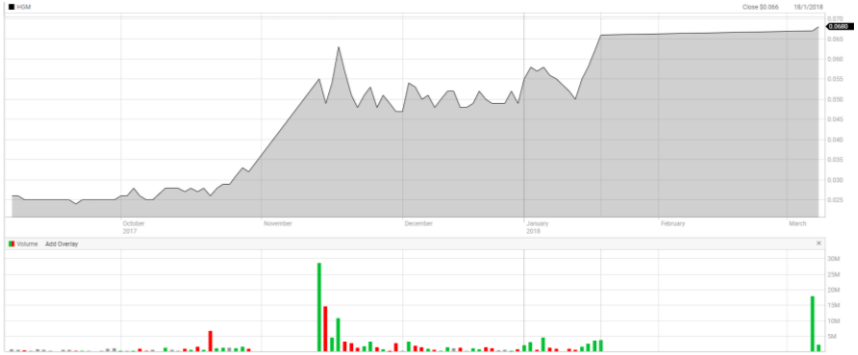
# CORPORATE INFORMATION

## CAPITAL STRUCTURE

| TICKER | HGM (ASX) |
|---|---|
| **Share price at 9 March 2017** | $0.065 |
| **Shares on Issue** | 452,937,867 |
| **Outstanding options** | 97,500,000 |
| **Fully Diluted Shares** | 550,437,867 |
| **Cash at Bank** | $5,017,366* |

*As at the Prospectus dated 30 January 2018.

## SHARE PRICE PERFORMANCE



## KEY EXECUTIVES

### STEVE FORMICA
**CHAIRMAN**

Over 30 years' of experience across private business ventures and mining investment. More recently he has been a successful investor and nonexecutive director in mineral resource companies. He is also a Non-Exec director of Bowen Coking Coal Limited, Lindian Resources Limited and Mintails Limited, and formerly chairman of Enerji Limited.

### HAYDEN LOCKE
**NON-EXECUTIVE DIRECTOR**

(Bcom, B Eng.)
Over 10 years' experience in corporate development, M&A and financing. Most recently lead the in-house corporate development, strategy and sales and marketing function for a listed specialty fertiliser company based in London and Spain. Prior to that, Hayden was a Corporate Executive for ASX-listed Papillon Resources Ltd.

### TOREY MARSHALL
**MANAGING DIRECTOR AND CEO**

(BSc (Hons) and MSc, AusIMM CP Geology)
Torey has over 17 years' experience in mining, geothermal, petroleum and associated infrastructure projects across S. America, Africa, N. America and Europe. He has led strategic direction for public and private companies, identification and acquisition of new projects, execution of exploration and development programs (and building the teams), as well as arranging debt and equity for projects (c$500m).

### OMAR KHAN
**HEAD OF CORPORATE DEVELOPMENT**

(Bcom, LLB, MBA)
Omar has over 14 years' experience within corporate development, private equity and funds management. His experience extends across capital raising, strategy, debt finance, investor communication as well as managing and growing companies.

# AUSTRIAN ASSETS


## HGM PORTFOLIO OF NINE HIGHLY PROSPECTIVE PROJECTS IN AUSTRIA

Gold

Cobalt

- HGM's Austrian exploration permits comprise a portfolio of nine highly prospective former high-grade cobalt, copper and nickel, and gold and silver mines;
- All nine projects contain **old mines/workings,** and have had no modern exploration within the last 25 years;*
- Prospective for **Cobalt**, **Nickel**, **Copper** and **Gold**;*
- **Focussed on the most prospective** licences first;
- **Working on:** defining Resources, completing studies with a view to moving quickly into production.

* Refer to Prospectus dated 30 January 2018 and detailed reference in Endnotes on slide 20.

# COBALT PROJECTS

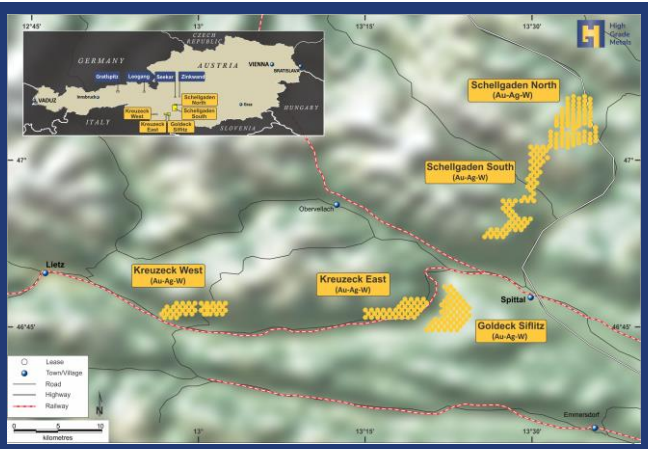

| PROJECT | LOCATION (STATE) | HISTORIC* | EXPLORATION PERMITS* |
|---|---|---|---|
| Leogang | Salzburg | 15.76% Co, 12.7% Cu, 8.12% Ni | 30 |
| Gratlspitz | Tyrol | 2.17% Cu | 37 |
| Seekar | Salzburg | 22% Cu | 9 |
| Zinkwand | Styria/Salzburg | Co 2.1%, Ni 27.3% | 2 |

## FOUR PROJECTS PROSPECTIVE FOR COBALT, COPPER AND NICKEL

- The Cobalt portfolio comprises four exploration concessions made up of a total of **78 exploration permits**. All valid until 31 December 2021, and cover a total area of **approximately 44 km$^2$**;*
- Nickel and cobalt were mined in the region from the mid-16th century, when Leogang was **famed for the richness of its cobalt and nickel** mineralisation;
- Historical reported samples of up to **15.76% Co**, **12.7% Cu**, **8.12% Ni** at Leogang/Nockelberg;*
- Historical exploration results: high grade massive **sulphide ores of up to 22% Cu** at Seekar;*
- High grade mineralization of up to **2.17% Cu** reported at **Gratlspitz.***

* Refer to Prospectus dated 30 January 2018 and detailed reference in Endnotes on slide 20.

# GOLD PROJECTS




| PROJECT | LOCATION (STATE) | HISTORIC* | EXPLORATION PERMITS* |
|---|---|---|---|
| Schellgaden | Salzburg | Au Up to 93g/t | 157 |
| Kreuzeck East | Salzburg | Au | 42 |
| Kreuzeck West | Salzburg | Au | 44 |
| Goldeck-Siflitz | Salzburg | Au up to 12.1g/t | 57 |

## FIVE PROJECTS PROSPECTIVE FOR GOLD AND COPPER

- The Gold projects comprise a total **of 300 exploration permits**, which cover an area of approximately **170km$^2$**, and valid until 31 December 2019;*
- All projects contain **historic mines and workings,** very **high reported grades** (historical), and proximity to **excellent infrastructure** such as roads, towns and services;*
- Like most historic mines in Central Europe, almost no records are accessible from conventional sources;
- **Schellgaden** North and South: with up **to 93g/t Au in channel samples** from exploration in the 1990's;*
- **Goldeck Siflitz:** Channel sampling in one of the historic mines yielded up to **12g/t Au**;*

* Refer to Prospectus dated 30 January 2018 and detailed reference in Endnotes on slide 24.

# INITIAL FOCUS

## FOCUS ON THE MOST PROSPECTIVE SITES: LEOGANG (COBALT) AND SCHELLGADEN NORTH (GOLD)

### LEOGANG

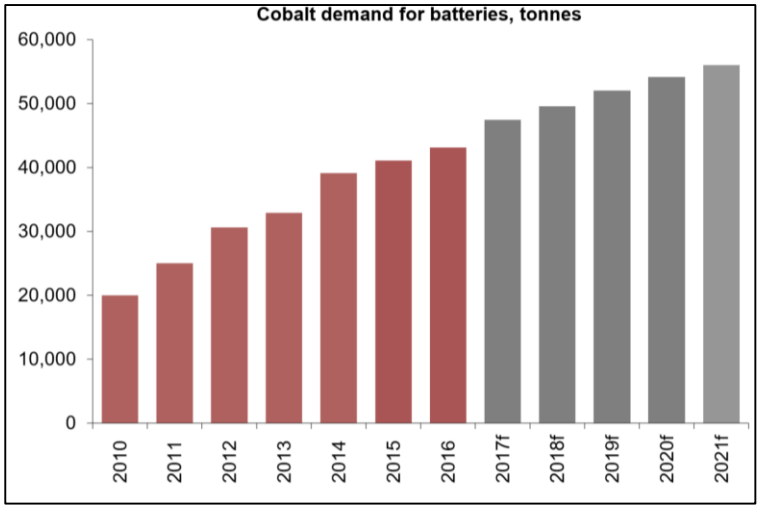

- A former **high grade Cobalt-Nickel mine**
- It has been mined, but never explored;
- Rock chip sample results: **15% Cobalt**, **12% Copper**, **8% Nickel;***
- Surrounded by old dumps and within a highly prospective area, but has had no modern exploration.

### SCHELLGADEN NORTH


- Former **High-grade gold mine** with historic production estimates ranging between 100koz to 200koz;*
- Channel samples show results of up to **93g/t Gold (from 25 years ago)**;
- Strike length of 30+km, containing over 30 old mines/workings (all within our permit);

* Refer to Prospectus dated 30 January 2018 and detailed reference in Endnotes on slide 20.

# COBALT MARKET




## DEMAND FOR COBALT IS BEING DRIVEN BY BATTERIES. UP 95% IN THE LAST 12 MONTHS

- 42% of world's annual Cobalt production is used in battery manufacturing, and the remaining 58% in various industrial and military uses[1];
- 60% of the world's Cobalt originates in Congo, a politically unstable region, and China refines 52% of the world's cobalt[1];
- The price of Cobalt has soared almost 100% over the 12 months to February 2018, driven by a near-insatiable demand for rechargeable batteries, and in particular electric cars[2];
- Supply is in deficit, especially as global car manufacturers continue the march to increased production of electric cars.

1) No Cobalt, No Tesla, TechChrunch, 1 January 2017. 2) infomine.com 26 February 2018 3) Graph: Commodities Comment, Macquarie Research, 7 February, 2017;

# GOLD MARKET


**GOLD PRICE SET TO STAY SUPPORTED WITH GEOPOLITICAL TENSIONS**

- According to Bloomberg analysts, the perception of a "wall of worry" should favour precious metals like gold;
- Gold-backed ETF holdings are now at their highest level since 2013. It is expected for this demand to continue, as such investors typically buy gold to hedge against overvalued markets or the increasing possibility of a crisis;
- Central banks are large holders of gold, and have been buying gold at an accelerated pace for the past 10 years. Their continued accumulation is a source of support for the gold price;
- If demand for gold stays at current levels or rises, and new mine supply begins to fall (as some suggest), the gold price may react to the increase net demand.

**Source:** Australian Gold Miners, Macquarie Research, 12 February 2018 and Gold Eagle: www.gold-eagle.com 5 March 2018.

# EXECUTION

| PROJECT | STATUS | NEXT STEPS |
|---|---|---|
| **Schellgaden (North and South)** | ▪ Preparing to mobilise teams;<br>▪ Mine survey mobilisation pending;<br>▪ Geological and Geophysical Assessment (drill hole planning); | ▪ Landholder access and approvals;<br>▪ Tendering/key services (Drilling);<br>▪ Site preparation;<br>▪ Create exploration target model;<br>▪ Undertake drilling; |
| **Leogang** | ▪ Preparing to mobilise team<br>▪ Geological and Geophysical assessment<br>▪ Planning – Geological mapping, geophysical acquisition, geochemical acquisition, drilling | ▪ Landholder access and approvals;<br>▪ Tendering/key services;<br>▪ Site preparation;<br>▪ Geological modelling;<br>▪ Execution of program; |
| **Seekar** | ▪ Planning – Geochemical and geological reconnaissance | ▪ Landholder access and approvals; |
| **Gratlspitz** | ▪ Planning – Geochemical and geological reconnaissance | ▪ Landholder access and approvals; |

## PROJECT TEAM IN COUNTRY

1. Focus on the most prospective sites: Leogang (Cobalt) and Schellgaden (Gold);
2. Additional projects adding to the resource base and maturity of the company;
3. Significant news flow to support the company;
4. Scoping study/prefeasibility announcements within 18 months subject to results and budget;
5. Focussed on creating first cashflow from a project as quickly as possible.

# INVESTMENT HIGHLIGHTS

## HIGH GRADE COBALT AND GOLD

**1**

The assets comprise **nine projects** that are highly prospective for **cobalt**, nickel sulphide, **copper** and **gold**.*

**2**

All projects include **former high-grade mines** (**cobalt**, **copper** and **nickel** sulphide, and **gold**) with workings, and no modern exploration.

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**Focussed on the highly prospective** cobalt/nickel/copper mineralisation at **Leogang**, and high grade gold potential at **Schellgaden**.

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**Austria is a mining friendly country** with no mining royalties, **access to excellent infrastructure** and close to end customers.

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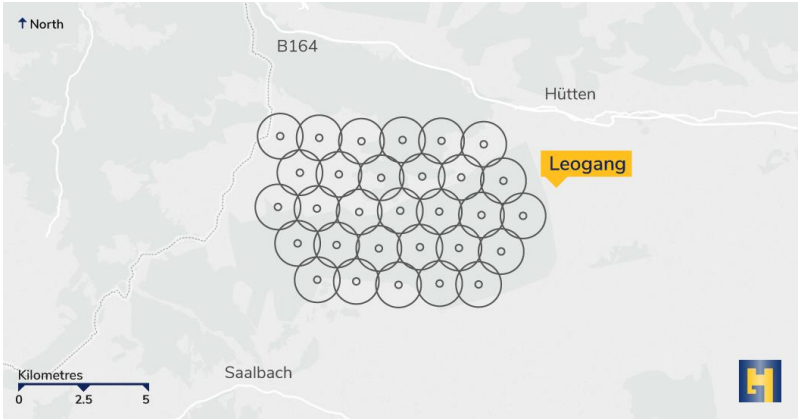
**Cobalt consumption** by EV market to grow **from 6.5%** (of total supply) **in 2016 to 16.9%** by 2021[1].

1: Electric car boom spurs investor scramble for cobalt, Reuters, 15 February 2017. * Refer to Prospectus dated 30 January 2018 and detailed reference in Endnotes on slide 20.

# APPENDICES

## PROJECT AND COUNTRY SPECIFIC INFORMATION

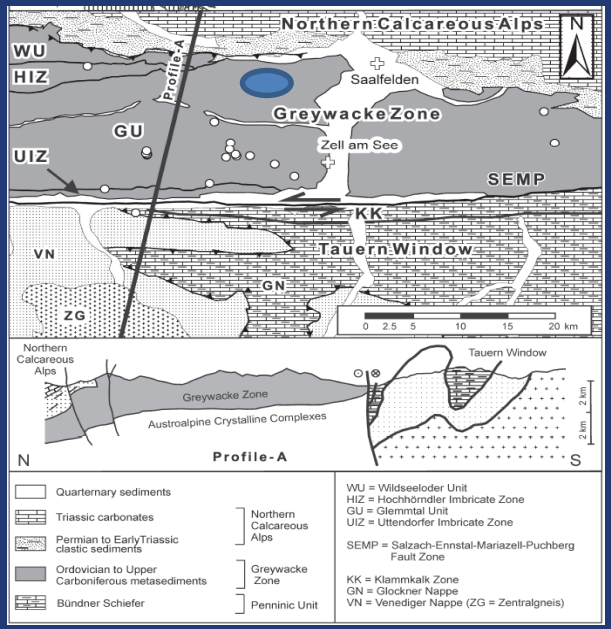
# LEOGANG




- Located in the Federal State of Salzburg, the Exploration Area, comprising 30 freischurfe, covers an area of approximately 12 km$^2$;
- Geologically, the Leogang Project lies on the boundary between the Greywacke Zone and Northern Calcareous Alps, north of the Tauern Window.
- The villages in the area are famous for their historical wealth of nickel and cobalt ores.
- It includes important mine sites where silver, mercury, copper, nickel, cobalt and lead ore were extracted and smelted in nearby villages, including Nockelberg and Leogang.

**ONE OF THE OLDEST AND MOST FAMOUS MINING LOCALITIES IN THE SCHWARZLEO VALLEY**

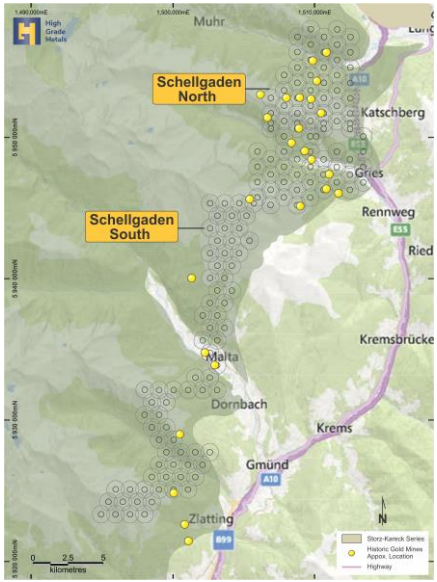
# GEOLOGICAL SETTING




## WITHIN THE GREYWACKE ZONE AND 15KM NORTH OF THE TAUErN WINDOW

- Geologically, the Exploration Area lies within the Greywacke Zone, approximately 15 km north of the Tauern Window, from which it is separated by the Salzach-Ennstal-Mariazell-Puchberg (“SEMP”) Fault Zone;
- This is a significant sinistral fault system separating lower grade metamorphic rocks of the central Western Greywacke Zone from the now exhumed greenschist to eclogite grade metamorphic rocks of the Tauern Window;
- As such, the SEMP Fault Zone represents the boundary between Mesozoic sequences of the Northern Calcareous Alps and Austroalpine and Penninic basement rocks of the Central Eastern Alps;
- As illustrated, on the cross-section in the figure, in this area the Western Greywacke Zone attains a maximum thickness of between 2km – 3 km.

# SCHELLGADEN



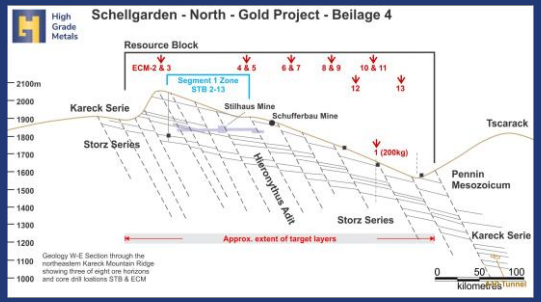

Schematic Map of the Schellgaden North & South Exploration Permits comprising overlapping freischürfe together with the locations of main historic gold mines (shown as yellow circles).

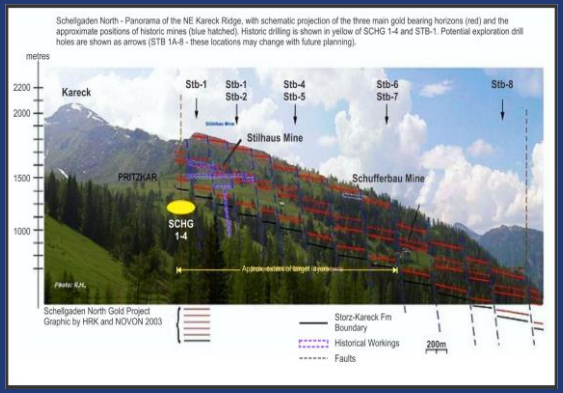
## GOLD MINING IN THE REGION DATES BACK TO THE 12TH CENTURY

- Gold mining at Schellgaden dates back to the 12th century, pre-Roman times, with known gold mines, such as Stüblbau and the smaller Schulterbau Mine;
- Historically, Schellgaden has been considered one of the richest and most active gold mining districts in Austria. During the 1500s, Chroniclers have described the presence of some 150 gold mines with continued activity, and items interrupted activity right through to 1900s;
- The largest, and historically most productive, gold mines are located west of the Katschberg Pass Summit, beneath the north-eastern (and south-eastern) Kareck range;
- Although not adequately documented, gold grades of up to 3 Ozs/ton have been reported from the Stüblbau Mine at Schellgaden North

* Refer to Prospectus dated 30 January 2018 and detailed reference in Endnotes on slide 20.

# GEOLOGICAL SETTING




## 11 MINERALISED LAYERS REVEALED IN EARLY DRILLING

- The critical relationships at Schellgaden are the vertically stacked mineralised layers within the Habach formation;
- Ore potentially been left behind from old drives (above and below mined areas);
- 11 mineralised layers have been encountered from limited drilling. Not all appear to be gold bearing but, based on preliminary mine surveys at least 4 horizons have grades that may warrant mining;
- The horizontally bedded sequence, is the host for all the gold mines within the permit area and the sequence itself thus extends over a very wide area regionally
- This conceptual geological model is supported by old workings (which will be re-evaluated) and from the Katchberg tunnel, approximately 1.5km away from Schellgaden, where a mineralised layer was intersected (and sampled) during road tunnel excavations

# INTANGIBLES

## A MULTI-ELEMENT PROCESS COULD PRODUCE ENHANCED CASH-FLOWS

**1**

Previous metallurgical studies (preliminary) on ores gathered from the main Schellgaden mining area indicate that there are multiple processes available that could recover gold economically;

**2**

Schellgaden, in the high-grade areas, contains significant copper and silver as well as gold mineralisation. A multi-element process could produce enhanced cashflows;

**3**

The relative height above ground level of the main mine area and the horizontal distribution of the mineralisation, indicates that water influx should not be a significant mining issue;

**4**

The 'ridge' area could be readily mined via an access tunnel that goes down to the valley floor. This would provide year round access, and direct access to the stacked horizontal mineralised layers.

**5**

Positive community responses have been documented to the concept of a mine.

# AUSTRIA

## A PROSPEROUS DEMOCRATIC MEMBER OF THE EUROPEAN UNION

- Austria is a prosperous and democratic country and entered the EU Economic and Monetary Union in 1999;
- In 2016, its GDP was over US$380 billion;
- It has a well-developed market economy, skilled labour force, and high standard of living, is closely tied to other EU economies, especially Germany's;
- Its economy features a large service sector, a relatively sound industrial sector, and a small, but highly developed agricultural sector;
- Austria has a history of mining dating back 100s of years, with 4,500 mining sites in 2013;
- Two of largest mines include Erzberg (Iron Ore) and Mittersill (Tungsten), which was originally an open cut operation;
- The legal basis for mining in Austria is the Austrian Mineral Raw Materials Act (Mineralrohstoffgesetz, "MinroG") of 1999;
- This law regulates the prospecting, exploring and mining of all mineral raw materials and contains detailed regulations concerning prospecting, exploration licences, mining licences, operating plans, mining installations, supervision, etc;

Source: CIA Factbook , 2013 Minerals Handbook USGS

# ENDNOTES

| Slide number and statement | Prospectus Reference |
|---|---|
| **Slide 5: Austrian assets:**<br>1. All nine projects contain old mines/workings, and have had no modern exploration within the last 25 years<br>2. Prospective for Cobalt, Nickel, Copper and Gold | 1. Independent Geologist's Report ("IGR"), p.6<br>2. Prospectus section 7.6, IGR sections 5.1, 6.1 and 7 |
| **Slide 6: Cobalt projects:**<br>1. The Cobalt portfolio comprises four exploration concessions made up of a total of 78 exploration permits. All valid until 31 December 2021, and cover a total area of approximately 44 $km^2$<br>2. Nickel and cobalt were mined in the region from the mid-16th century, when Leogang was famed for the richness of its cobalt and nickel mineralisation.<br>3. Historical reported samples of up to 15.76% Co, 12.7% Cu, 8.12% Ni at Leogang/Nockelberg.<br>4. Historical exploration results: high grade massive sulphide ores of up to 22% Cu at Seekar.<br>5. High grade mineralization of up to 2.17% Cu reported at Gratlspitz. | 1. Prospectus, Solicitor's Report on Title, section 1.3.1<br>2. IGR Section 5.2.4<br>3. IGR Section 5.2.4<br>4. IGR Section 5.3.4<br>5. IGR Section 5.4.4 |
| **Slide 7: Gold projects**<br>1. The Gold projects comprise a total of 300 exploration permits, which cover an area of approximately 170$km^2$, and valid until 31 December 2019<br>2. All projects contain historic mines and workings, very high reported grades (historical), and proximity to excellent infrastructure such as roads, towns and services<br>3. Schellgaden North and South: with up to 93g/t Au in channel samples from exploration in the 1990's<br>4. Goldeck Siflitz: Channel sampling in one of the historic mines yielded up to 12g/t Au; | 1. Prospectus, Solicitor's Report on Title, section 1.3.2<br>2. Prospectus section 7.6(b)<br>3. IGR Section 6.2.3<br>4. IGR Section 6.3.5<br>5. IGR Section 6.4 and 6.5 |
| **Slide 8: Initial Focus**<br>1. Rock chip sample results: 15% Cobalt, 12% Copper, 8% Nickel<br>2. Former High-grade gold mine with historic production estimates ranging between 100koz to 200koz | 1. IGR Section 5.2.4<br>2. IGR Section 6.2.3 |
| **Slide 18: Schellgaden**<br>1. Although not adequately documented, historic gold grades of up to 3 Ozs/ton have been reported from the Stüblbau Mine at Schellgaden North | 1. IGR Section 6.2.3 |

# CONTACTS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