HILLGROVE RESOURCES

AUSTRALIA'S NEXT COPPER MINE

For personal use only

Lachlan Wallace
CEO & Managing Director

November 2022

NOOSA MINING

CORPORATE SNAPSHOT

HILLGROVE RESOURCES

For personal use only

Company Overview

- ASX listed ('HGO') Australian resources company that owns and operates the Kanmantoo Copper Gold Mine in South Australia
- 19+ years of strong operating experience and award-winning positive stakeholder engagement
- After completion of open pit operations in 2020, underground mine now being developed with aim to resume production in 2023

Investment Highlights

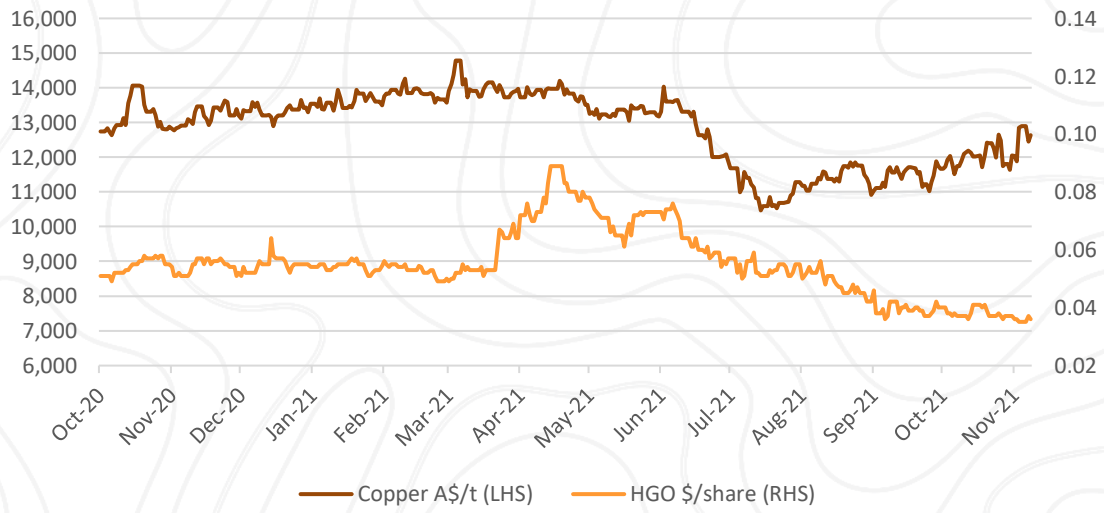
- ✓ Advanced, fully permitted project with key infrastructure in place for a <$30M capex restart
- ✓ One of the only near term new copper producers on the ASX
- ✓ Multiple opportunities to increase resource base, annual production and mine life through lower cost underground drilling
- ✓ Highly leveraged to current and forecast copper price strength

Market Statistics

Share Price(1)	A$	0.034
Shares on Issue	M	1,174
Market Capitalisation	A$M	40
Enterprise Value(2)	A$M	33
Liquidity - 12 Months	M shares	320 (27%)
Carried forward income tax losses	A$M	222
Franking credits	A$M	17.6

Note (1): Share price at close 9 November 2022
Note (2): Net cash as at 30 September 2022

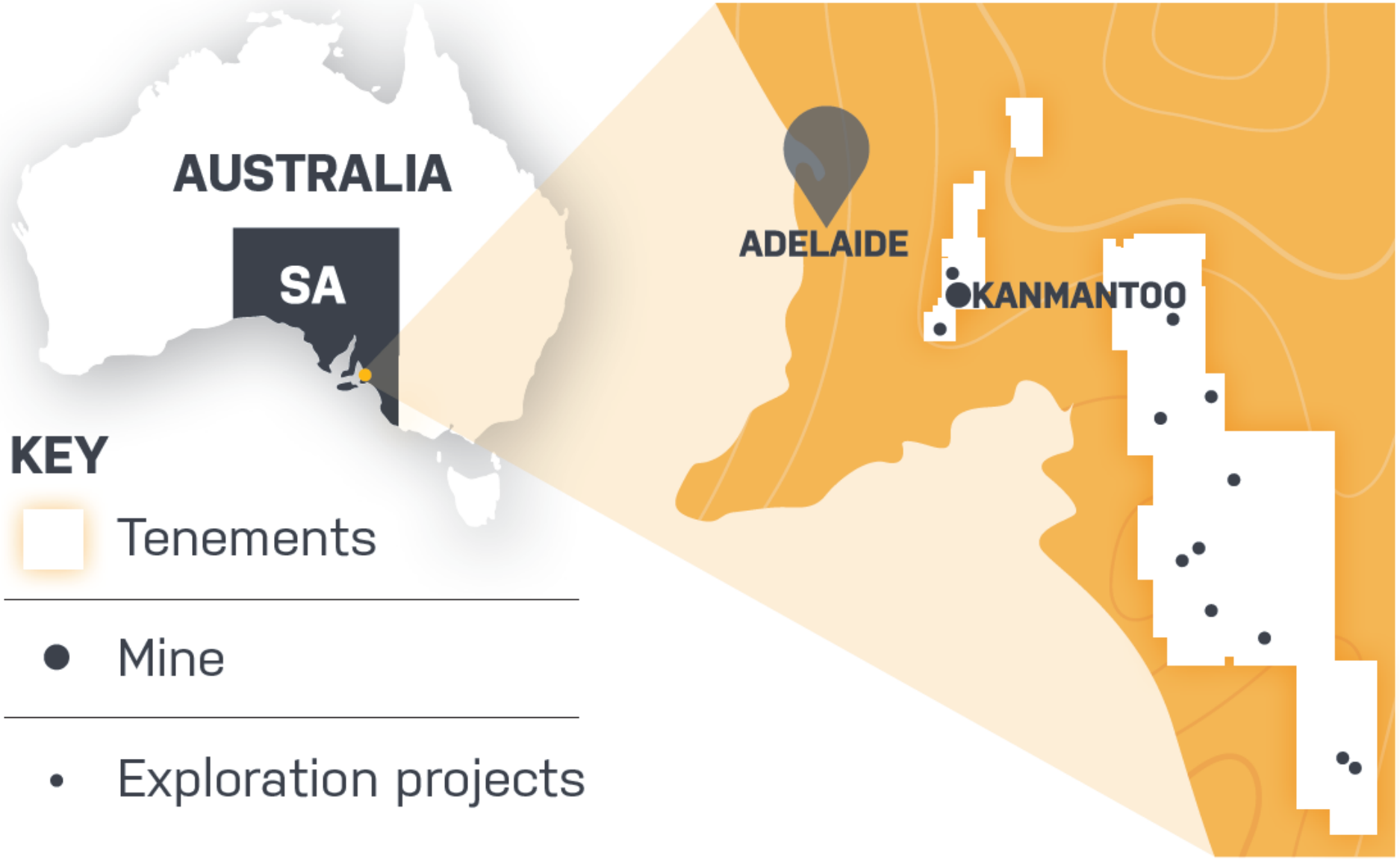
Share Price – 12 months



FULLY PERMITTED IN TIER 1 JURISDICTION

For personal use only

- ✓ Tier 1 location
- ✓ Ready workforce - No FIFO
- ✓ Close to Port Adelaide



FULLY PERMITTED IN TIER 1 JURISDICTION

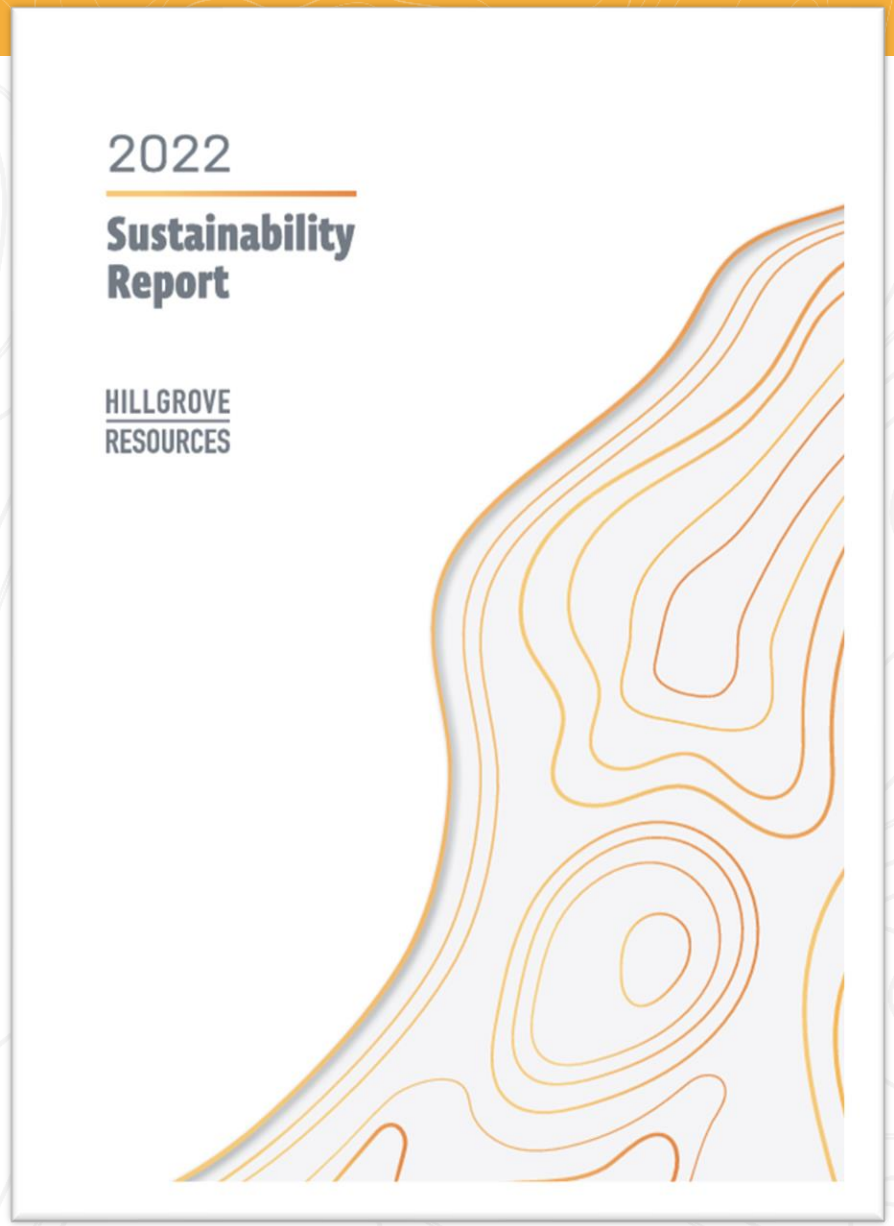
For personal use only

- ✓ Surplus annual native seed production
- ✓ Linking rehab to regional vegetation to create greenbelt
- ✓ 122ha native vegetation completed

FULLY PERMITTED IN TIER 1 JURISDICTION

For personal use only

- ✓ Genuine win-win community engagement
- ✓ Community and government support
- ✓ ESG reporting to GRI, UNSDG, ICMM



INFRASTRUCTURE ALREADY IN PLACE

- ✓ 3.6Mtpa processing plant
- ✓ All critical spares
- ✓ Maintained for quick, low-cost restart

For personal use only

INFRASTRUCTURE ALREADY IN PLACE

For personal use only

- ✓ Tailings storage with approved capacity for more than double current mine life
- ✓ Further low-cost capacity available to accommodate growing mine plan
- ✓ All services connected (power, water). Long term power contract provides low prices until 2027

UNDERGROUND DEVELOPMENT COMMENCED

For personal use only

UNDERGROUND DEVELOPMENT COMMENCED

Underground decline commenced

For personal use only

UNDERGROUND DEVELOPMENT COMMENCED

- ✓ Decline and ventilation drive commenced
- ✓ Infrastructure at portal in place
- ✓ First copper intersected only 13m from portal!

For personal use only

EXCELLENT ECONOMICS – STAGE 1 ONLY

For personal use only

Copper Production	kt Cu	36
Gold Production	koz Au	10
Pre-production Capital	A$M	26
AISC	A$/t	6,991
Timing to first production	mths	7

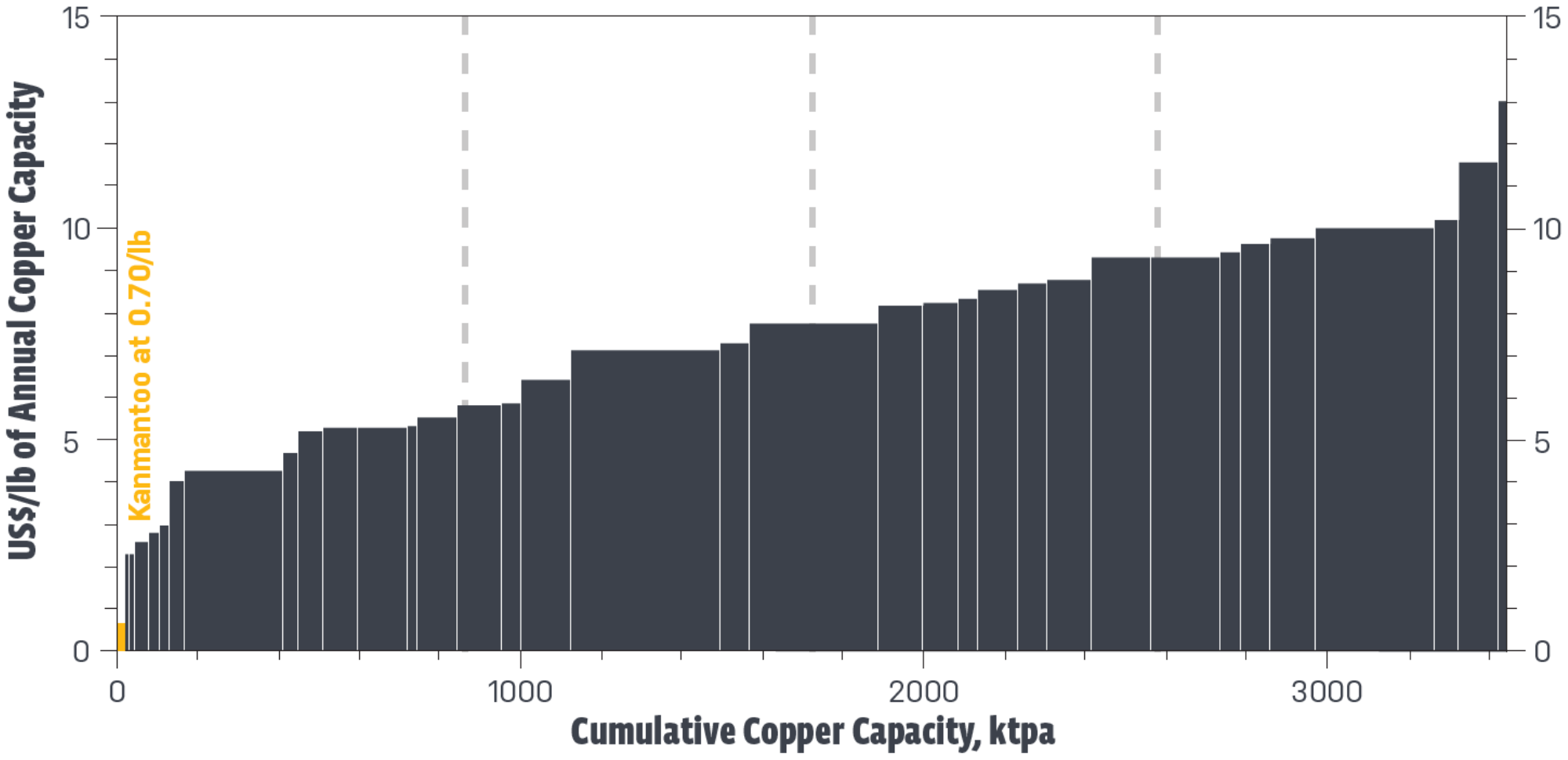
- ✓ Low capital - existing infrastrucutre and close proximity of lodes
- ✓ Low AISC - excellent geotechnical conditions and multiple headings enable efficient mining
- ✓ Since this study, the MRE increased by 1.2Mt (21%) which is expected to increase mine plan

Note: the AISC are based on Economic Assessment released in Dec-21. Since that date there has been a degree of cost escalation.

EXCELLENT ECONOMICS – STAGE 1 ONLY

For personal use only

✓ Lowest capital intensity in the world

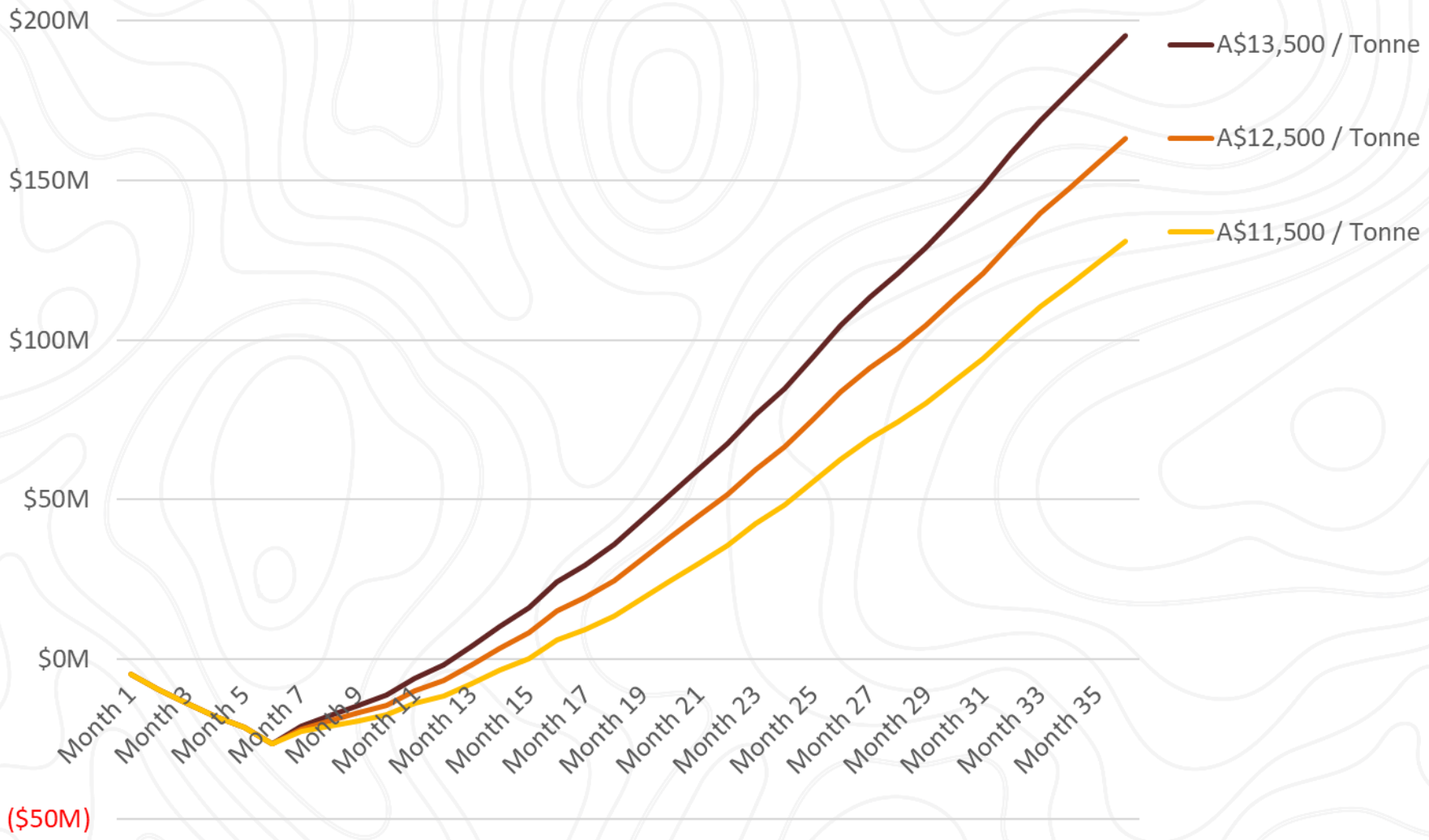


Source: AME, 2017, Copper - Capital Intensity of New Copper Mines

EXCELLENT ECONOMICS – STAGE 1 ONLY

For personal use only

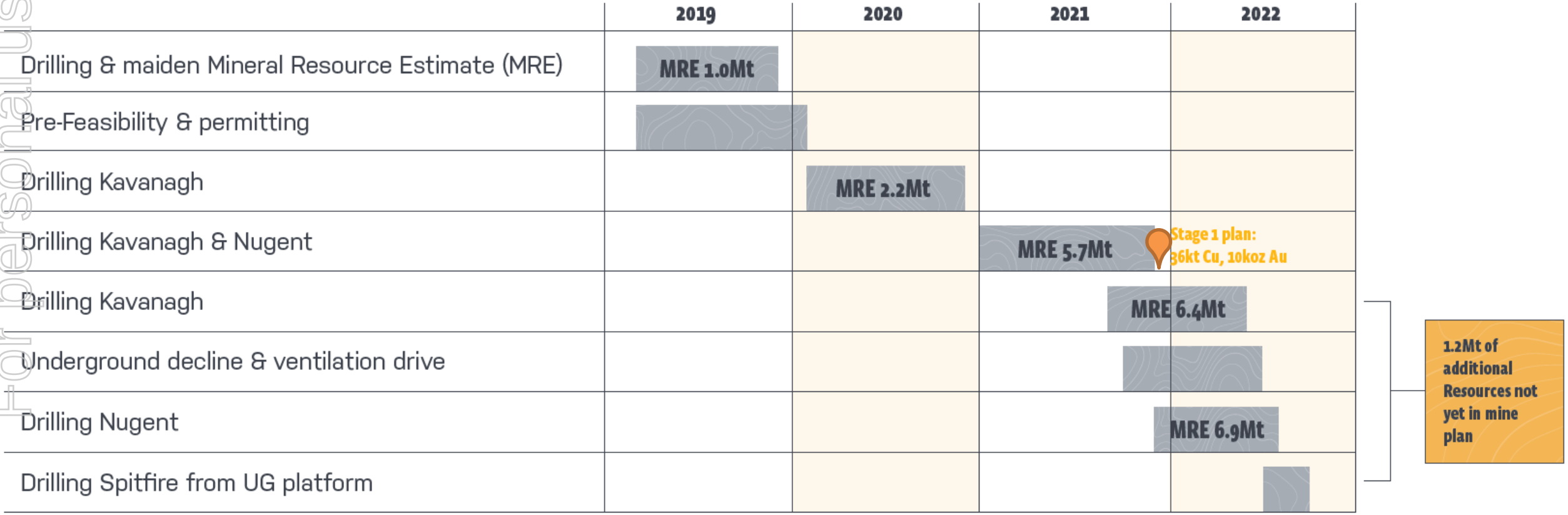
- ✓ Strong cashflows and short payback under any price assumption
- ✓ Near term project cashflows multiples of current market cap – without including increased MRE and new drilling which is still ongoing



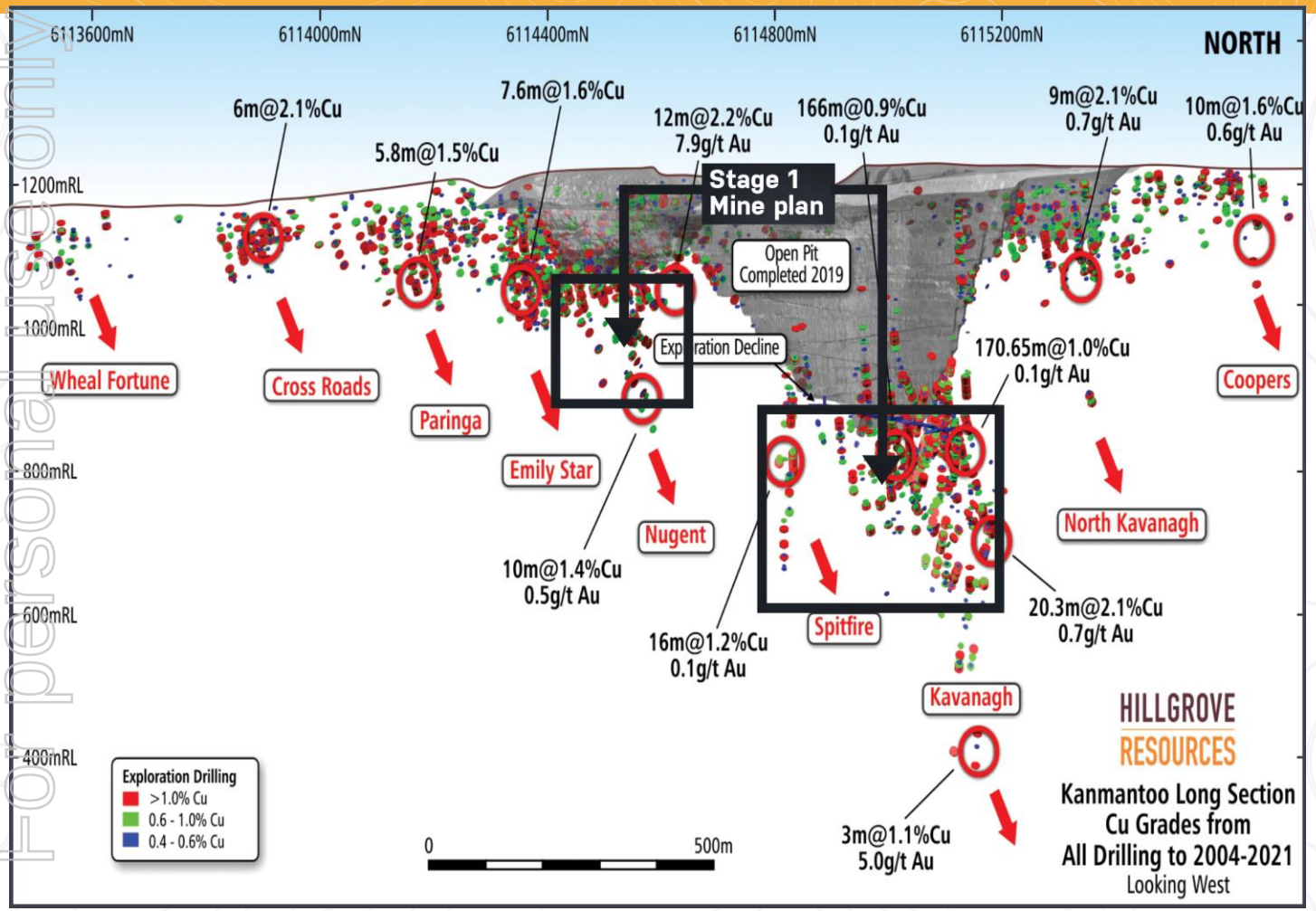
> 100% EXPLORATION STRIKE RATE

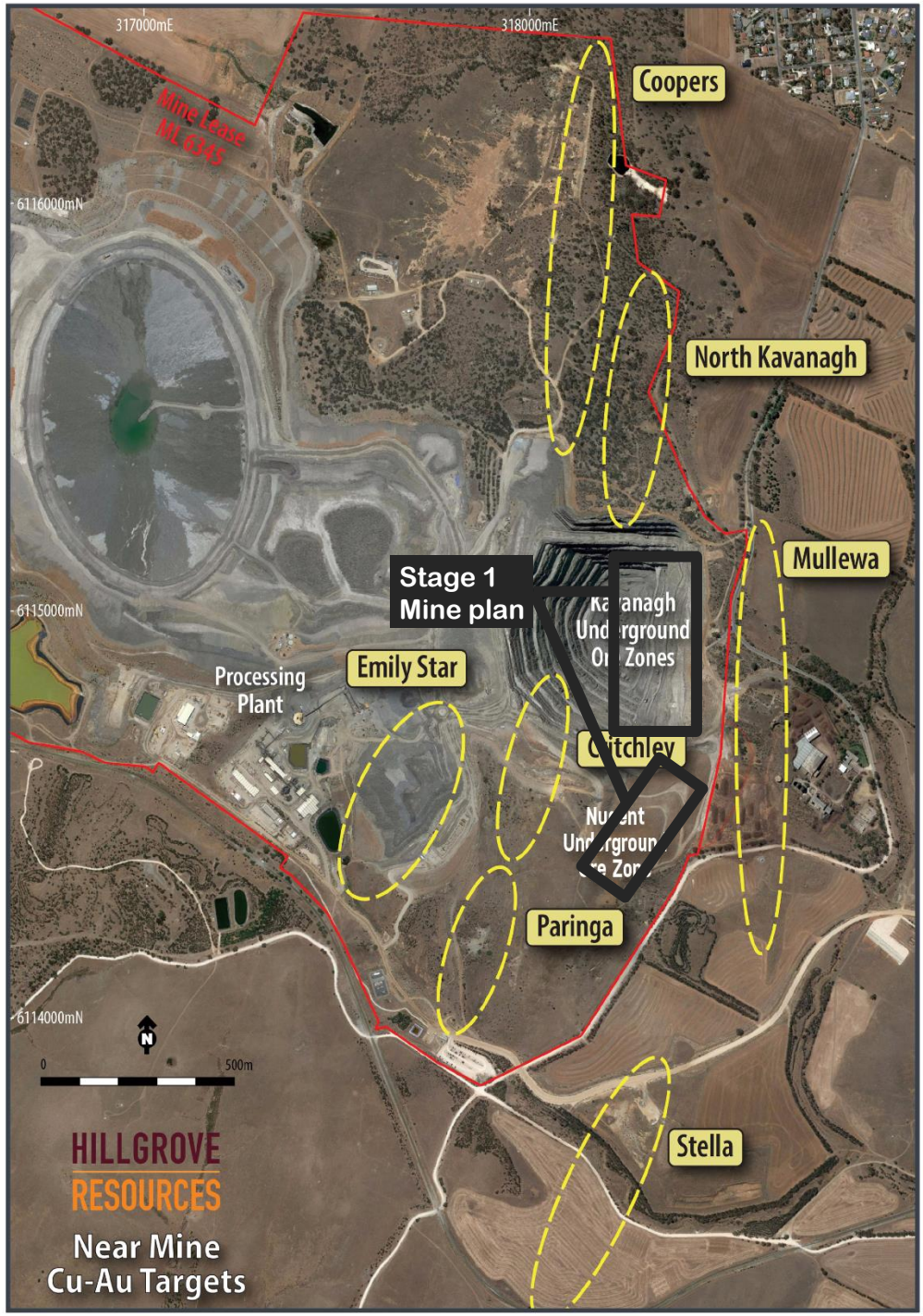
For personal use only

- ✓ 143 Cu-Au intersections of economic grade and width from only 122 holes: **over 100%!**
- ✓ Mine plan does not include 1.2Mt added to MRE and recent Spitfire results
- ✓ Every drill program has increased MRE



JUST SCRATCHING THE SURFACE

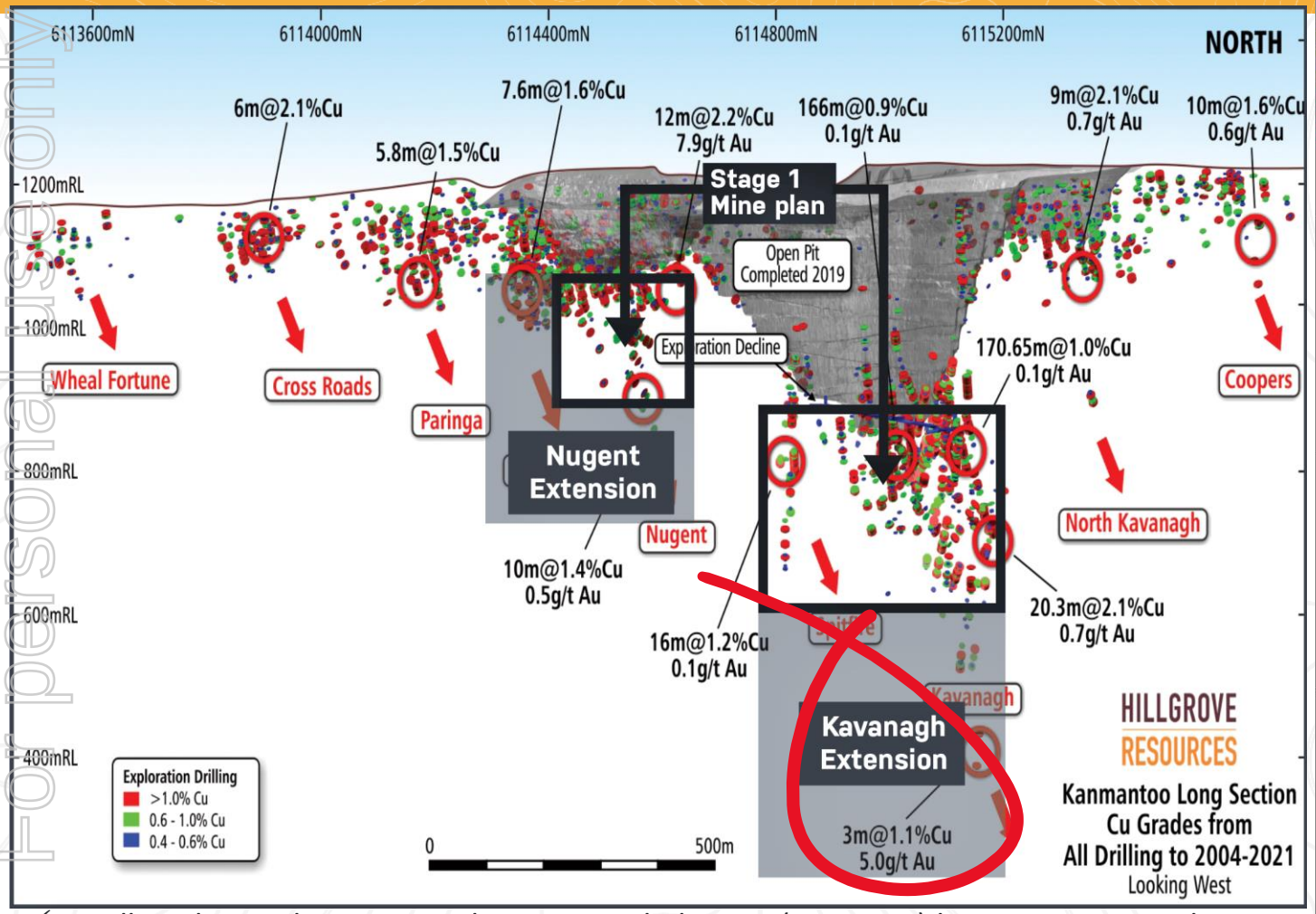


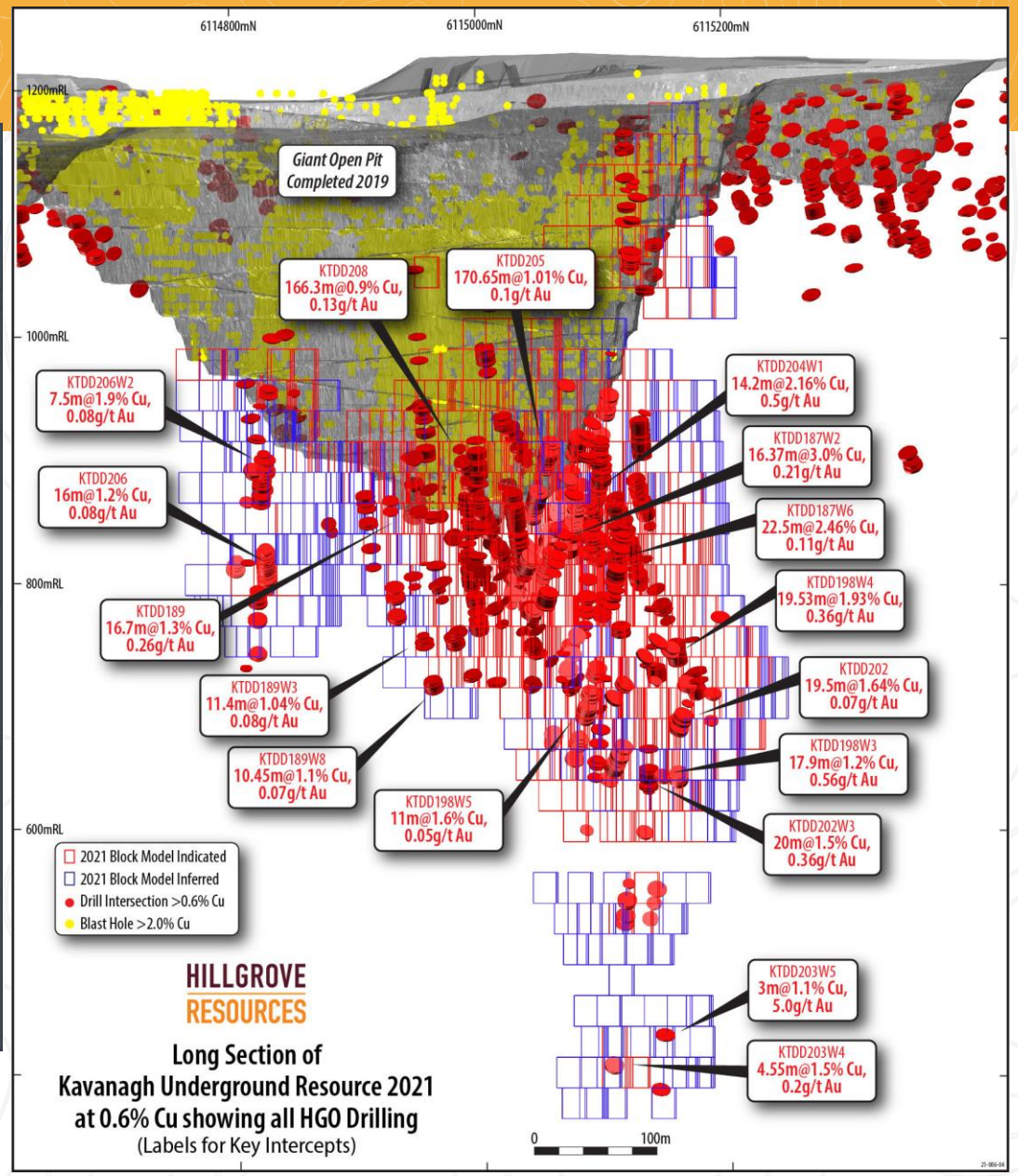


- ✓ Stage 1 includes 2 of 9 lodes to 250m below pit
- ✓ All 9 lodes remain open at depth and along strike

For personal use only

JUST SCRATCHING THE SURFACE

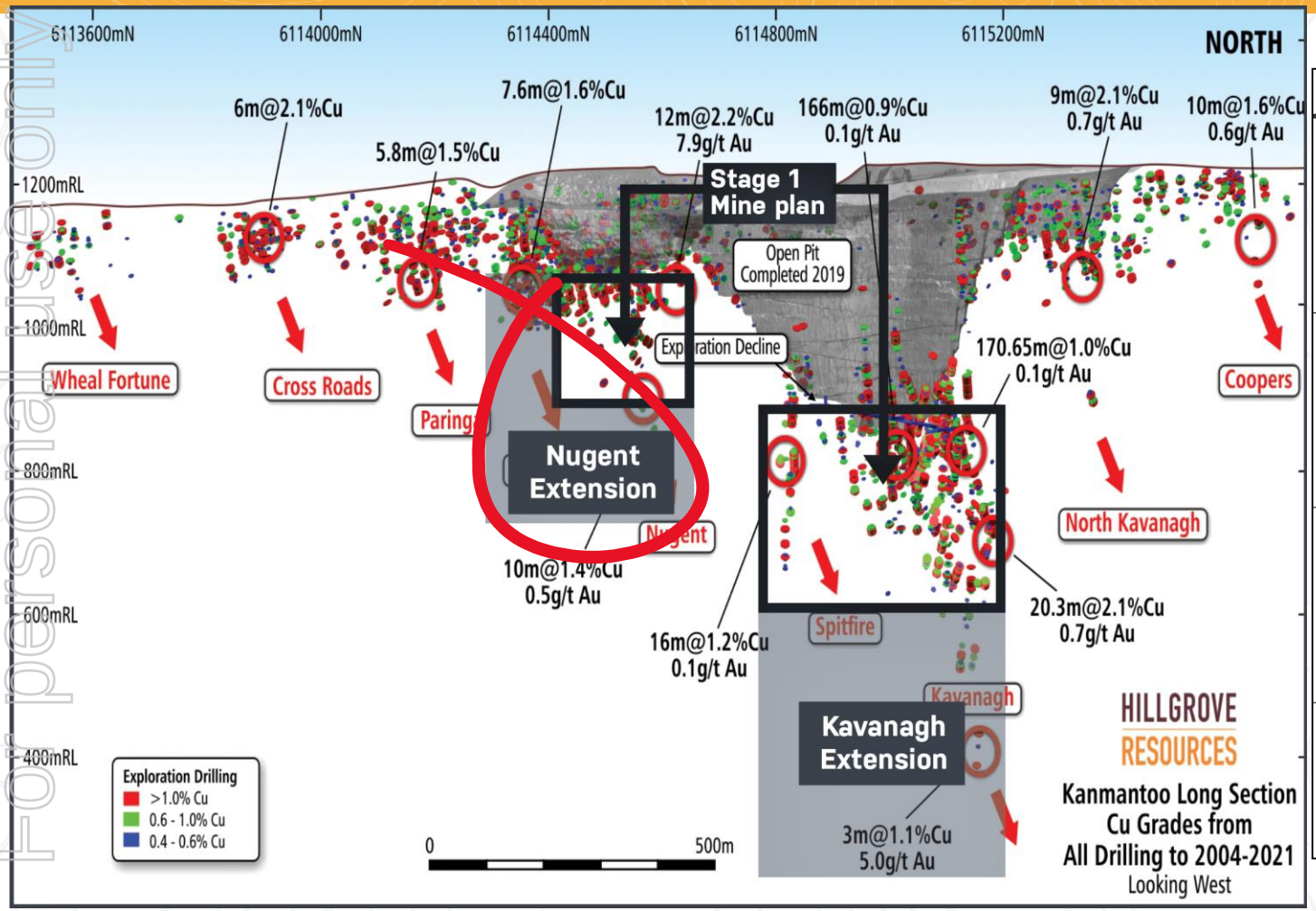


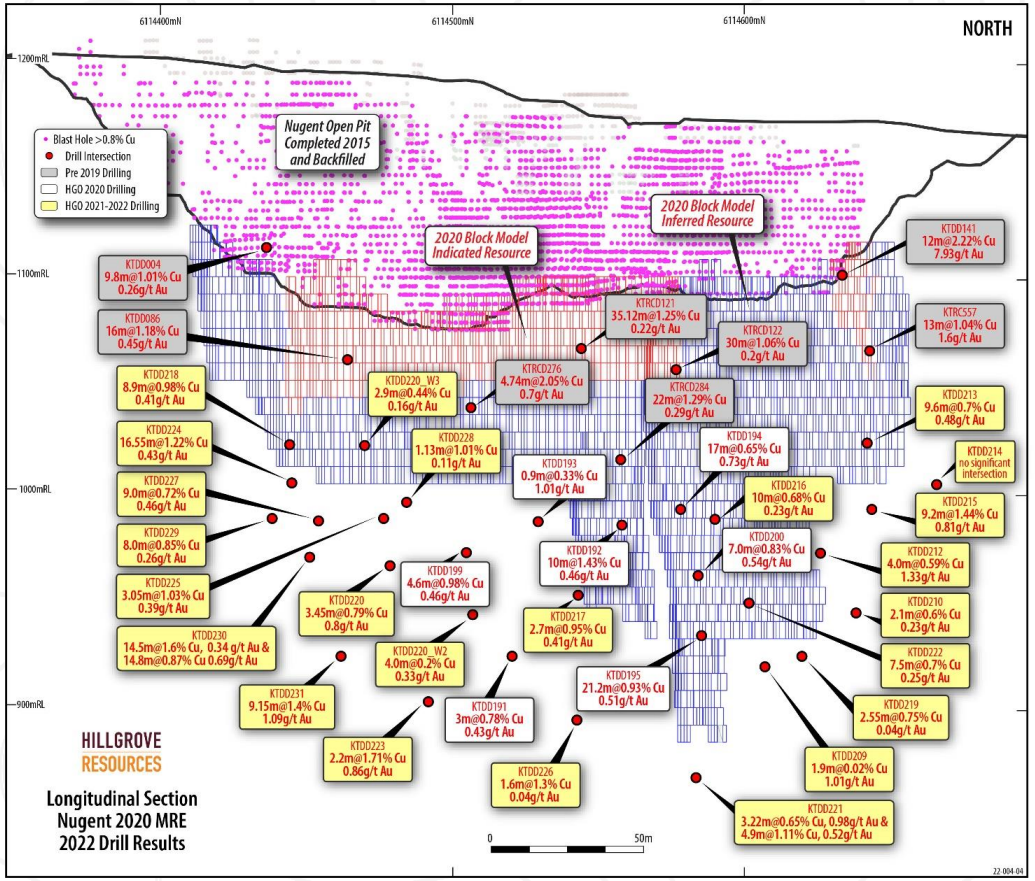


- ✓ Drilling density limits mine plan to 250m below pit (~600mRL) but copper mineralisation has been confirmed at 500m below pit and still open.
- ✓ 2021/22 drilling increased Kavanagh MRE by 7kt Cu metal which is *not* in current economic assessment. When included, it is expected to increase mine plan.

For personal use only

JUST SCRATCHING THE SURFACE

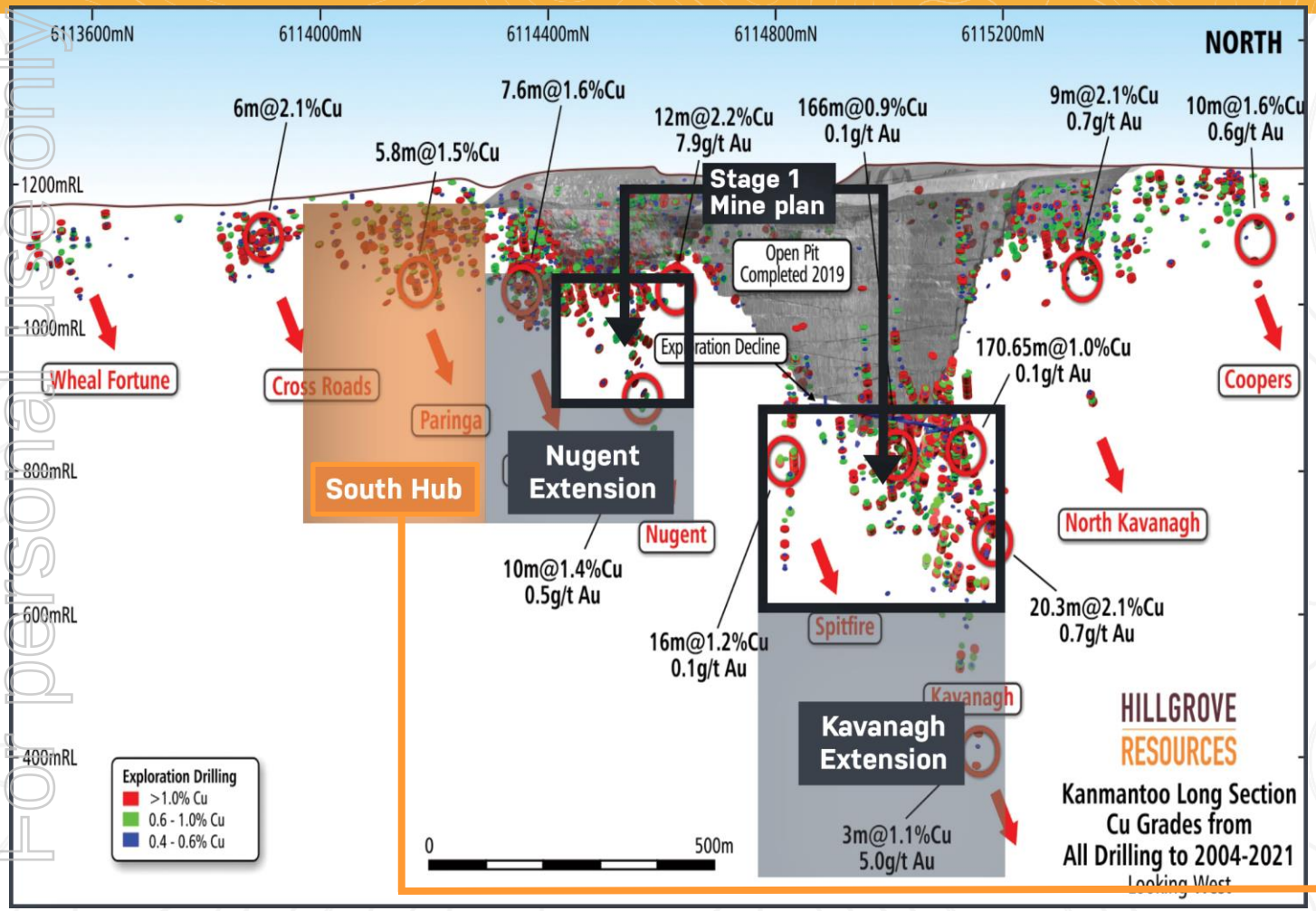


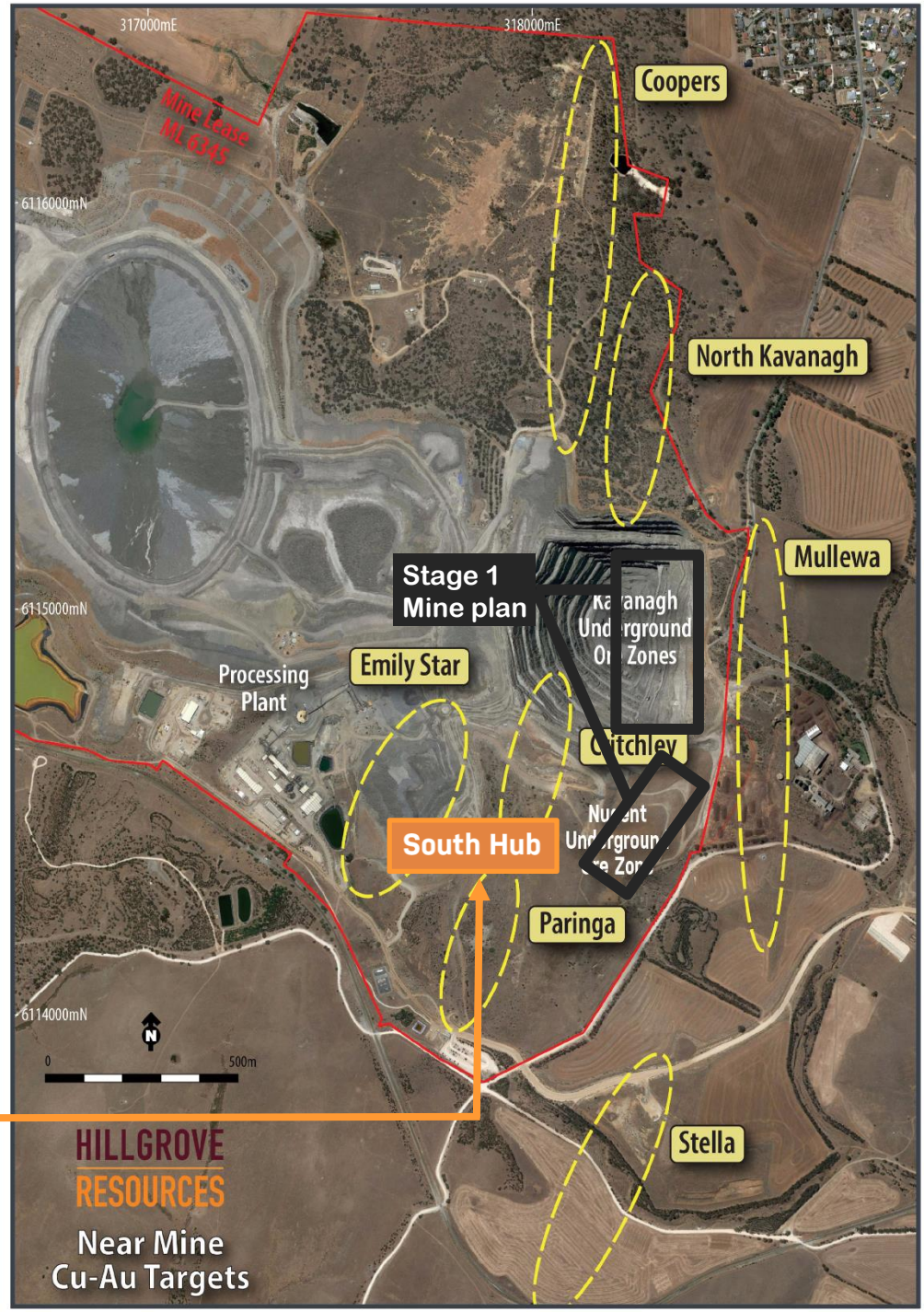


- ✓ 2021/22 drilling increased Nugent MRE by 6kt Cu metal which is *not* in current economic assessment. When included, it is expected to increase mine plan.
- ✓ Nugent remains open at depth and along strike.

For personal use only

JUST SCRATCHING THE SURFACE





<u>South Hub</u>: Critchley, Paringa & Emily Star

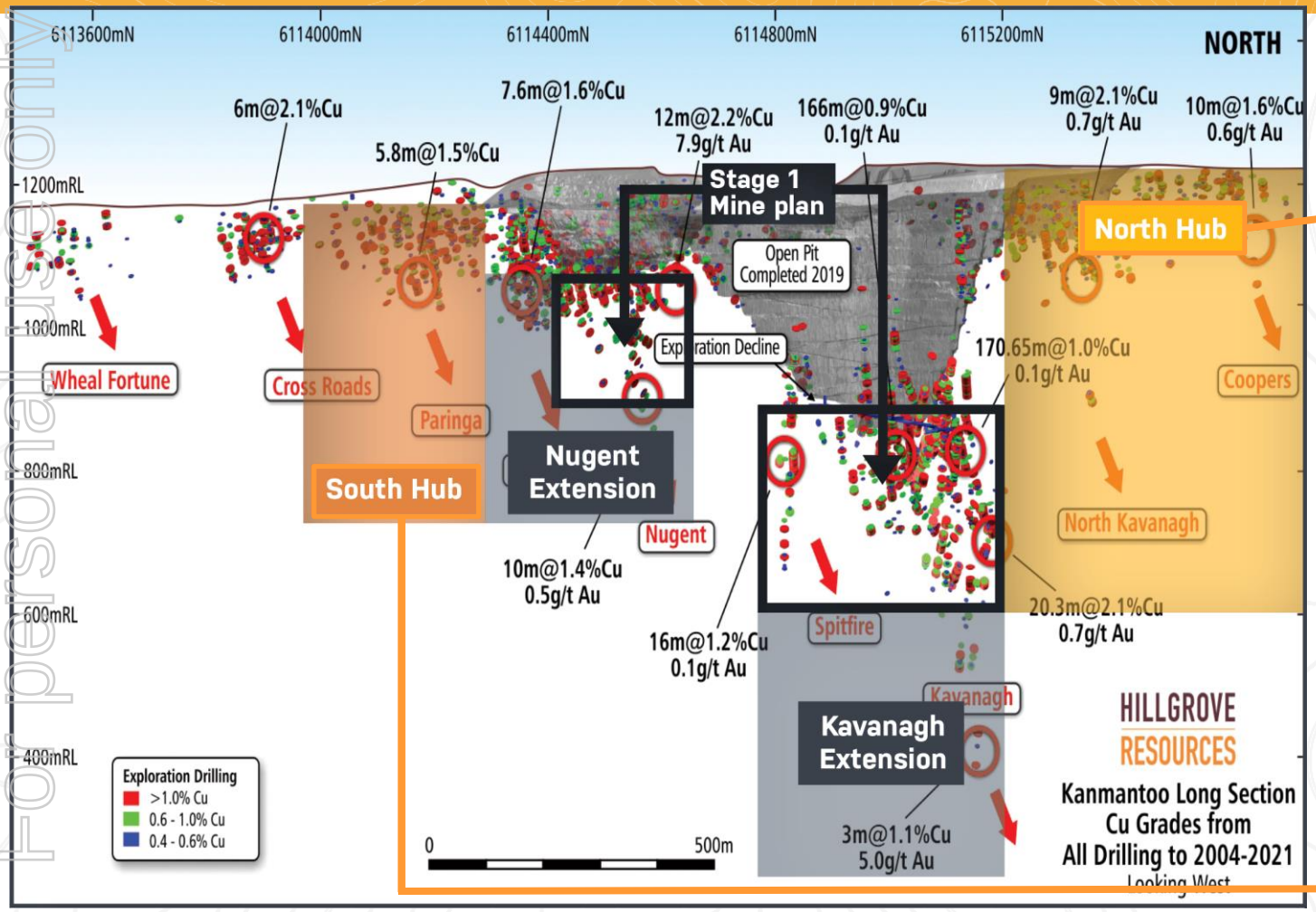
17m @ 3.6% Cu 0.6 g/t Au

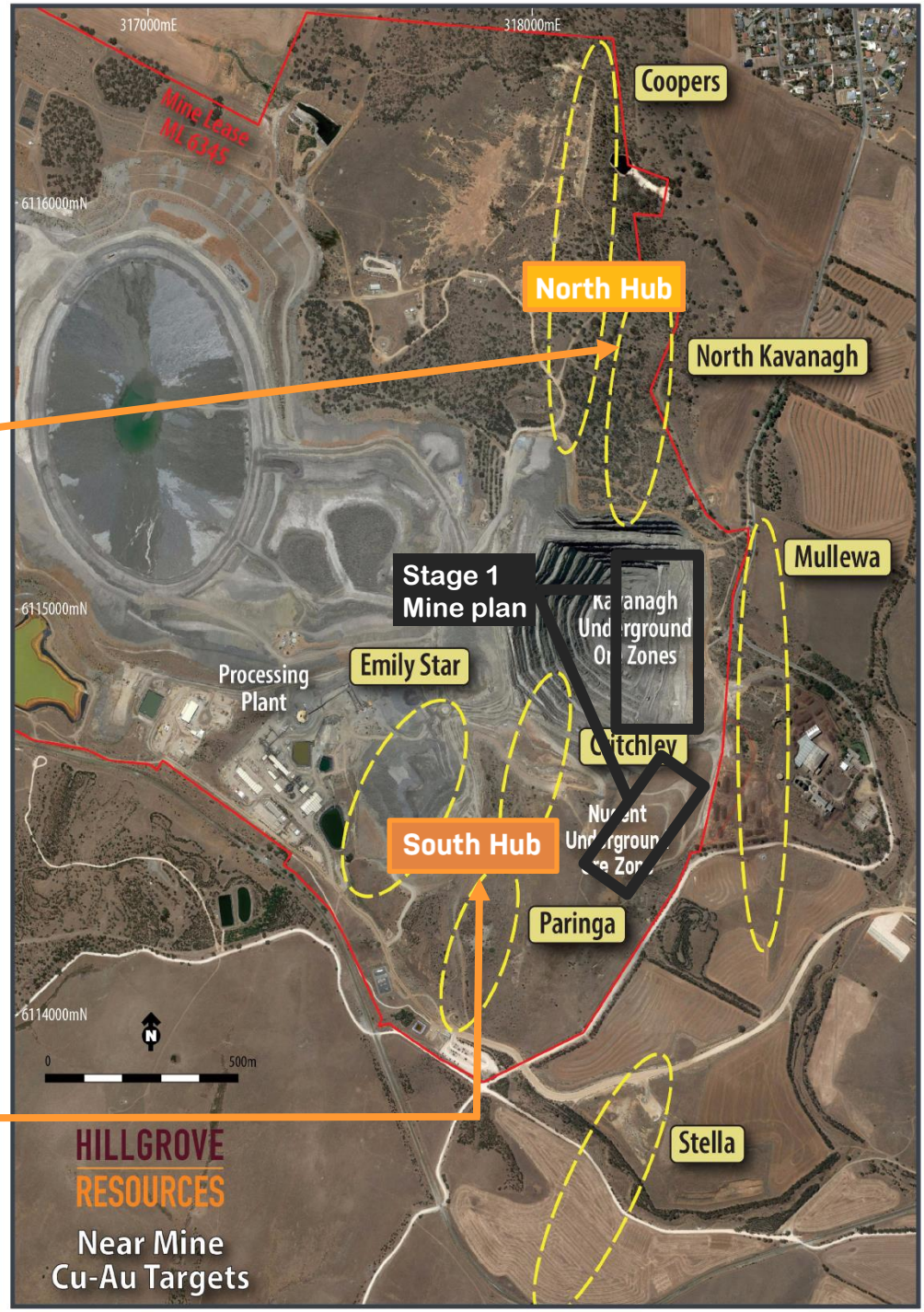
14m @ 2.8% Cu 0.3 g/t Au

- ✓ Area below Emily pit remains open
- ✓ Drilling underway

For personal use only

JUST SCRATCHING THE SURFACE





<u>North Hub</u>: North Kav & Coopers

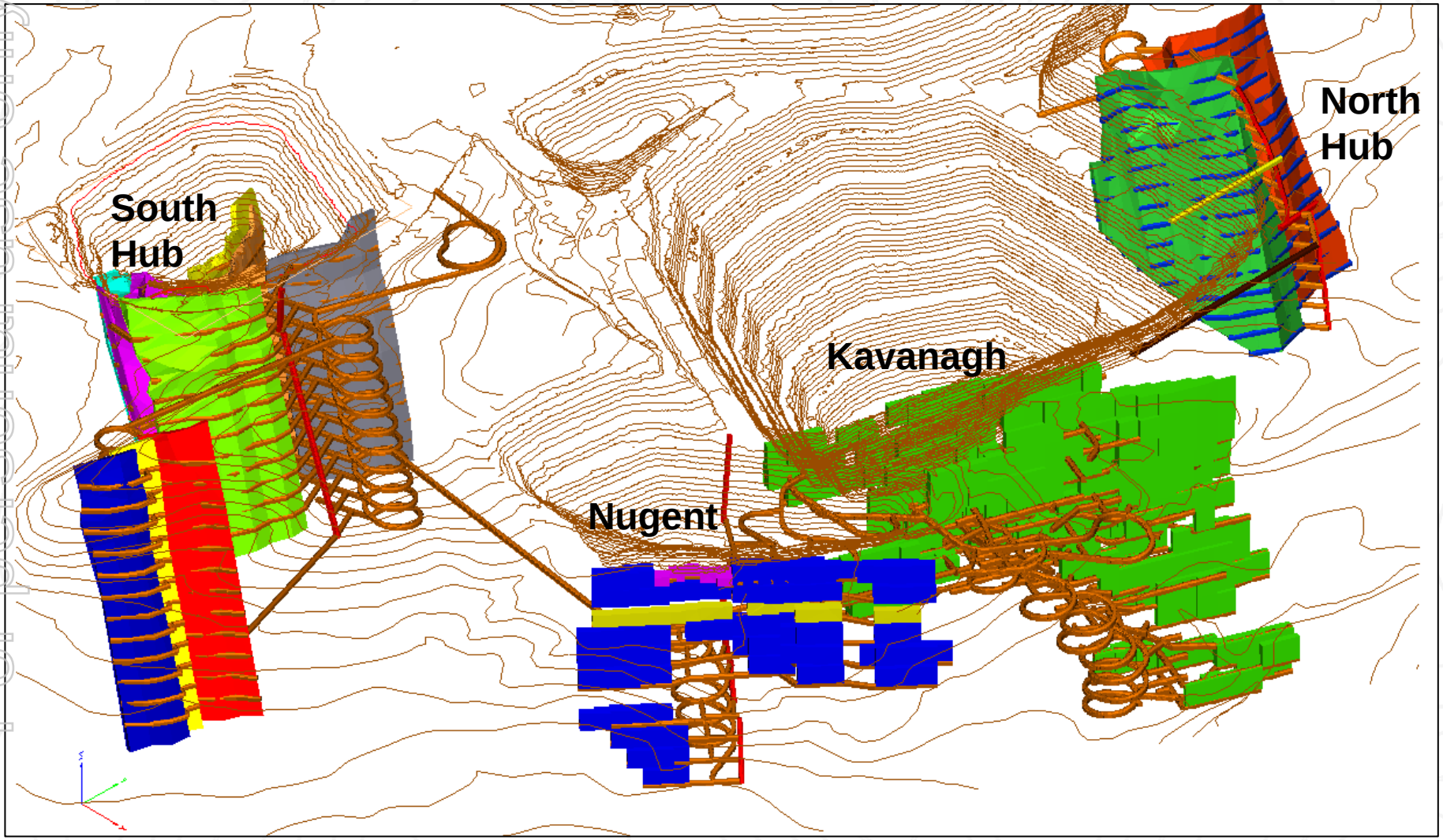
9m @ 2.1% Cu 0.7 g/t Au

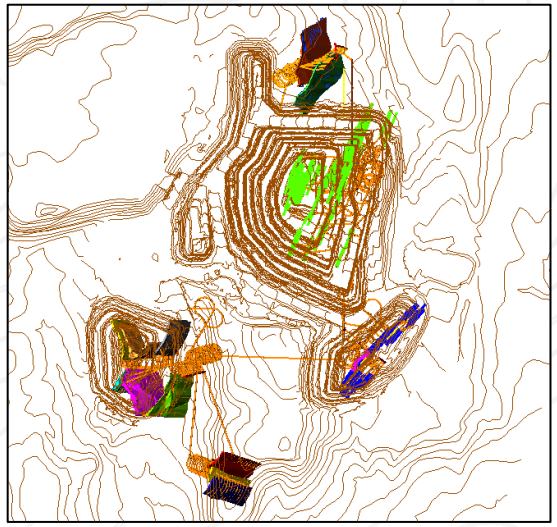
10m @ 1.6% Cu 0.6 g/t Au

- ✓ North Kavanagh lode visible in pit wall
- ✓ Immediate low-cost access from existing pit haul road
- ✓ ~200m strike length, 300m depth and still open

For personal use only

JUST SCRATCHING THE SURFACE





- ✓ Conceptual designs indicate North Hub and South Hub can be added to the plan for low incremental cost (pending successful confirmatory drilling)
- ✓ Mill only 40% utilised and plenty of TSF capacity, so additional throughput requires no further processing capex

For personal use only

OPPORTUNITY RE-CAP

HILLGROVE RESOURCES

For personal use only

- PERMITTED, LOW COST, LOW RISK, NEAR TERM COPPER PRODUCTION
- STAGE 1 ALREADY HAS STRONG FINANCIALS WITH SHORT PAYBACK PERIOD
- MULTIPLE ON-LEASE INFILL DRILLING TARGETS TO FURTHER INCREASE MINING INVENTORY
- PROCESSING CAPACITY TO RAMP UP COPPER PRODUCTION WITH NO ADDITIONAL CAPITAL

Kanmantoo positioned to be Australia's next copper mine

Appendix

For personal use only

IMPORTANT NOTICE

CAUTIONARY STATEMENT

The Economic Assessment discussed herein has been undertaken to explore the technical and economic feasibility of developing an underground mine to economically and sustainably exploit the Kanmantoo Copper Gold Deposit, located in South Australia. The Kanmantoo Copper Gold Project (Kanmantoo or Project) is 100% owned by Hillgrove Resources Limited. The Production Target and financial forecasts presented in the Economic Assessment are shown on a 100% Project basis. The Production Target underpinning the Base Case financial forecasts included in the Economic Assessment comprises 72% Indicated Resources and 28% Inferred Resources. The Production Target included in the Economic Assessment relating to the project payback period of 7 months post the completion of pre-production works comprises 82% Indicated Resources and 18% Inferred Resources. The Mineral Resource Estimate underpinning the Base Case Production Target has been prepared by a Competent Person in accordance with the requirements in the JORC Code 2012. There is a lower level of geological and grade continuity confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the conversion of Inferred Resource estimates to Indicated Resource estimates or return the same grade and tonnage distribution.

The economic outcomes associated with the Economic Assessment are based on certain assumptions made for commodity prices, concentrate treatment and recovery charges, exchange rates and other economic variables, which are not within the Company's control and subject to change from time to time. Changes in such assumptions may have a material impact on economic outcomes. To achieve the range of outcomes indicated in the Economic Assessment, additional funding will likely be required. Investors should note that there is no certainty that Hillgrove Resources will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Hillgrove's existing shares. This announcement contains forward-looking statements. Hillgrove has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes it has a reasonable basis to expect it will be able to fund the development of the project. However, several factors could cause actual results, or future expectations to differ materially from the results expressed or implied in the forward-looking statements. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Economic Assessment.

DISCLAIMER

No representation or warranty is or will be made by any person (including Hillgrove Resources Limited ACN 004 297 116 ("Hillgrove", "HGO", or the "Company") and its officers, directors, employees, advisers and agents) in relation to the accuracy or completeness of all or part of this document (the "Document"), or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, this Document or any part of it. This Document includes information derived from third party sources that has not been independently verified.

This Document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Hillgrove and certain plans and objectives of the management of Hillgrove. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Indications of, and guidance on, production targets, targeted output, mine development or timelines, exploration or expansion timelines, infrastructure alternatives and financial position and performance are also forward-looking statements. Any forecast or other forward-looking statement contained in this Document involves known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Hillgrove, and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Various factors may cause actual results or performance to differ materially. These include without limitation the following: risks specific to Hillgrove's operations; credit risk; levels of supply and demand and market prices; legislation or regulations throughout the world that affect Hillgrove's business; insurance expenses; the risk of an adverse decision or other outcome relating to governmental investigations; class actions or other claims; growth in costs and expenses; and risk of adverse or unanticipated market, financial or political developments (including without limitation in relation to commodity markets).

You are cautioned not to place undue reliance on forward-looking statements. These forward-looking statements are based on information available to us as of the date of this Document. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements. This Document is provided for informational purposes only and is subject to change without notice. Subject to any obligations under applicable laws, regulations or securities exchange listing rules, Hillgrove disclaims any obligation or undertaking to release any updates or revisions to this Document to reflect any change in expectations or assumptions. Nothing in this Document should be interpreted to mean that future earnings per share of Hillgrove will necessarily match or exceed its historical published earnings per share, or that there has been no change in the affairs of Hillgrove since the date of this Document.

Nothing contained in this Document constitutes investment, legal, tax or other advice. The information in this Document does not take into account the investment objectives, financial situation or particular needs of any recipient. Before making an investment decision, each recipient of this Document should make its own assessment and take independent professional advice in relation to this Document and any action taken on the basis of this Document. All currency referred to is Australian dollars ($) unless otherwise indicated (e.g. US$).

COMPETENT PERSONS STATEMENT

The information herein is extracted from the list of reports shown below which are all available to view on www.hillgroveresouces.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

AUTHORISATION

This announcement is authorised for market release by Hillgrove Resources' Managing Director and CEO, Lachlan Wallace.

For personal use only

For personal use only

IMPORTANT NOTICE

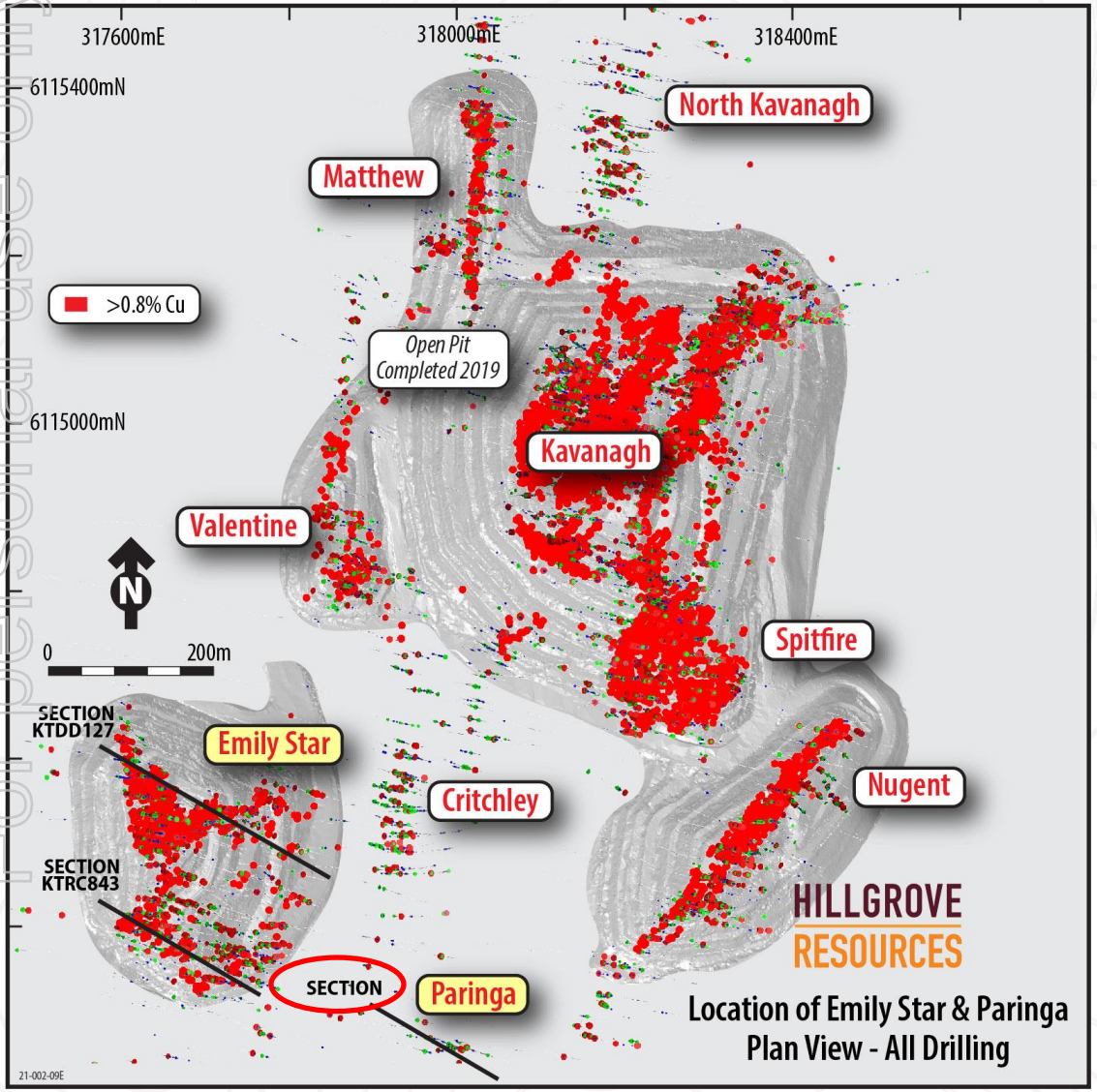
References

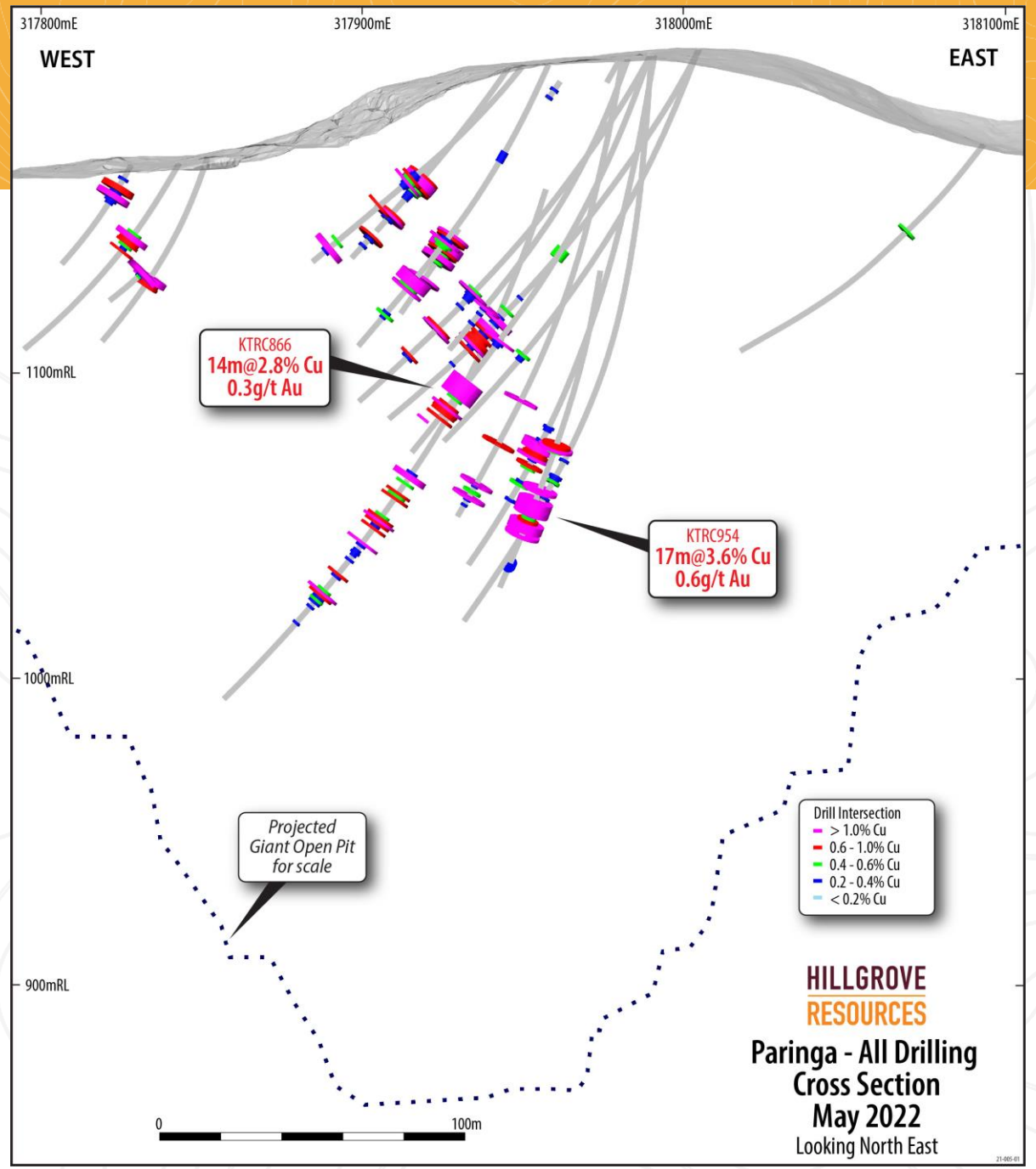
All exploration drill results, exploration information and Mineral Resource Estimates have previously been reported to the ASX by Competent Person at the time. The results reported herein are reported in the form and context of the original ASX releases.

Refer http://www.hillgroveresources.com.au/announcements

- 20 Jun 2019 Drilling of Kanmantoo Cu-Au Deeps to Commence
- 10 Oct 2019 Excellent Drill Results from Kanmantoo Cu-Au Deposit
- 31 Oct 2019 Maiden Kavanagh Underground Mineral Resource Estimate
- 5 Nov 2019 Additional Information to Maiden Kavanagh Underground
- 2 Jun 2020 Underground Drilling Program Recommences
- 11 Aug 2020 Excellent Gold Recoveries from Kanmantoo
- 3 Sep 2020 Drilling Expands Cu-Au Footprint at Kanmantoo Underground
- 7 Dec 2020 Updated Kanmantoo Underground Mineral Resource Estimates
- 23 Feb 2021 Kanmantoo Underground Exploration target Update
- 3 May 2021 Drilling Confirms Down-Dip Cu-Au Mineralisation at Kanmantoo
- 6 May 2021 Hillgrove Hits 170m of Copper Mineralisation at Kanmantoo
- 24 May 2021 Hillgrove Awarded Two Exploration Grants by SA Government
- 24 Jun 2021 Drilling Results Update at Kanmantoo
- 29 Jul 2021 Activity Report for Quarter End 30 June 2021
- 26 Aug 2021 New Gold Discovery Confirmed at Stella
- 27 Aug 2021 Results for Half Year Ended 30 June 2021
- 31 Aug 2021 Hillgrove Awarded $2m Grant to Commence UG Decline
- 1 Sep 2021 Hillgrove Hits 166m of Copper Mineralisation at Kanmantoo
- 22 Sep 2021 Capital Raising Presentation
- 22 Sep 2021 $12m Raising for Drilling and Development Kanmantoo Copper
- 27 Oct 2021 Next Major Drilling Program Underway at Kanmantoo
- 28 Oct 2021 Hillgrove receives Overwhelming Support for SPP
- 1 Nov 2021 Portal Cut for Kanmantoo Decline Commences
- 14 Dec 2021 Updated Kavanagh Mineral Resource Estimate
- 14 Dec 2021 Kanmantoo Economic Assessment Confirms Outstanding Potential
- 21 Mar 2022 Multiple High-Grade Intersections within a Broader +100 metre Zone of Copper Mineralisation
- 30 Mar 2022 Kanmantoo Underground Decline Progress
- 13 Apr 2022 First Copper from Kanmantoo Underground
- 28 Apr 2022 First Underground Drilling Platform Established
- 6 May 2022 Nugent Copper Gold Zone Delivers Excellent Results - Amended
- 26 Jul 2022 Updated Nugent Mineral Resource Estimate
- 8 Aug 2022 Spitfire Drilling Results

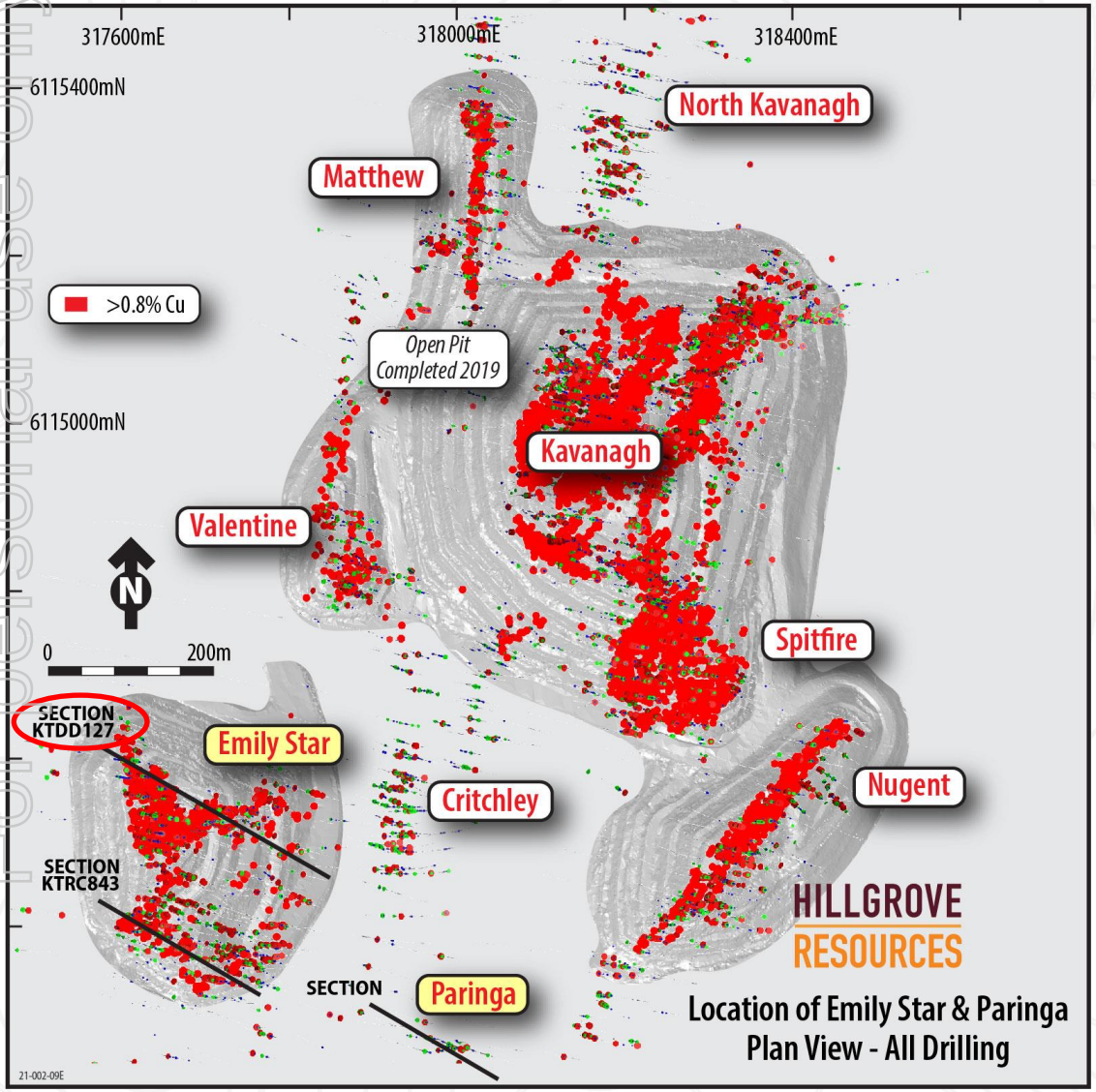
SOUTH HUB

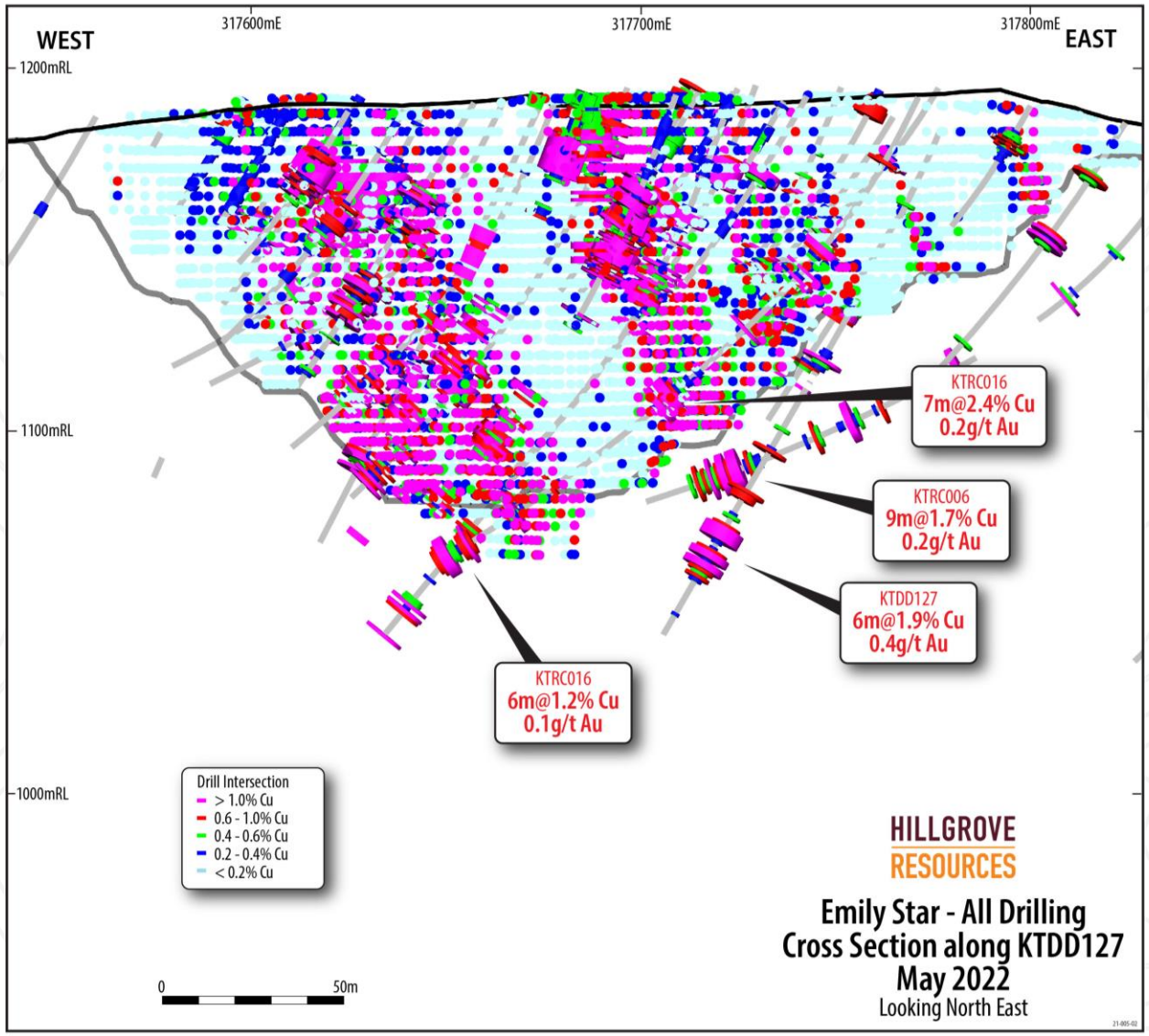




For personal use only

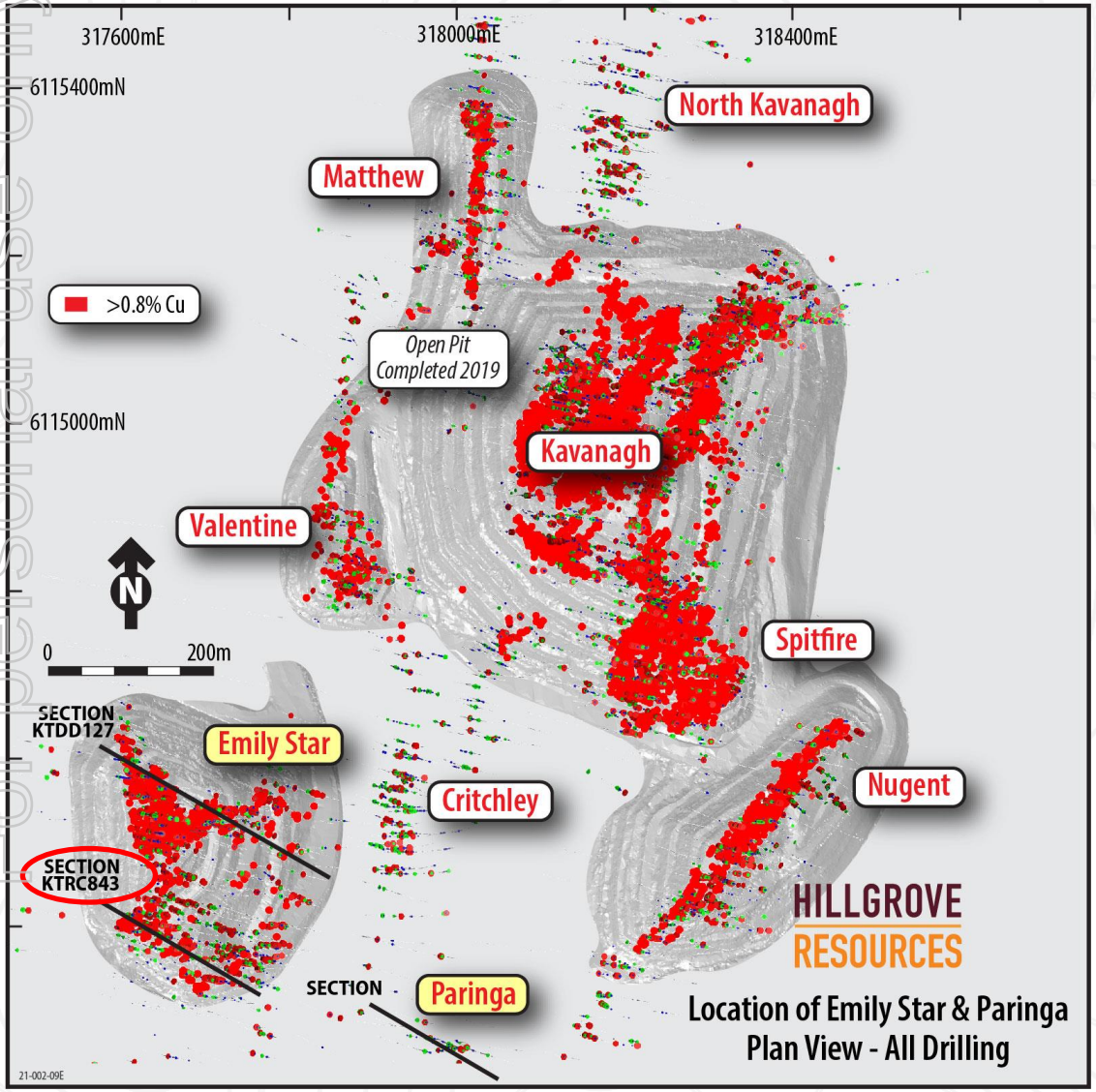
SOUTH HUB

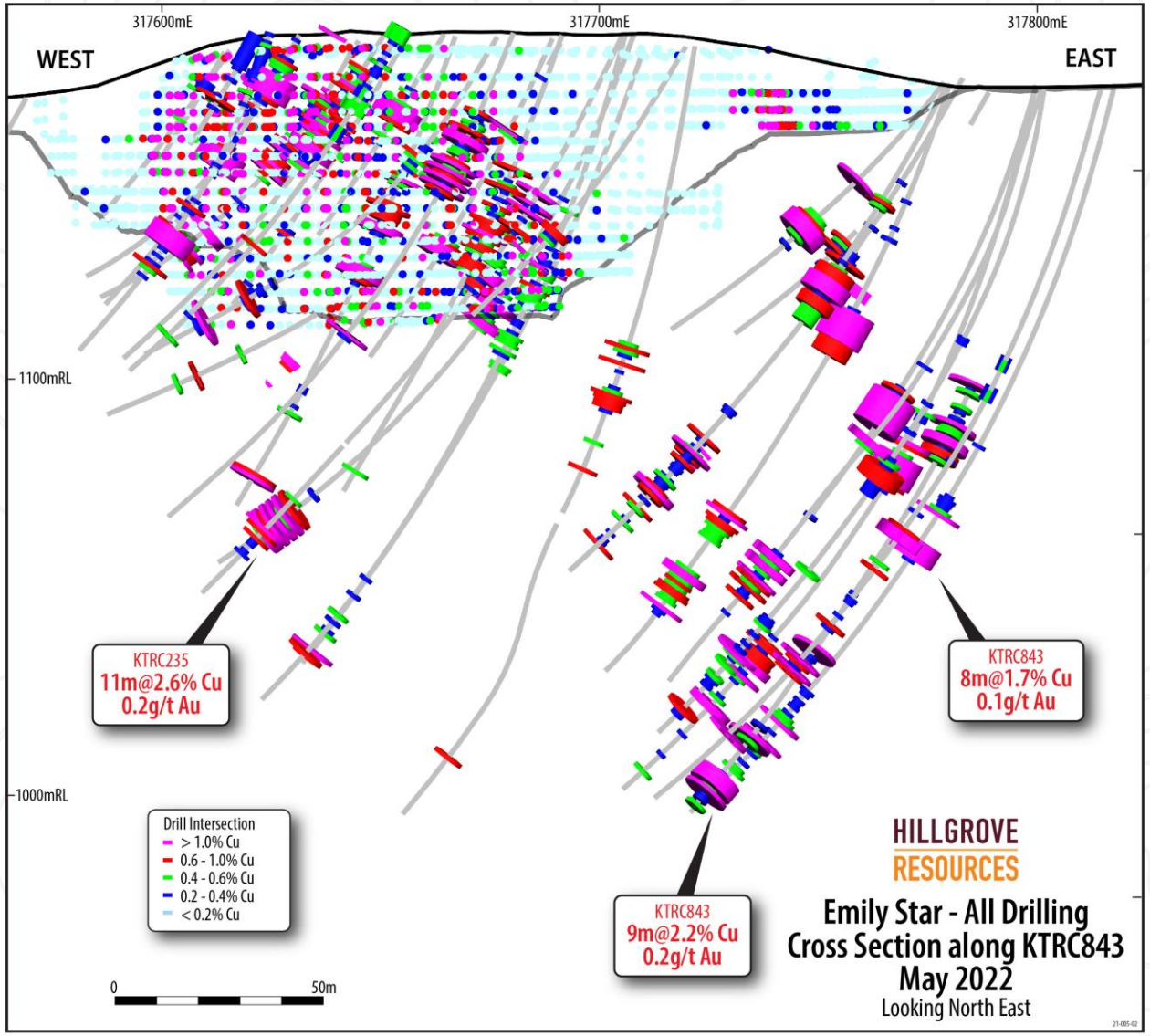




For personal use only

SOUTH HUB



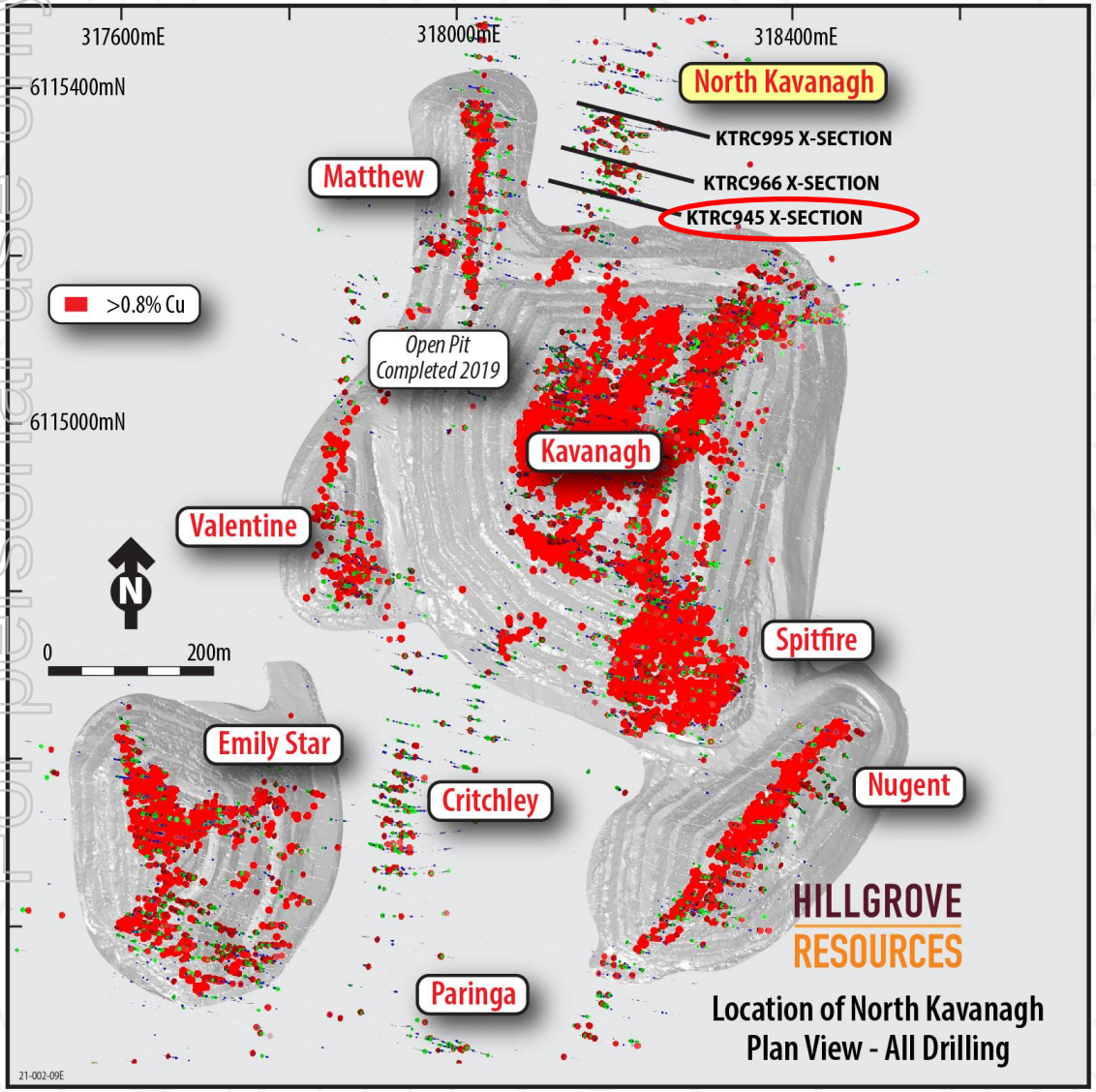


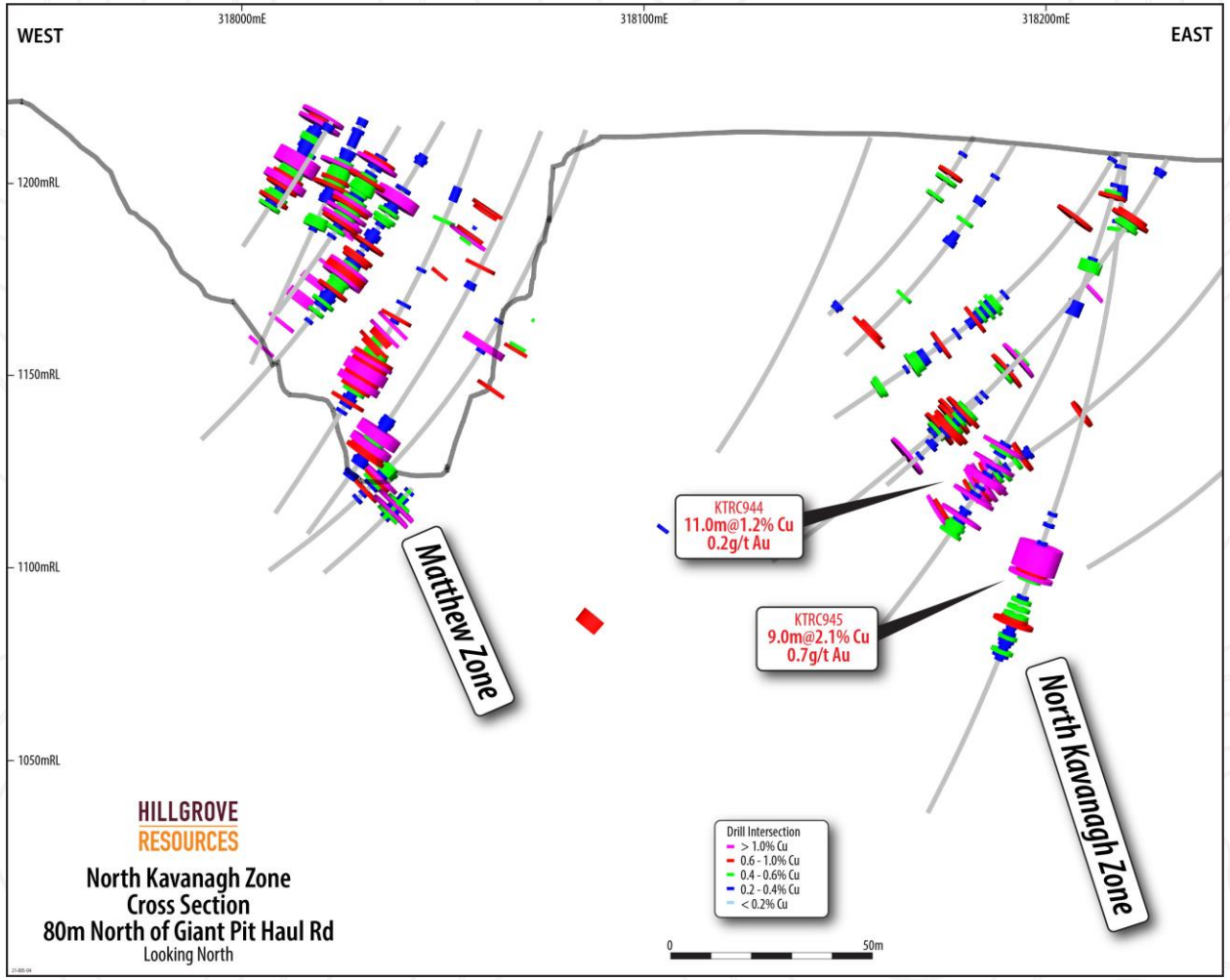
For personal use only

NORTH HUB

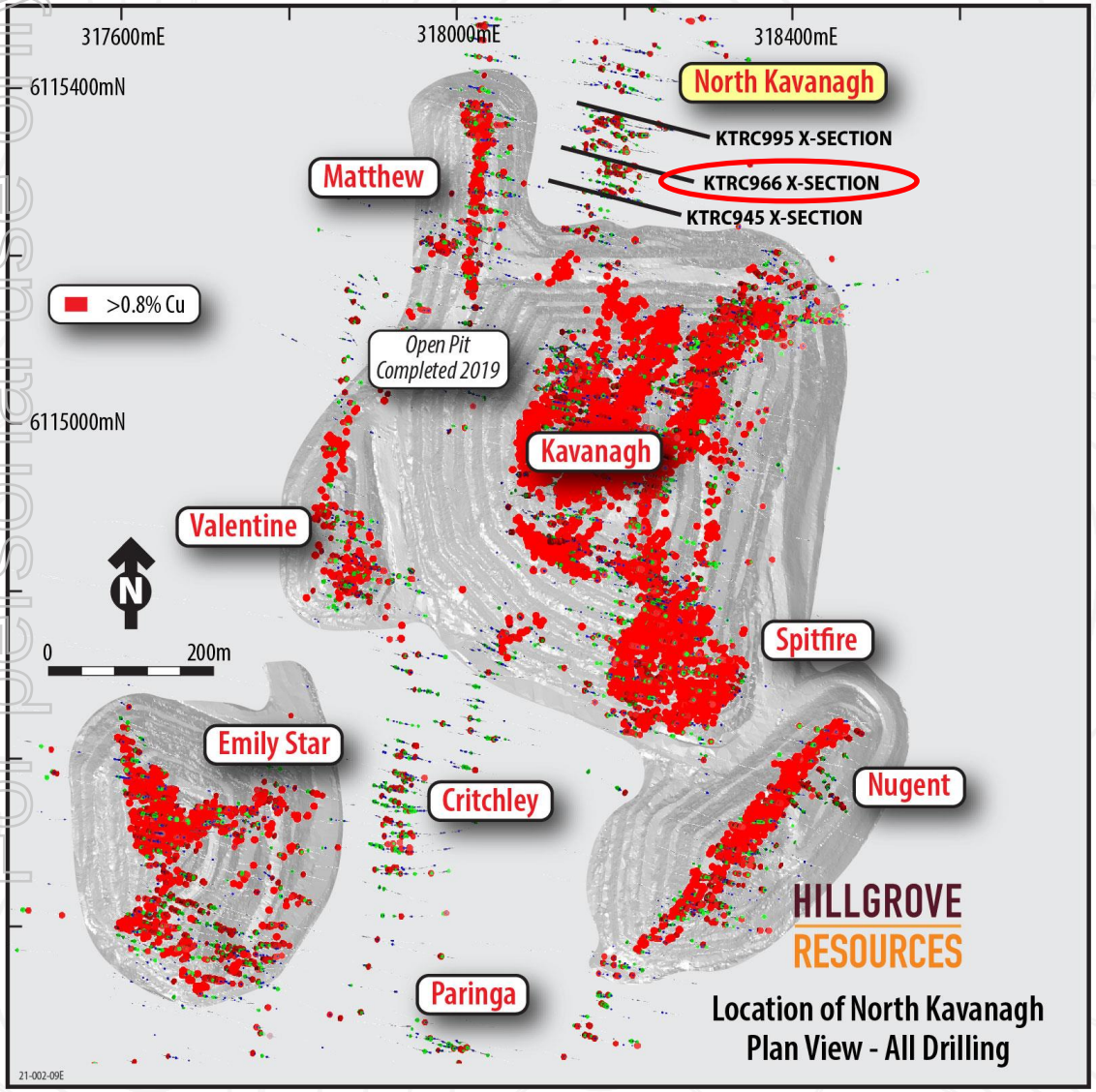
North Kavanagh lode visible in pit wall
Easy and immediate access to North Kavanagh lode from existing pit haul road
~200m strike length

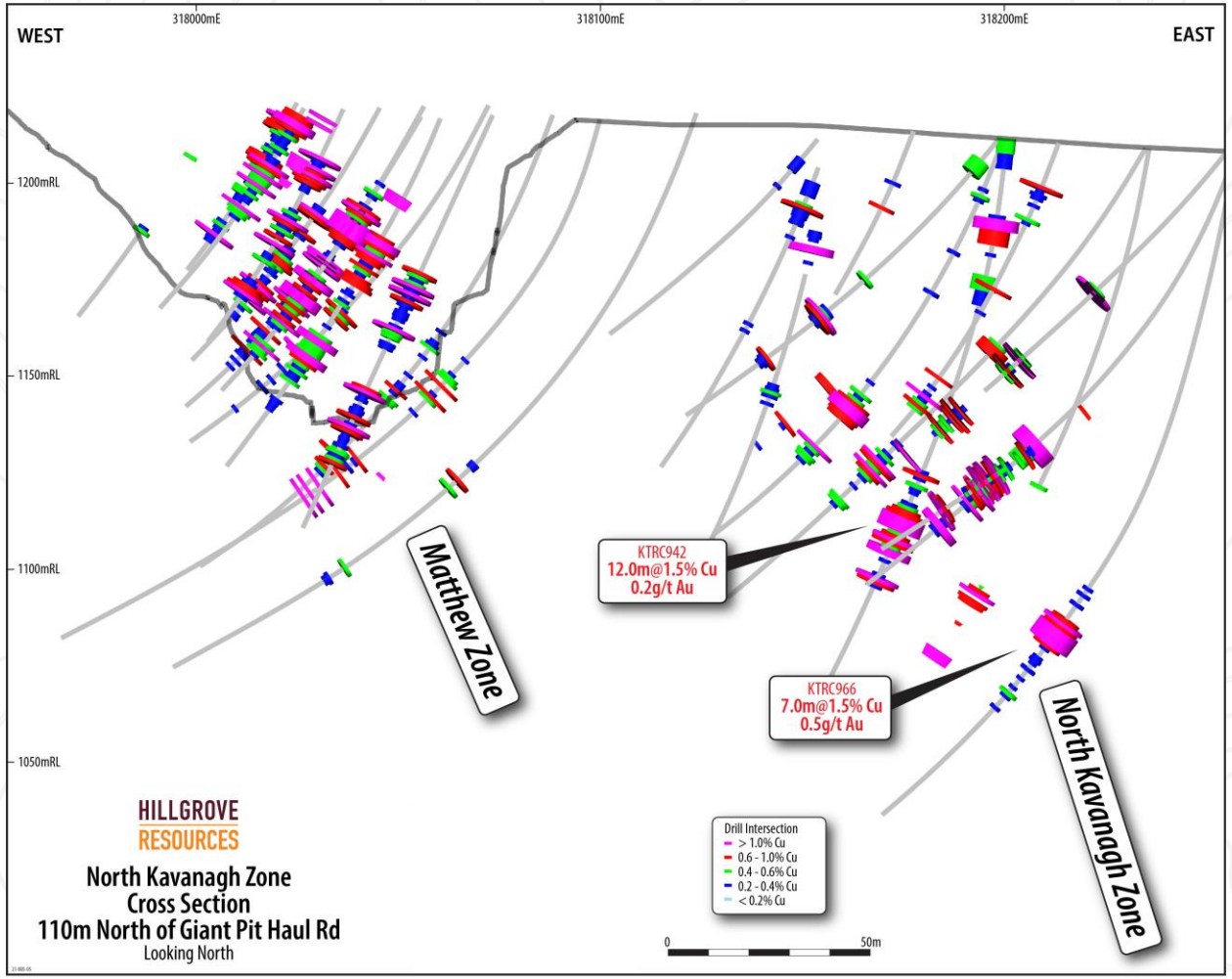
For personal use only





NORTH HUB

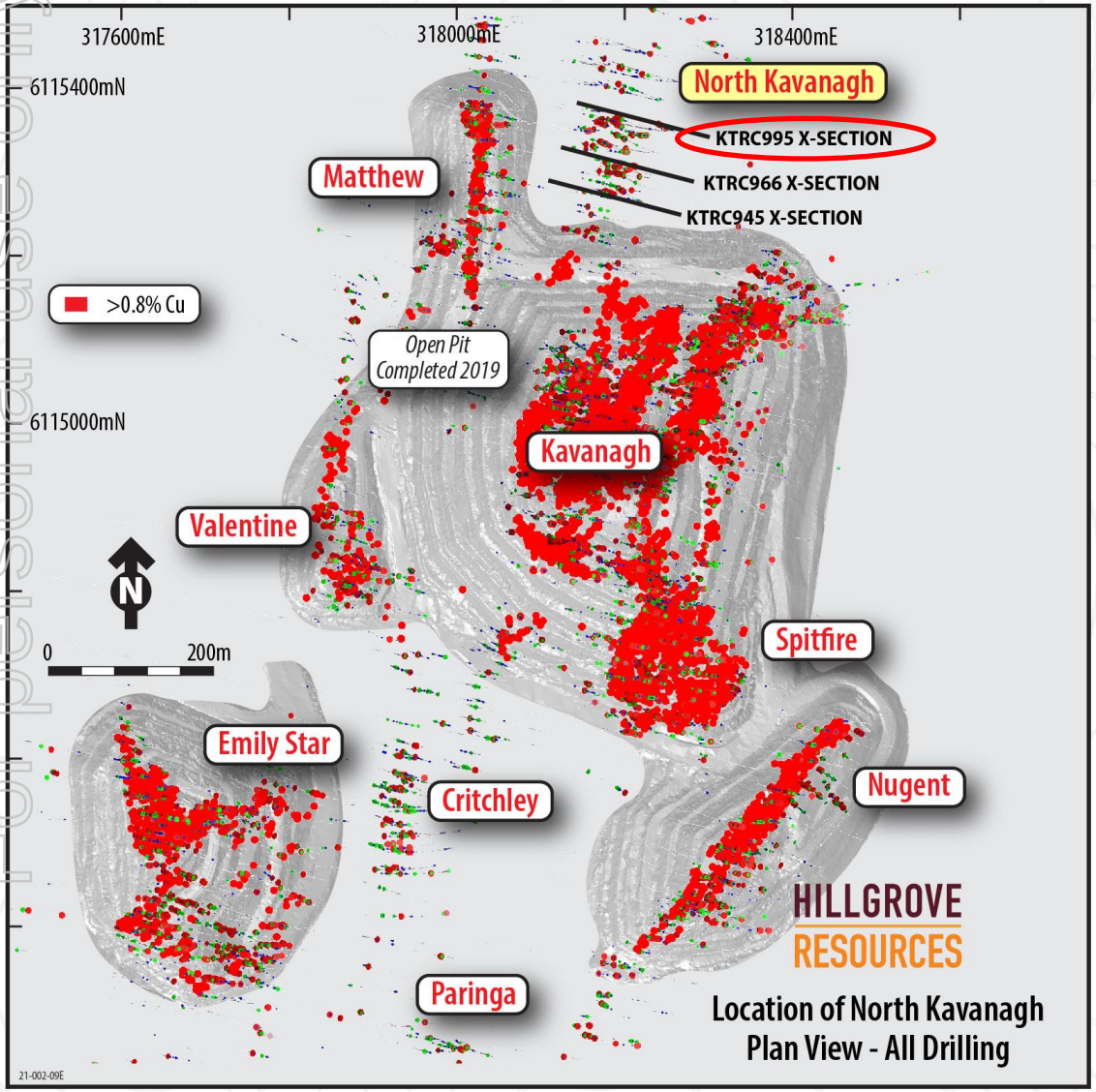


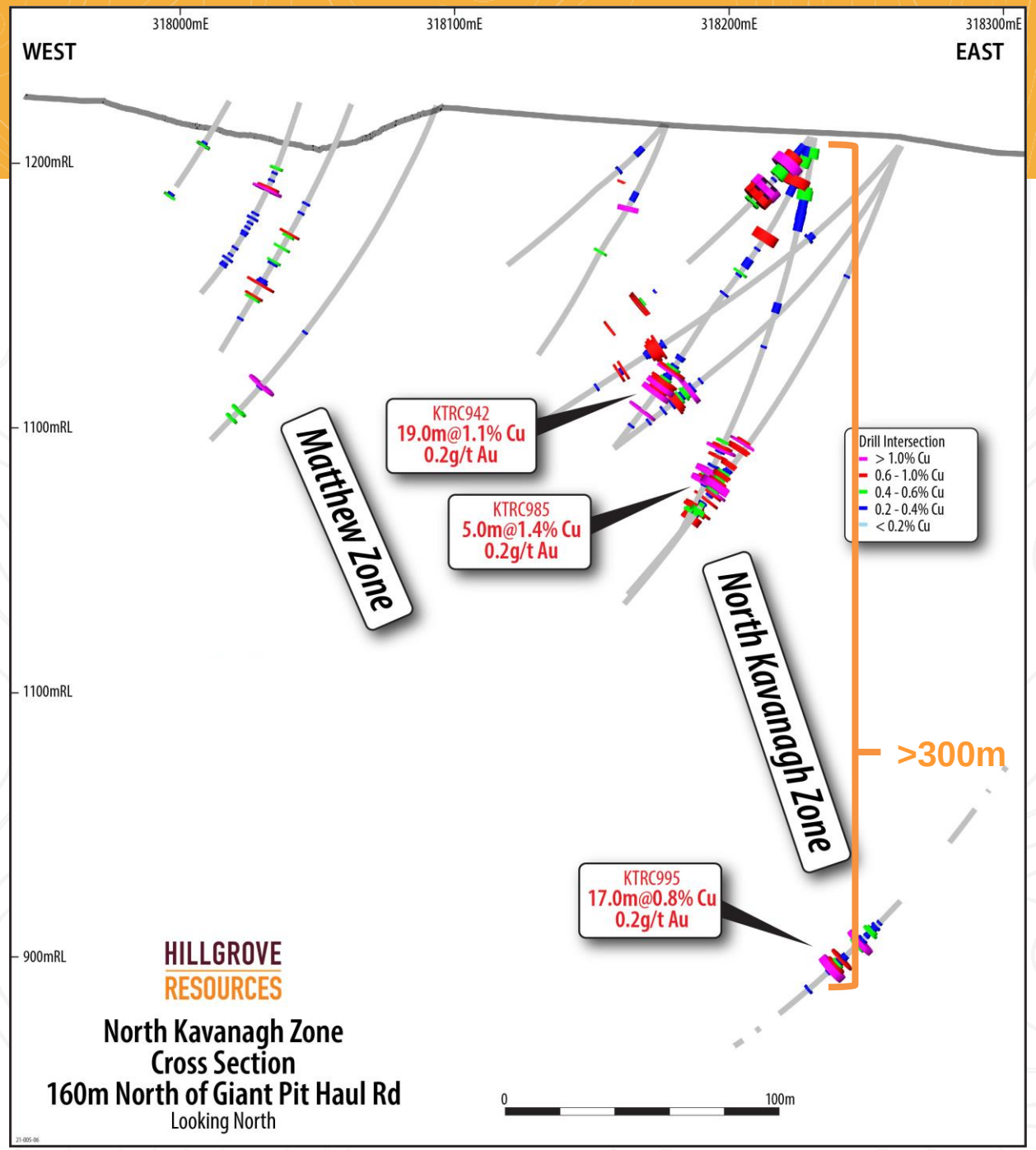


For personal use only

NORTH HUB

North Kavanagh lode extends from surface to >300m depth





For personal use only