

High Grade Metals Limited
ACN 062 879 582

Notice of Annual General Meeting

Notice is given that the Meeting will be held at:

Time: 11.00am (AEST)
Date: 29 May 2019
Place: Level 17, 500 Collins Street
Melbourne VIC 3000

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEST) on 27 May 2019.

Business of the Meeting

Agenda

1. Financial Statements and Reports

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2018, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Annual Report for the financial year ended 31 December 2018."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Election of Director – Bradley Drabsch

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 12.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Bradley Drabsch, a Director who was appointed as an additional Director on 3 April 2019, retires, and being eligible, is elected as a Director."

4. Resolution 3 – Election of Director – Anthony Hall

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 12.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Anthony Hall, a Director who was appointed to fill a casual vacancy on 11 February 2019, retires, and being eligible, is elected as a Director."

5. Resolution 4 – Issue of Related Party Options – Bradley Drabsch

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000

Related Party Options to Bradley Drabsch (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Bradley Drabsch (or his nominee) and any of their associates (**Resolution 4 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 4 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 4 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. Resolution 5 – Issue of Related Party Options – Anthony Hall

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Related Party Options to Anthony Hall (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Anthony Hall (or his nominee) and any of their associates (**Resolution 5 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 5 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 5 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. Resolution 6 – Issue of Related Party Options – Adrien Wing

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Related Party Options to Adrien Wing (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Adrien Wing (or his nominee) and any of their associates (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 6 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. Resolution 7 – Issue of Related Party Options – Steve Formica

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Related Party Options to Steve Formica (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Steve Formica (or his nominee) and any of their associates (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 7 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. Resolution 8 – Issue of Related Party Options – Simon Francis

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Related Party Options to Simon Francis (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by or on behalf of Simon Francis (or his nominee) and any of their associates (**Resolution 8 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 8 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution. However, provided the Chair is not a Resolution 8 Excluded Party, this prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. Resolution 9 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the issue of Equity Securities under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates. However, the Company will not disregard a vote cast in favour of this Resolution if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 3 April 2019

By order of the Board



Anthony Hall
Executive Chairman

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 9614 0600.

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. Annual Report

The Company has changed its financial year end from 30 June to 31 December. The change was made to align the Company's annual reporting date with those of its operating subsidiaries in Austria.

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Annual Report is available on its website at www.highgrademetals.com.au.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions as permitted by the Corporations Act.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

The vote on Resolution 1 is advisory only and does not bind the Company or its directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (Spill Resolution) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. Resolution 2 – Election of Director – Bradley Drabsch

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders.

Mr Drabsch, having been appointed by other Directors on 3 April 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Drabsch has over 20 years industry experience focussed primarily on the exploration for gold and base metal deposits in Australia, Asia and Africa. He graduated with a BSc (hons) Economic Geology in 1998 and has worked as an Exploration Geologist, Project Geologist and Exploration Manager for companies such as St Barbara, Ivanhoe Mines, Independence Group, Doray Minerals and BHP Billiton.

Mr Drabsch was a founding director of Centrepeak Resources Group and was intimately involved in the very successful Capricorn Metals (ASX:CMM) acquisition of the 1.4Moz Karlawinda Gold Project in Western Australia. Most recently, he has been the Managing Director of the ASX listed Trek Metals (ASX:TKM).

3.3 Independence

If elected the Board does not consider Mr Drabsch will be an independent director.

3.4 Board recommendation

The Board supports the re-election of Mr Drabsch and recommends that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Election of Director – Anthony Hall

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders.

Mr Hall, having been appointed by other Directors on 11 February 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Mr Hall is a qualified lawyer with over 20 years of commercial experience in venture capital, risk management, strategy and business development. Mr Hall holds a Bachelor of Laws (Hons), Bachelor of Business, a Graduate Diploma of Applied Finance and Investment, and is an Associate of the Governance Institute of Australia.

Mr Hall was previously based in Europe as the CEO and Managing Director of an ASX listed Spanish potash developer. During his tenure the company's market capitalisation grew from A\$10 million to over A\$800 million fully diluted; over A\$140 million was raised to progress the company's projects; and the projects were transitioned from exploration to completion of Definitive Feasibility Studies.

4.3 Independence

If elected the Board does not consider Mr Hall will be an independent director.

4.4 Board recommendation

The Board supports the re-election of Mr Hall and recommends that Shareholders vote in favour of Resolution 3.

5. Resolutions 4 to 8 – Issue of Directors Options – Messrs Bradley Drabsch, Anthony Hall, Adrien Wing, Steve Formica and Simon Francis

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 35,000,000 Options (**Related Party Options**) to Messrs Bradley Drabsch, Anthony Hall, Adrien Wing, Steve Formica and Simon Francis (or their respective nominees) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Messrs Drabsch, Hall, Wing and Formica are related parties of the Company by virtue of being Directors, and Mr Francis is a related party of the Company by virtue of being a former Director (resigned on 11 February 2019). In the event that Messrs Drabsch or Hall are not re-elected as Directors under Resolutions 2 and 3 (as applicable), they will be related parties of the Company by virtue of being former Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As it is proposed that the Related Party Options be issued to all of the Directors (and former Director, Mr Francis), the Directors have been unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act or ASX Listing Rule 10.12 applies to these issues. Accordingly, Shareholder approval is sought for the issue of the Related Party Options to Messrs Drabsch, Hall, Wing, Formica and Francis.

5.2 Section 195 of the Corporations Act

Section 195 of the Corporations Act provides that a director of a public company must not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Messrs Drabsch, Hall, Wing, Formica and Francis have a material personal interest in the outcome of Resolutions 4 to 8 (as applicable). The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue of the Related Party Options to Shareholders to resolve upon.

5.3 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are Messrs Bradley Drabsch, Anthony Hall, Adrien Wing, Steve Formica and Simon Francis and they are related parties by virtue of being Directors and, in the case of Mr Francis, a former Director (**Related Parties**). In the event that Messrs Drabsch and Hall are not re-elected as Directors under Resolutions 2 and 3 (as applicable), they will be related parties of the Company by virtue of being former Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted is as follows:
 - (i) 10,000,000 Related Party Options to Mr Bradley Drabsch (or his nominee);
 - (ii)
 - (iii) 10,000,000 Related Party Options to Mr Anthony Hall (or his nominee);
 - (iv) 5,000,000 Related Party Options to Adrien Wing (or his nominee);
 - (v) 5,000,000 Related Party Options to Mr Steve Formica (or his nominee); and
 - (vi) 5,000,000 Related Party Options to Mr Simon Francis (or his nominee);
- (c) the Related Party Options will be granted to the Related Parties (or their respective nominees) no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below:

Director	Shares	Options	Performance Shares
Bradley Drabsch	-	-	-
Anthony Hall	12,833,333 ¹	1,666,666 ^{1,2}	22,433,333 ³
Adrien Wing	12,288,889 ⁴	3,000,000 ²	13,800,000 ⁵
Steve Formica	11,900,000 ⁶	-	-

Simon Francis	85,000	-	-
---------------	--------	---	---

Notes:

1. Held indirectly by JAWAF Enterprises Pty Ltd <Hall Family A/C>.
2. Unlisted Options exercisable at \$0.03 each on or before 30 September 2020.
3. Comprising 9,133,333 Class A Performance Shares and 13,300,000 Class B Performance Shares. Refer to the Company's prospectus dated 30 January 2018 for the terms and conditions of the Class A Performance Shares and Class B Performance Shares.
4. Held indirectly by Northern Star Nominees Pty Ltd.
5. Comprising 6,900,000 Class A Performance Shares and 6,900,000 Class B Performance Shares. Refer to the Company's prospectus dated 30 January 2018 for the terms and conditions of the Class A Performance Shares and Class B Performance Shares.
6. 5,900,000 Shares held indirectly by Stevsand Holdings Pty Ltd <Formica Horticultural A/C> and 6,000,000 Shares held indirectly by Stevsand Investments Pty Ltd <Steven Formica Family A/C>.

- (h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Director	Current Financial Year ending 31 December 2019	Financial Year ended 31 December 2018	Financial Year ended 30 June 2018
Bradley Drabsch ¹	\$99,000	Nil	Nil
Anthony Hall ²	\$132,500	Nil	Nil
Adrien Wing ³	\$56,000	\$13,225	Nil
Steve Formica ⁴	\$58,000	\$34,000	\$88,000
Simon Francis ⁵	\$23,548	\$27,419	Nil

Notes:

1. Mr Drabsch was appointed as a Director on 3 April 2019. Mr Drabsch is currently paid a consulting fee of \$11,000 per month and is entitled to an annual cash bonus of up to 30% of the consulting fee based on the achievement of milestones to be agreed with the Board.
2. Mr Hall was appointed as a Director on 11 February 2019. Mr Hall is currently paid a fee of \$12,500 per month.
3. Mr Wing was appointed as a Director on 8 October 2018.
4. Mr Formica received \$28,000 in fees for the period from 28 February 2018 to 30 June 2018, as well as a one off payment of \$60,000 in fees for past services provided outside the scope of the ordinary duties of a non-executive Chairman, including for services performed in connection with the re-instatement of the Company to trading on the ASX on 7 March 2018, and additional services performed with respect to identifying new opportunities for the Company in Austria. Mr Formica had previously agreed to waive any director fees until such time that the workload associated with his duties as Chairman was further assessed.
5. Mr Francis was appointed as a Director on 8 October 2018 and ceased to be a Director on 11 February 2019.

- (i) if the Related Party Options granted to the Related Parties are exercised, a total of 35,000,000 Shares would be issued. This will increase the number of Shares on issue from 340,604,533 (being the number of Shares on issue at the date of this Notice) to 375,604,533 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 9.32%, comprising approximately 2.66% by Messrs Drabsch and Hall, and 1.33% by each of Messrs Wing, Formica and Francis.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (j) the highest and lowest closing prices of Shares on ASX during the 12 months preceding the date of this Notice, and the closing price on the trading day before the date of this Notice, are set out below:

	Price	Date
Highest	\$0.062	13 April 2018
Lowest	\$0.006	15 March 2019
Last	\$0.007	2 April 2019

- (k) the Board acknowledges the grant of the Related Party Options to Messrs Wing and Formica is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of the Related Party Options is reasonable in the circumstances for the reason set out in paragraph (m);
- (l) the primary purpose of the grant of the Related Party Options to Messrs Drabsch, Hall, Wing and Formica is to provide a performance linked incentive component in their remuneration package to motivate and reward their performance in their respective roles as Directors. The primary purpose of the grant of the Related Party Options to Mr Francis is to provide cost effective consideration to Mr Francis for consultancy services provided by him to the Company;
- (m) Mr Drabsch declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted the Related Party Options should Resolution 4 be passed. However, in respect of Resolutions 5 to 8, Mr Drabsch recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of the Related Party Options will align the interests of the Directors with those of Shareholders;
 - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (n) Mr Hall declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted the Related Party Options should Resolution 5 be passed. However, in respect of Resolutions 4, 6, 7 and 8, Mr Hall recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (o) Mr Wing declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 4, 5, 7 and 8, Mr Wing recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (p) Mr Formica declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 4, 5, 6 and 8, Mr Formica recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);

- (q) in forming their recommendations, each Director considered the experience of each other Director, the market price of Shares prior to the date the Company's securities were suspended from quotation, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price (relative to the market price of Shares prior to the date the Company's securities were suspended from quotation) and expiry date of those Related Party Options; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 8.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties (or their nominees) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Related Party Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. Resolution 9 – Approval of 10% Placement Capacity

6.1 General

ASX Listing Rule 7.1A provides that an "eligible entity" may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital at the time of issue calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (**Additional Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1 and without requiring further shareholder approval prior to the issue.

The Board considers it is in the Company's best interests to have the opportunity to take advantage of the flexibility to issue additional securities provided under ASX Listing Rule 7.1A. As at the date of this Notice, no decision has been made by the Board to undertake any issue of securities under the Additional Placement Capacity if Shareholders approve Resolution 9. The Board unanimously recommend that Shareholders vote in favour of Resolution 9.

The information below provides more background on ASX Listing Rule 7.1A and the disclosure required by ASX Listing Rule 7.3A.

6.2 Description of ASX Listing Rule 7.1A

(a) Eligible entity

Under the ASX Listing Rules, an "eligible entity" is an entity which, as at the date of the relevant resolution, is not included in the S&P/ASX300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300 million. As at 3 April 2019, the Company is an "eligible entity" as it is not included in the S&P 300 Index and has a current market capitalization of approximately \$2,384,232 (based on the number of Shares on issue and the closing price of Shares on ASX on 3 April 2019).

(b) Special resolution

The Additional Placement Capacity requires shareholder approval by way of a special resolution at an annual general meeting. This requires at least 75% of the votes to be cast in favour of the resolution by members entitled to vote on the resolution.

(c) Securities which may be issued under the Additional Placement Capacity

Under the Additional Placement Capacity, the Company must issue Equity Securities belonging to an existing quoted class of the Company's Equity Securities. As at the date of

this Notice, the Company has on issue one class of quoted Equity Securities, being fully paid ordinary shares (ASX Code: HGM).

(d) **Minimum issue price**

The issue price of each Equity Security issued under the Additional Placement Capacity must be no less than 75% of the volume weighted average price for the securities in that class, calculated over the 15 ASX trading days on which trades of securities in that class were recorded immediately before:

- (i) the date on which the issue price is agreed for the securities under the Additional Placement Capacity; or
- (ii) if the securities are not issued under the Additional Placement Capacity within 5 ASX trading days of the date in paragraph (i) above, the date on which the securities are issued.
- (iii) The Company will disclose this information when Equity Securities are issued under the Additional Placement Capacity.

(e) **Time period for issue**

The Equity Securities may be issued under the Additional Placement Capacity during the period commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting; or
- (ii) if the Company receives Shareholder approval for a proposed transaction under ASX Listing Rule 11.1.2 (significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), the date of that approval, after which date, an approval under ASX Listing Rule 7.1A will cease to be valid,

(Additional Placement Period).

(f) **Dilution risks**

If Equity Securities are issued under the Additional Placement Capacity, there is a risk of economic and voting dilution of existing Shareholders, including the following risks:

- (i) the market price for Equity Securities in the class of securities issued under the Additional Placement Capacity may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A (that is, the date of the Meeting, if Resolution 9 is approved); and
- (ii) the Equity Securities may be issued under the Additional Placement Capacity at a discount to the market price for those Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares and the number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2, both as at 3 April 2019.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue as at 16 October 2018. The number of ordinary securities on issue may increase as a result

of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at 3 April 2019.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0035 50% decrease in Issue Price	\$0.007 Issue Price	\$0.0105 50% increase in Issue Price
340,604,533 (Current Variable A)	Shares issued - 10% voting dilution	34,060,453 Shares	34,060,453 Shares	34,060,453 Shares
	Funds Raised	\$119,212	\$238,423	\$357,635
510,906,800 (50% increase in Variable A)	Shares issued - 10% voting dilution	51,090,680 Shares	51,090,680 Shares	51,090,680 Shares
	Funds Raised	\$178,817	\$357,635	\$536,452
681,209,066 (100% increase in Variable A)	Shares issued - 10% voting dilution	68,120,906 Shares	68,120,906 Shares	68,120,906 Shares
	Funds Raised	\$238,423	\$476,846	\$715,270

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 340,604,533 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 3 April 2019.
3. The Company issues the maximum possible number of Equity Securities under the Additional Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the Additional Placement Capacity consists only of Shares and the consideration provided for those Shares is cash. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

(g) **Purpose of issue under Additional Placement Capacity**

The Company may issue Equity Securities under the Additional Placement Capacity for the following purposes:

- (i) to provide non-cash consideration for new asset purchases or investments; or
- (ii) to raise cash to fund:
 - (A) general working capital expenses;

- (B) activities associated with its current assets;
- (C) repayment of debt; or
- (D) the acquisition of new assets and investments (including any expenses associated with such an acquisition).

The Company will comply with the disclosure ASX Listing Rules 7.1A.4 and 3.10.5A on issue of any Equity Securities issued pursuant to the approval sought by Resolution 7. If Equity Securities are issued for non-cash consideration, the Company will at the time of issue of the Equity Securities provide a valuation of the non-cash consideration that demonstrates that the issue price of the securities is at or above the minimum issue price, in accordance with the Note to ASX Listing Rule 7.1A.3. The Company intends to maintain the ability to issue securities under ASX Listing Rule 7.1A for non-cash consideration.

(h) **Allocation policy under the Additional Placement Capacity**

The Company's allocation policy and the identity of the recipients of Equity Securities issued under the Additional Placement Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion.

No decision has been made in relation to an issue of Equity Securities under the Additional Placement Capacity, including whether the Company will engage with new investors or existing Shareholders, and if so the identities of any such persons.

However, when determining of the allocation policy and the identity of the recipients, the Company will have regard to the following considerations:

- (i) prevailing market conditions;
- (ii) the purpose for the issue of the Equity Securities;
- (iii) the financial situation and solvency of the Company;
- (iv) impacts of the placement on control;
- (v) other methods of raising capital; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Recipients may include existing Shareholders or new investors, but not persons who are related parties or associates of related parties of the Company. If the issue is made in connection with the acquisition of assets, the recipients may be the sellers of those assets

(i) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2018 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 29 May 2018, the Company issued a total of 2,500,000 Equity Securities, which represents approximately 0.31% of the total diluted number of Equity Securities on issue in the Company on 29 May 2018, which was 793,937,867. Further details of this issue of Equity Securities is set out below.

Date	Quantity	Class	Recipients	Issue price and discount to	Form of consideration
------	----------	-------	------------	-----------------------------	-----------------------

Market Price (if applicable) ¹					
Issue – 5 June 2018 Appendix 3B – 5 June 2018	2,500,000	Unquoted Options ²	Issued to Thomas Unterweissacher (a geological consultant of the Company based in Austria) under the Company's placement capacity in accordance with ASX Listing Rule 7.1.	No issue price (non-cash consideration)	Non-cash Consideration: issued in satisfaction of consultancy services provided to the Company. Current value³ = \$7,600

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Unquoted Options exercisable at \$0.12 on or before 30 September 2020 of which 2,500,000 vest on 5 June 2019.
3. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk-free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

6.3 Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

Glossary

\$ means Australian dollars.

AEST means Australian Eastern Standard Time.

Additional Placement Capacity has the meaning given in Section 6.2.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 31 December 2018.

ASIC means the Australian Securities & Investments Commission.

ASX means **ASX Limited** (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means High Grade Metals Limited (ACN 062 879 583).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option on the terms and conditions set out in Schedule 1.

Remuneration Report means the remuneration report set out in the Director's Report.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

Schedule 1 – Terms and conditions of Related Party Options

- (a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).
- (c) **Expiry Date**
Each Option will expire at 5:00 pm (WST) on 30 June 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital**
If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **Participation in new issues**
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) **Change in exercise price or number of underlying securities**
An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) **Transferability**
The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Schedule 2 – Valuation of Related Party Options

The Related Party Options to be issued pursuant to Resolutions 3 to 6 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions	
Valuation date	3 April 2019
Market price of Shares	\$0.007
Exercise price	\$0.03
Expiry date	30 June 2022
Risk free interest rate	1.67%
Volatility	100%
Indicative value per Related Party Option	\$0.00253
Total Value of Related Party Options	\$88,605.59
- Bradley Drabsch	\$25,315.88
- Anthony Hall	\$25,315.88
- Adrien Wing	\$12,657.94
- Steve Formica	\$12,657.94
- Simon Francis	\$12,657.94

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

PROXY FORM

HIGH GRADE METALS LIMITED
ACN 062 879 583

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Level 17, 500 Collins Street, Melbourne, VIC 3000, on 29 May 2019 at 11.00am, and at any adjournment thereof.

Authority for Chair to vote undirected proxies on Remuneration Related Resolutions

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

Chair's Voting Intention in relation to undirected proxies

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Bradley Drabsch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Anthony Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Related Party Options – Bradley Drabsch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Related Party Options – Anthony Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Related Party Options – Adrien Wing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Related Party Options – Steve Formica	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Related Party Options – Simon Francis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

E-mail address: _____

Contact ph (daytime): _____

Consent for contact by e-mail in
relation to this Proxy Form:

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to High Grade Metals Limited, Level 17, 500 Collins Street, Melbourne, VIC 3000; or
 - (b) facsimile to the Company on facsimile number +61 3 9614 0550; or
 - (c) email to the Company at amwing@northernstargroup

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.