

**23 September 2021**

## Sale of shares issued in breach of Listing Rule 10.11

High Grade Metals Limited [ASX:HGM] (**HGM**) advises that, as part of its relisting process, it has identified that certain shares allocated and issued at \$0.005 (\$0.025 post-consolidation) under the shortfall to the entitlement offer in August 2020 were issued to related parties of HGM without obtaining shareholder approval, in breach of ASX Listing Rule 10.11.

The allocations were made inadvertently as a result of an administrative oversight in the course of applying the shortfall allocation policy. The Company notes that the shortfall allocation policy was applied consistently across all holders however recognises that the parties below ought to have been excluded from that allocation prior to the equal application of the shortfall policy.

The details of the related parties and the number of shortfall shares issued to each are set out in the table below.

Related Parties	No. of Shortfall Shares (pre-consolidation)	No. of Shortfall Shares (post-consolidation)	Value at Shortfall Issue Price
E & E Hall Pty Ltd (a related party of Anthony Hall, a director)	5,999,998	1,200,000	\$30,000.00
Daniel Eddington and Julie Eddington (a proposed director and his spouse)	1,750,001	350,001	\$8,750.03
Dejul Trading Pty Ltd (a related party of Daniel Eddington, a proposed director)	699,334	139,867	\$3,496.68
Fallon Lee Formica (a related party of Steven Formica, a director)	880,410	176,082	\$4,402.05
Dacama Pty Ltd (a related party of Daniel Eddington, a proposed director)	125,000	25,000	\$625
<b>TOTAL</b>	<b>9,454,743</b>	<b>1,890,950</b>	<b>\$47,273.75</b>

The Company has been advised by ASX that, as a condition of relisting, the shortfall shares issued to related parties as set out in the above table will need to be relinquished by the holders and sold by a broker at an offer price of \$0.03 (3 cents), being the same price per share as under the capital raising in connection with the relisting of the Company. The allocation policy of the above shares will be determined by brokers of the holders, in conjunction with the lead manager, without input or influence by the Company – but will be comprised of entities whose applications under the recent prospectus were either scaled back or rejected. The Company will review the final allocations for the sole purpose of ensuring that no buyer is a related party of HGM

Profits from the sale of the shares (being 0.005 per share on a post-consolidation basis) will be donated to a charity of the relevant seller's choice, with the quantum of the profits and the charity to which the donation of profits was made to be identified in HGM's ASX pre-reinstatement disclosure.

As noted above the sale of the shares the subject of this announcement will form a condition of, and will therefore be completed prior to, the reinstatement of the Company's shares to quotation.

Released with the authority of the Board.



**Adrien Wing**  
**Company Secretary**