ASX RELEASE

HILLGROVE RESOURCES

Thursday, 16 February 2023

FREMANTLE CONFERENCE PRESENTATION

Hillgrove Resources Limited's CEO and Managing Director Lachlan Wallace will be presenting at the Fremantle conference this afternoon, please refer to the attached presentation. Mr Wallace will be presenting at 3:10pm Perth time.

Should you wish to view the presentation, registration for live streaming will be available at the following link:

https://us02web.zoom.us/webinar/register/WN_prbgW2CLSXeXylXCISk6xA

Authorised for release by the Board of Hillgrove Resources Limited.

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Chief Commercial Officer & Company Secretary
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HILLGROVE RESOURCES

AUSTRALIA'S NEXT COPPER MINE

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Lachlan Wallace
CEO & Managing Director

February 2023

SUMMARY

HILLGROVE RESOURCES

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- FULLY PERMITTED, LOW COST, LOW RISK, NEAR TERM COPPER PRODUCTION OPPORTUNITY
- 3.6Mtpa PROCESSING PLANT ON CARE AND MAINTENANCE AND ALL INFRASTRUCTURE IS ALREADY IN PLACE FOR A POTENTIAL RESTART
- STAGE 1 HAS STRONG FINANCIALS WITH SHORT PAYBACK PERIOD:
  - A$196m FCF (POST TAX)
  - NPV OF ~A$166m
- HIGHLY LEVERAGED TO COPPER PRICE INCREASES AND RESOURCE EXPANSION
- DRILLING DELIVERING CONSISTENT RESOURCE GROWTH
  - 100% STRIKE RATE FROM DRILLING WITH 122 HOLES, 143 INTERSECTIONS
  - EVERY DRILL PROGRAM INCREASES RESOURCES, >600% GROWTH SINCE 2019
- SIGNIFICANT EXPLORATION UPSIDE
  - PREDICTABLE MINERALISATION SYSTEM WHICH REMAINS LARGELY OPEN
  - MULTIPLE ON-LEASE INFILL DRILLING TARGETS TO FURTHER INCREASE MINING INVENTORY
- PROCESSING CAPACITY TO RAMP UP COPPER PRODUCTION WITH NO ADDITIONAL CAPITAL

CORPORATE SNAPSHOT

HILLGROVE RESOURCES

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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

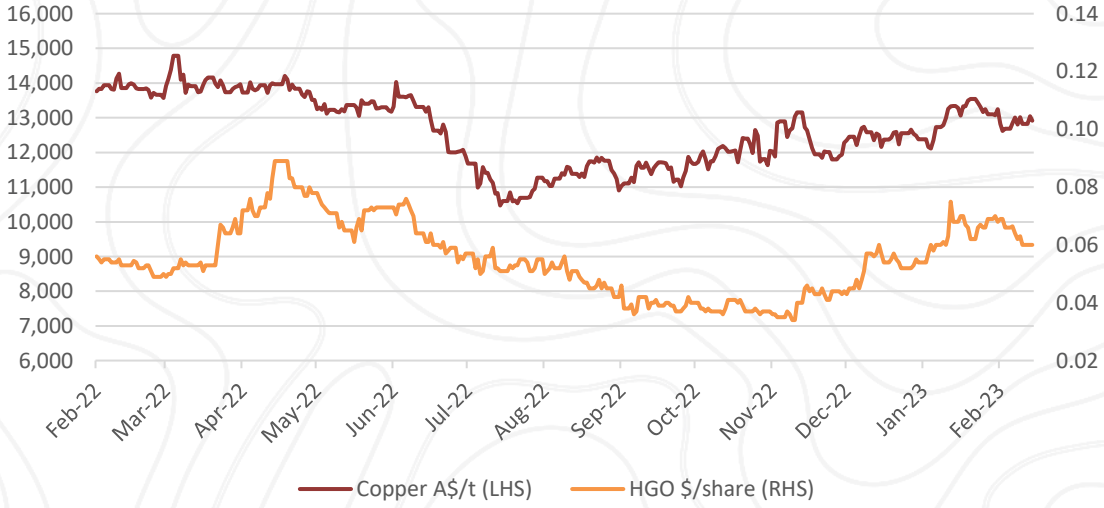
- ✓ Advanced, fully permitted project with key infrastructure in place for a <$30M capex restart
- ✓ One of the only near term new copper producers on the ASX
- ✓ Multiple opportunities to increase resource base, annual production and mine life through lower cost underground drilling
- ✓ Highly leveraged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

Market Statistics

Share Price(1)	A$	0.060
Shares on Issue	M	1,174
Market Capitalisation	A$M	70
Enterprise Value(2)	A$M	65
Liquidity - 12 Months	M shares	329 (28%)
Carried forward income tax losses	A$M	222
Franking credits	A$M	17.6

Note (1): Share price at close 14 February 2023
Note (2): Net cash as at 31 December 2022

Share Price – 12 months



FULLY PERMITTED IN TIER 1 JURISDICTION

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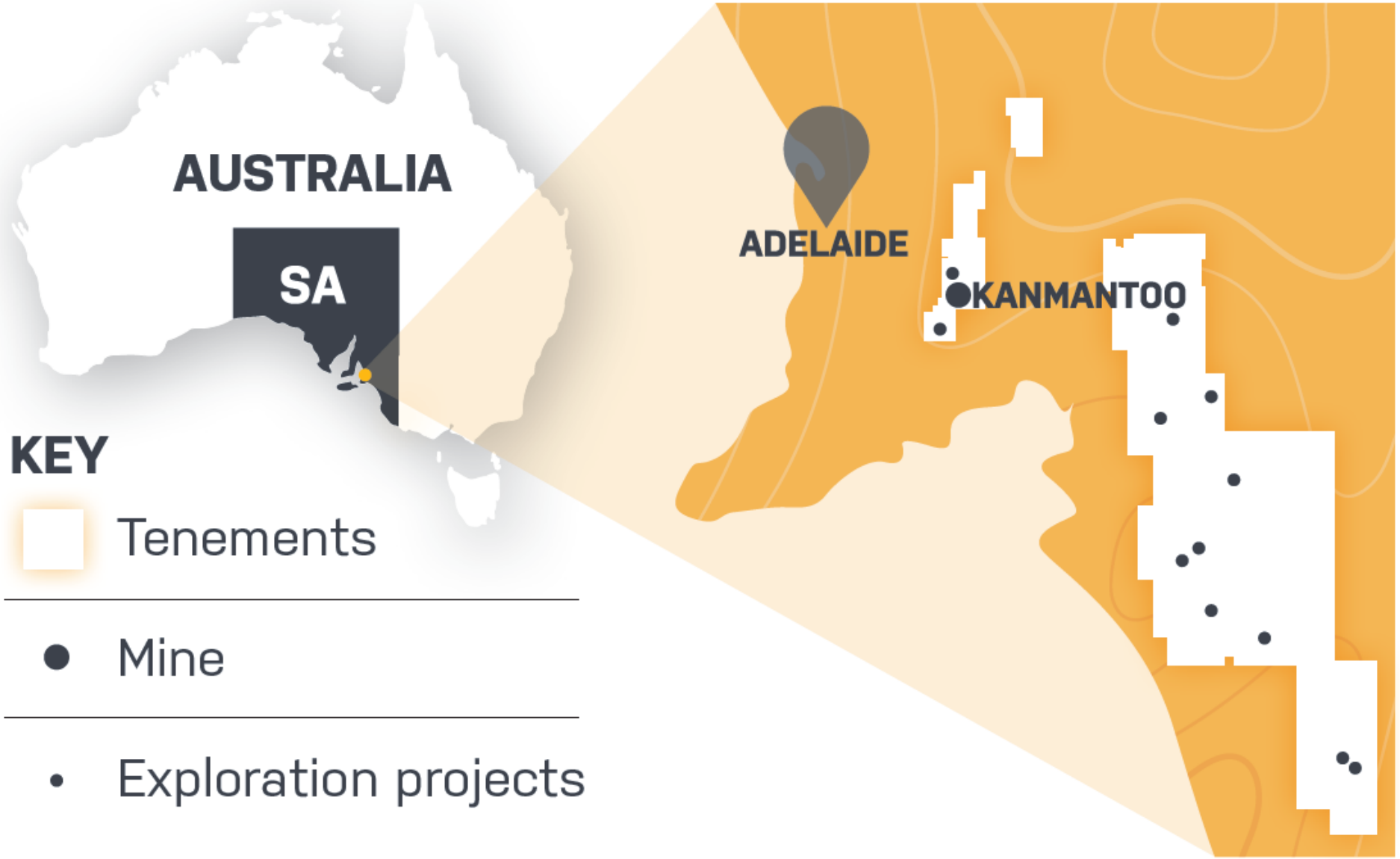
- ✓ Tier 1 location
- ✓ Ready workforce - No FIFO
- ✓ Close to Port Adelaide



FULLY PERMITTED IN TIER 1 JURISDICTION

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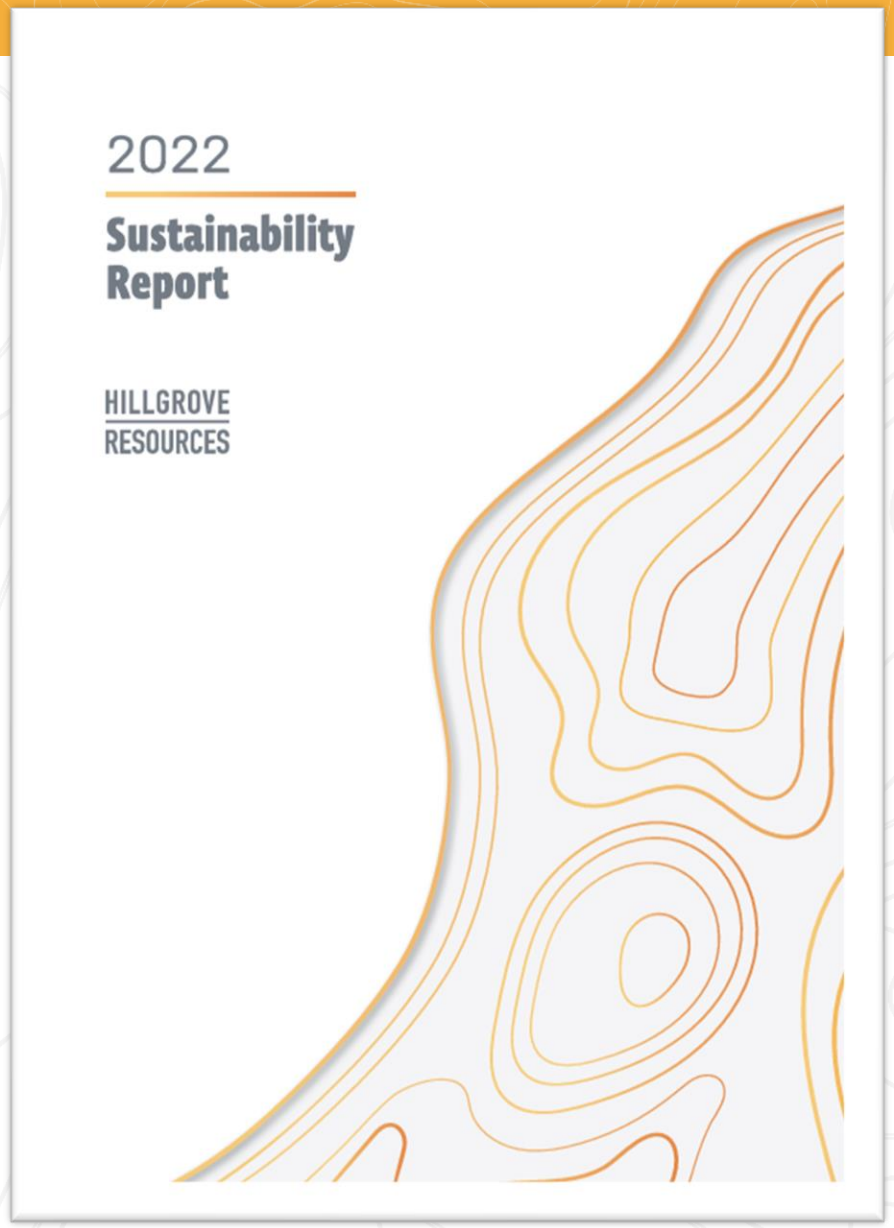
- ✓ Genuine win-win community engagement
- ✓ Community and government support
- ✓ ESG reporting to GRI, UNSDG, ICMM



PLANT AND INFRASTRUCTURE ALREADY IN PLACE

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

TAILINGS STORAGE FACILITY ALREADY IN PLACE

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- ✓ 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

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UNDERGROUND DEVELOPMENT COMMENCED

Underground decline commenced

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UNDERGROUND DEVELOPMENT COMMENCED

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

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EXCELLENT INITIAL ECONOMICS – STAGE 1 ONLY

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FCF (Post Tax)	A$196m
NPV	A$166m
Copper Price	A$13,500
AISC	A$6,991
Copper Production	36kt
Gold Production	10koz
Time to First Production	7 Months
Pre-production Capital	A$26m
Mine Life	3 Years

- ✓ Low capital - existing infrastructure 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
- ✓ Further **Resource upgrade on track for June Qtr**
- ✓ Highly Leveraged to Resource Growth

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 – LOW CAPITAL INTENSITY

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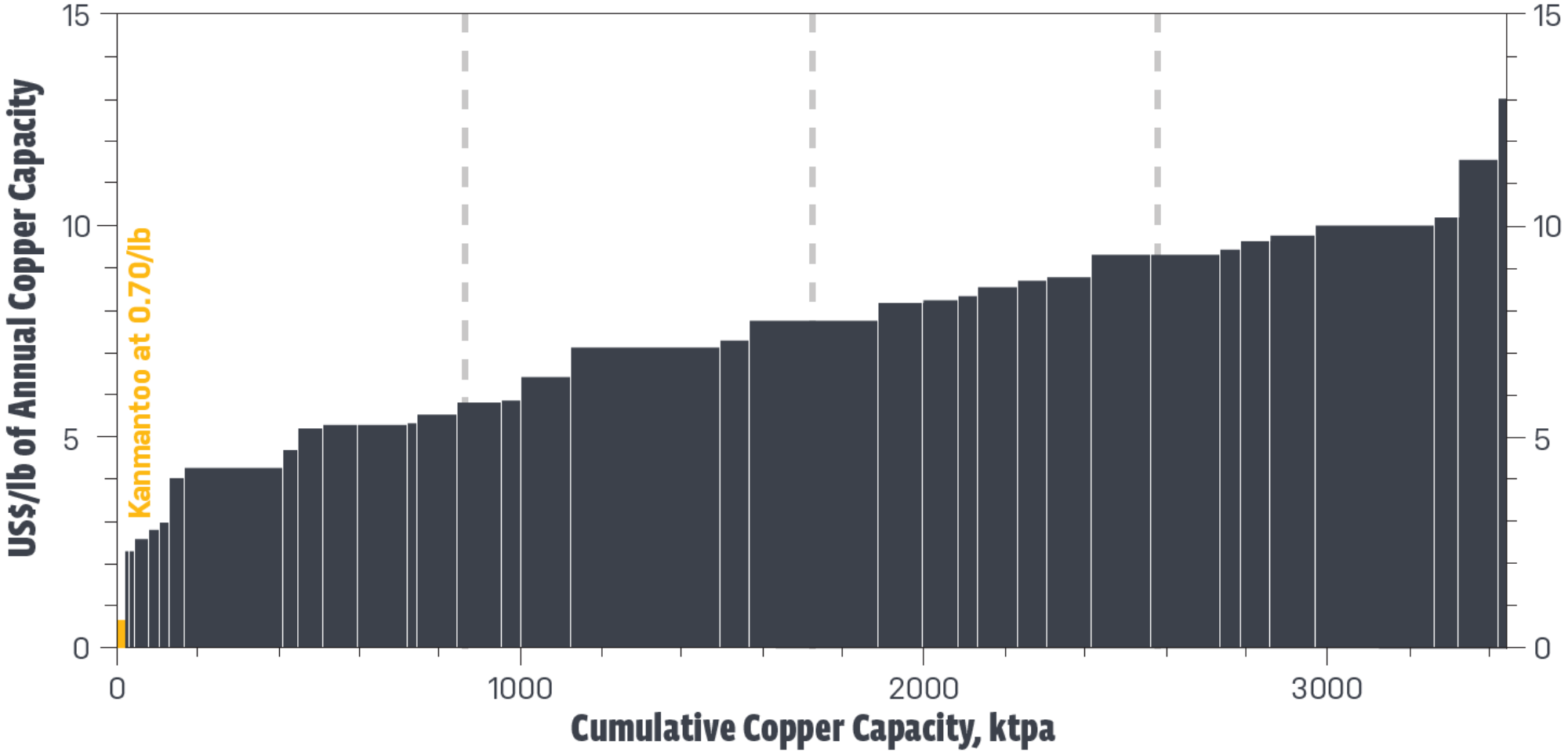
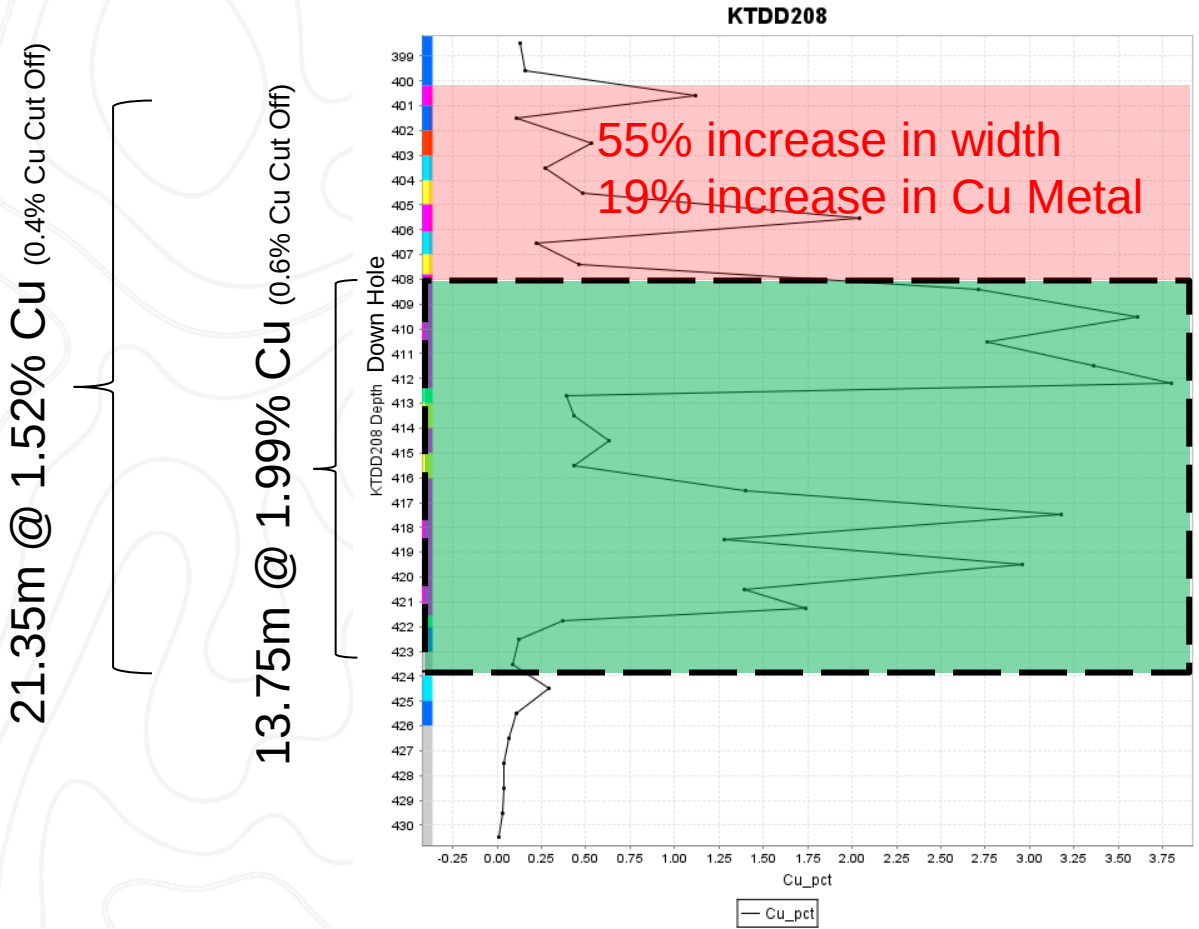
✓ Lowest capital intensity in the world



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

SIGNIFICANT LEVERAGE TO THE COPPER PRICE

- ✓ Stopes terminate in lower grade halo around high grade mineralised core.
- ✓ As price increases, the cut-off grade reduces, enabling this high grade to be mined for low incremental cost by simply widening stope width.
- ✓ Spare processing capacity enables the additional copper to be produced without displacing high grade ore, essentially producing more copper into a higher price environment for low cost.



Opportunity to expand production at higher copper price

Current Stope Design

Colour
Cu_pct Cu% Bins
Cu_pct to 0.1 [17.14%]
Cu_pct to 0.2 [31.43%]
Cu_pct to 0.3 [40.00%]
Cu_pct to 0.4 [45.71%]
Cu_pct to 0.5 [57.14%]
Cu_pct to 0.6 [60.00%]
Cu_pct to ∞ [100.00%]

ASX Release 1 September 2021

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> 100% EXPLORATION STRIKE RATE = RESOURCE GROWTH

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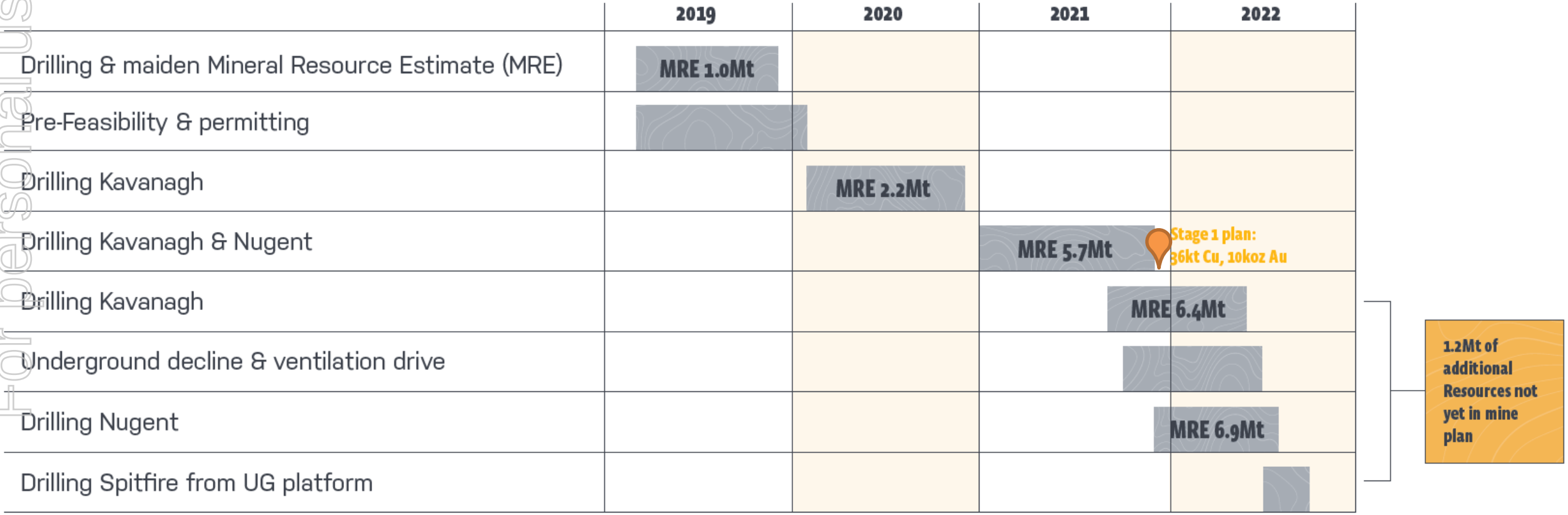
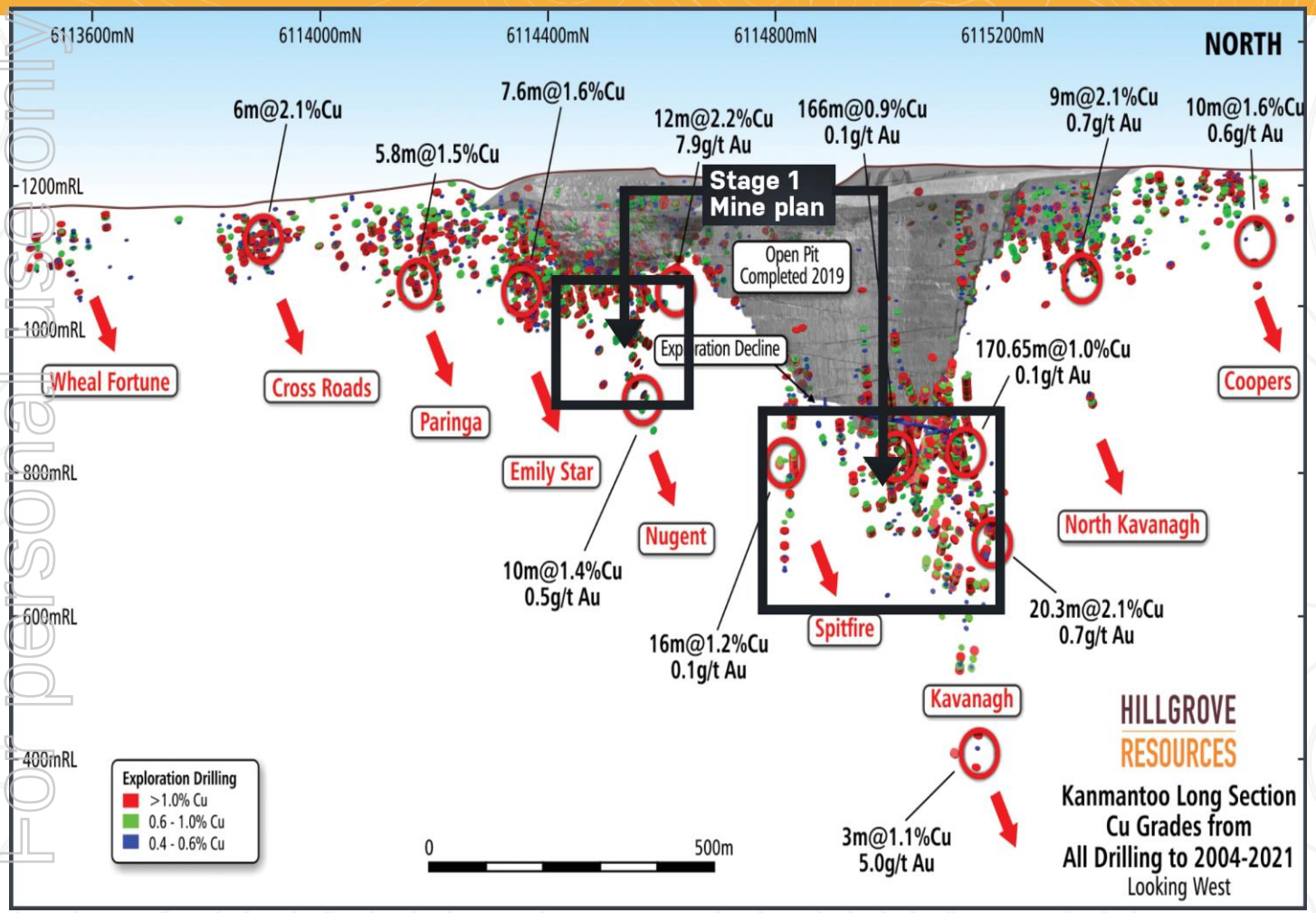
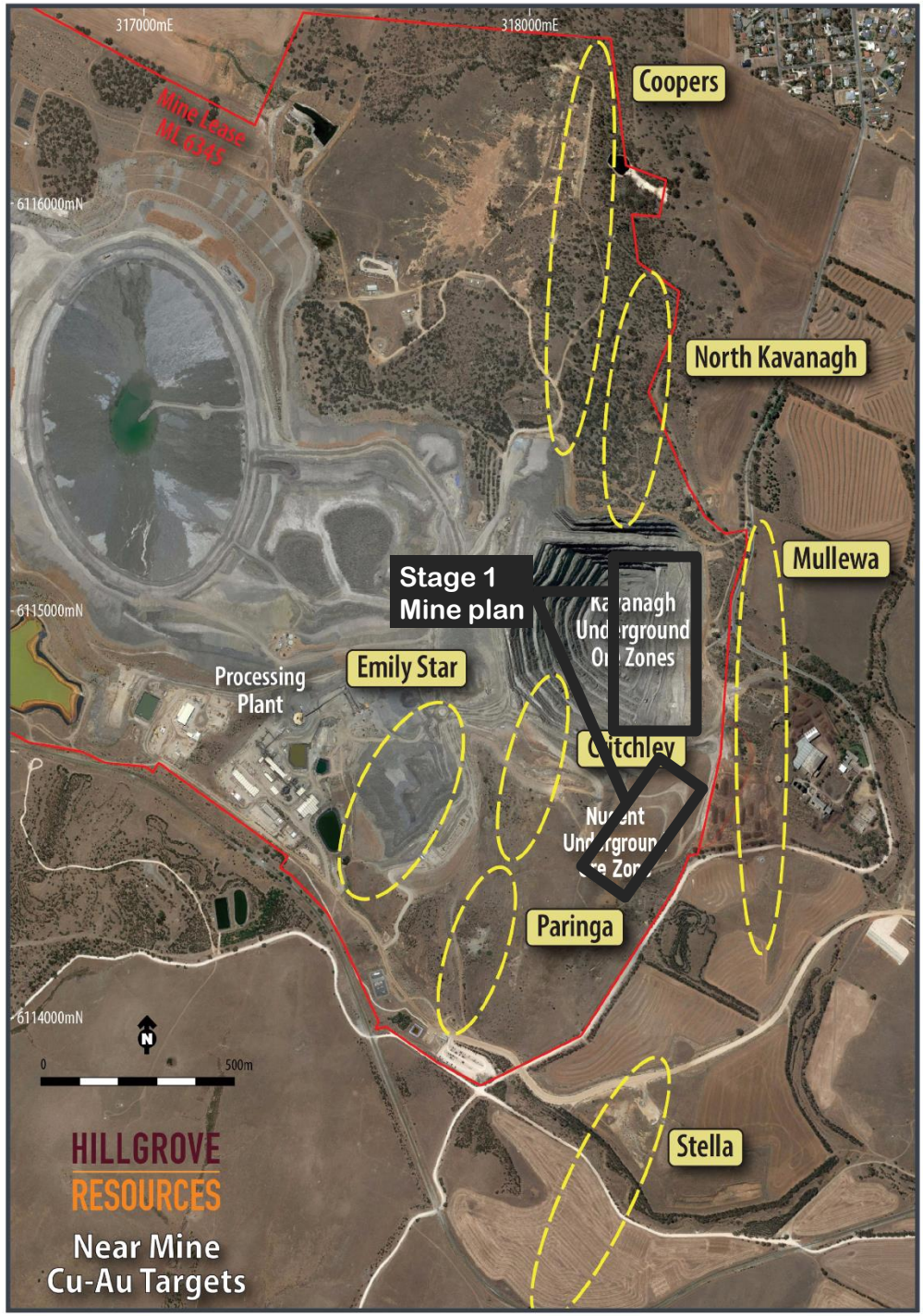
- ✓ 143 Cu-Au intersections of economic grade and width from only 122 holes: **over 100%!**
- ✓ Mine plan does not include 1.2Mt added to MRE and recent Spitfire results
- ✓ Every drill program has increased MRE



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

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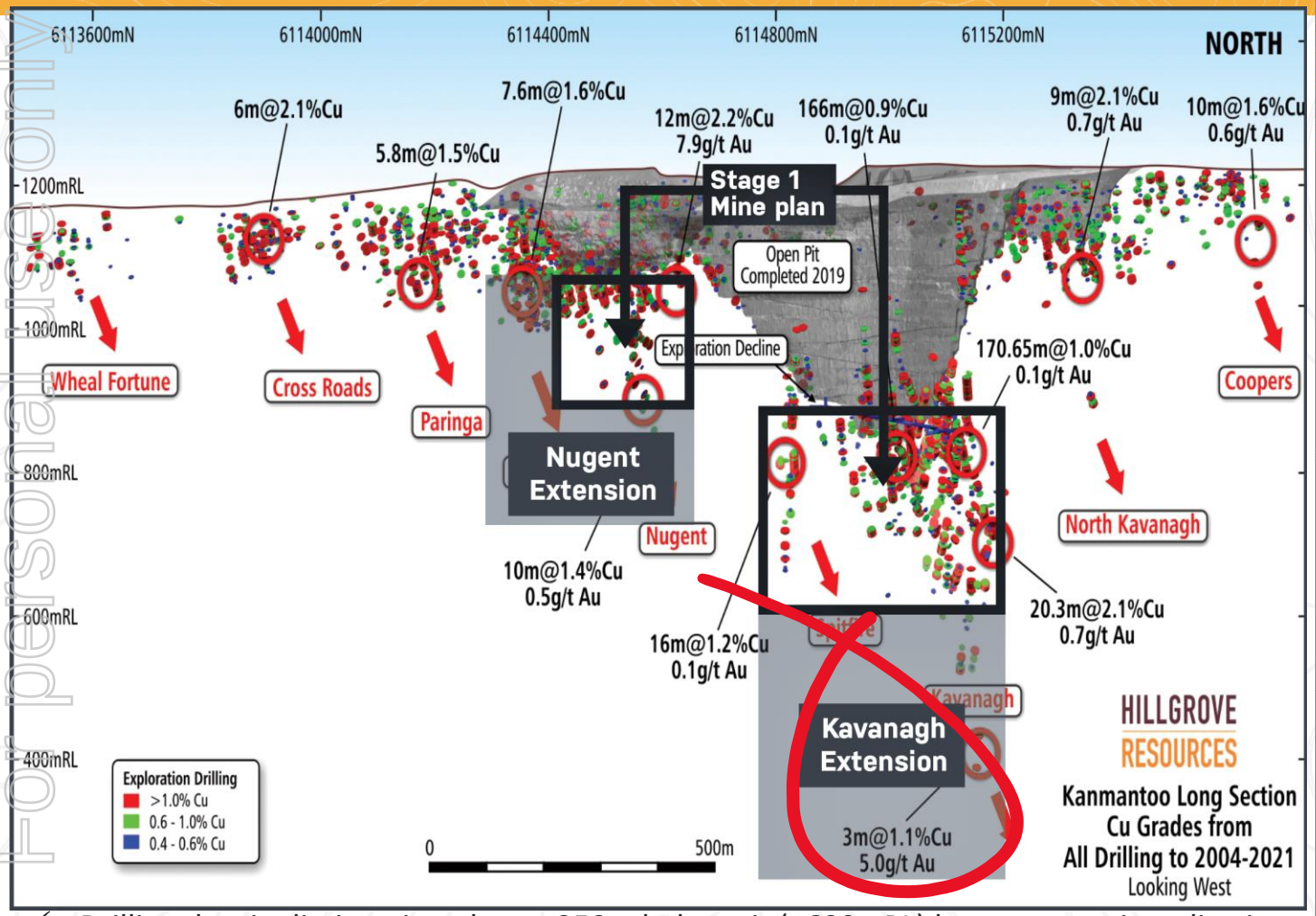

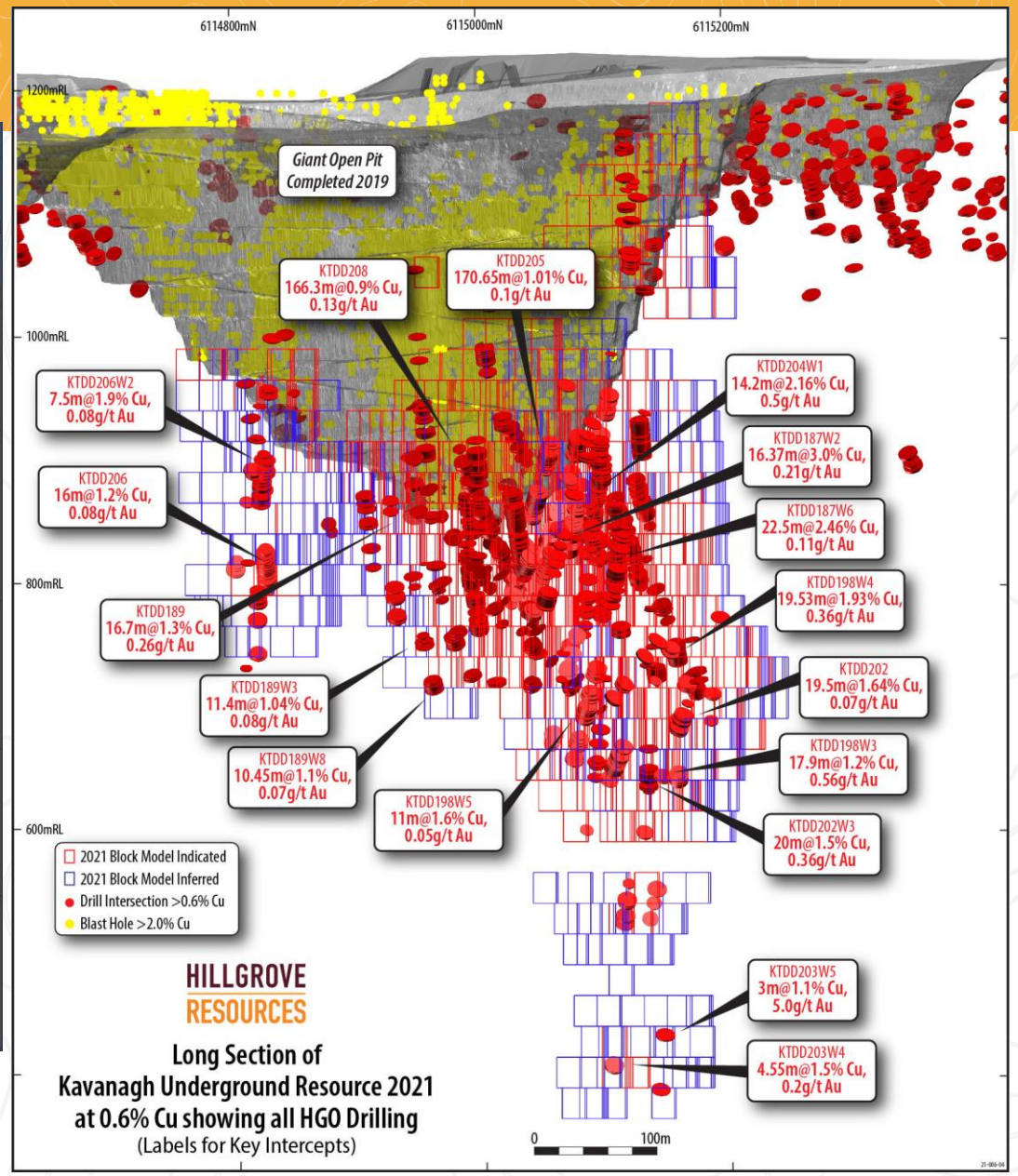

- ✓ Drilling density limits mine plan to 250m below pit (~600mRL) but copper mineralisation has been confirmed at 500m below pit and still open.
- ✓ 2021/22 drilling increased Kavanagh MRE by 7kt Cu metal which is *not* in current economic assessment. When included, it is expected to increase mine plan.

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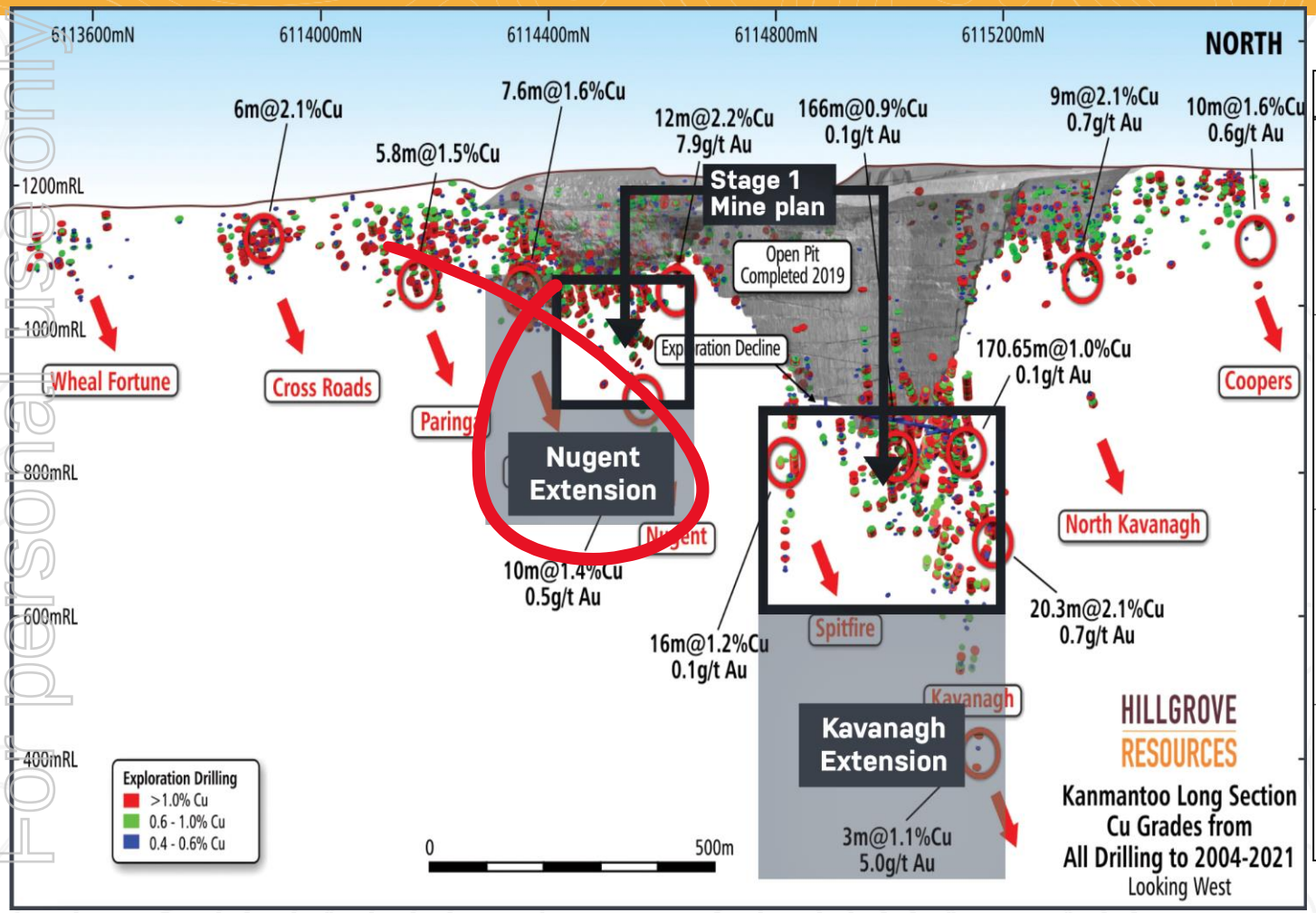

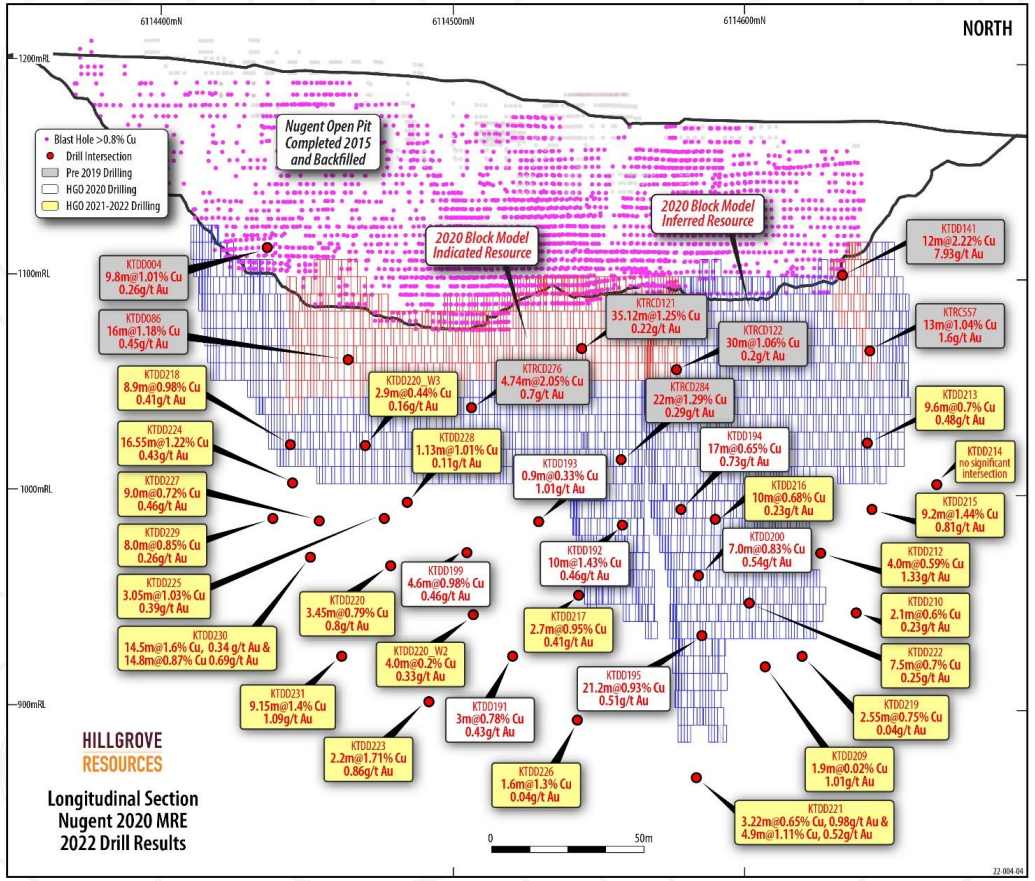

- ✓ 2021/22 drilling increased Nugent MRE by 6kt Cu metal which is *not* in current economic assessment. When included, it is expected to increase mine plan.
- ✓ Nugent remains open at depth and along strike.

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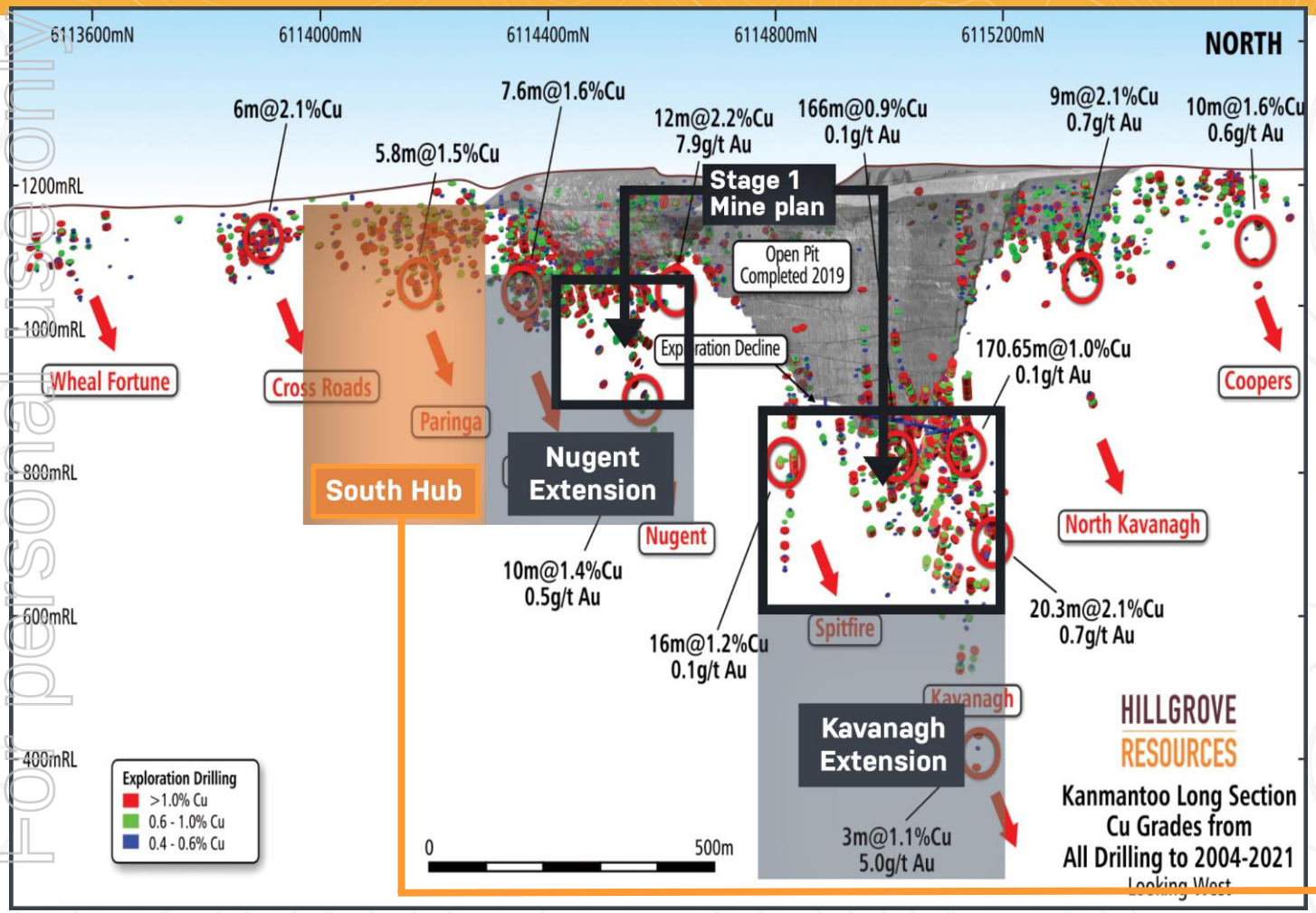

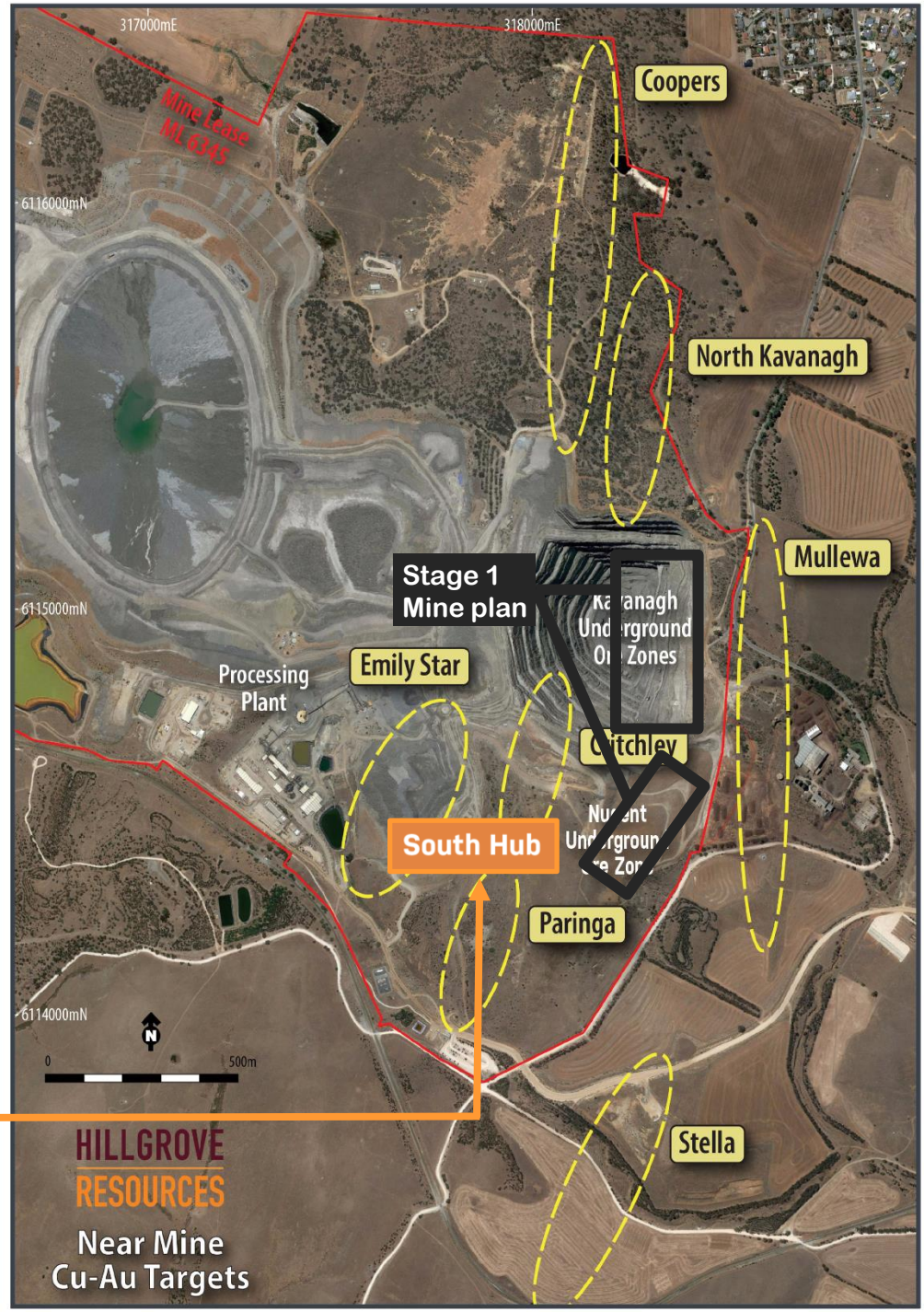

South Hub: Critchley, Paringa & Emily Star

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

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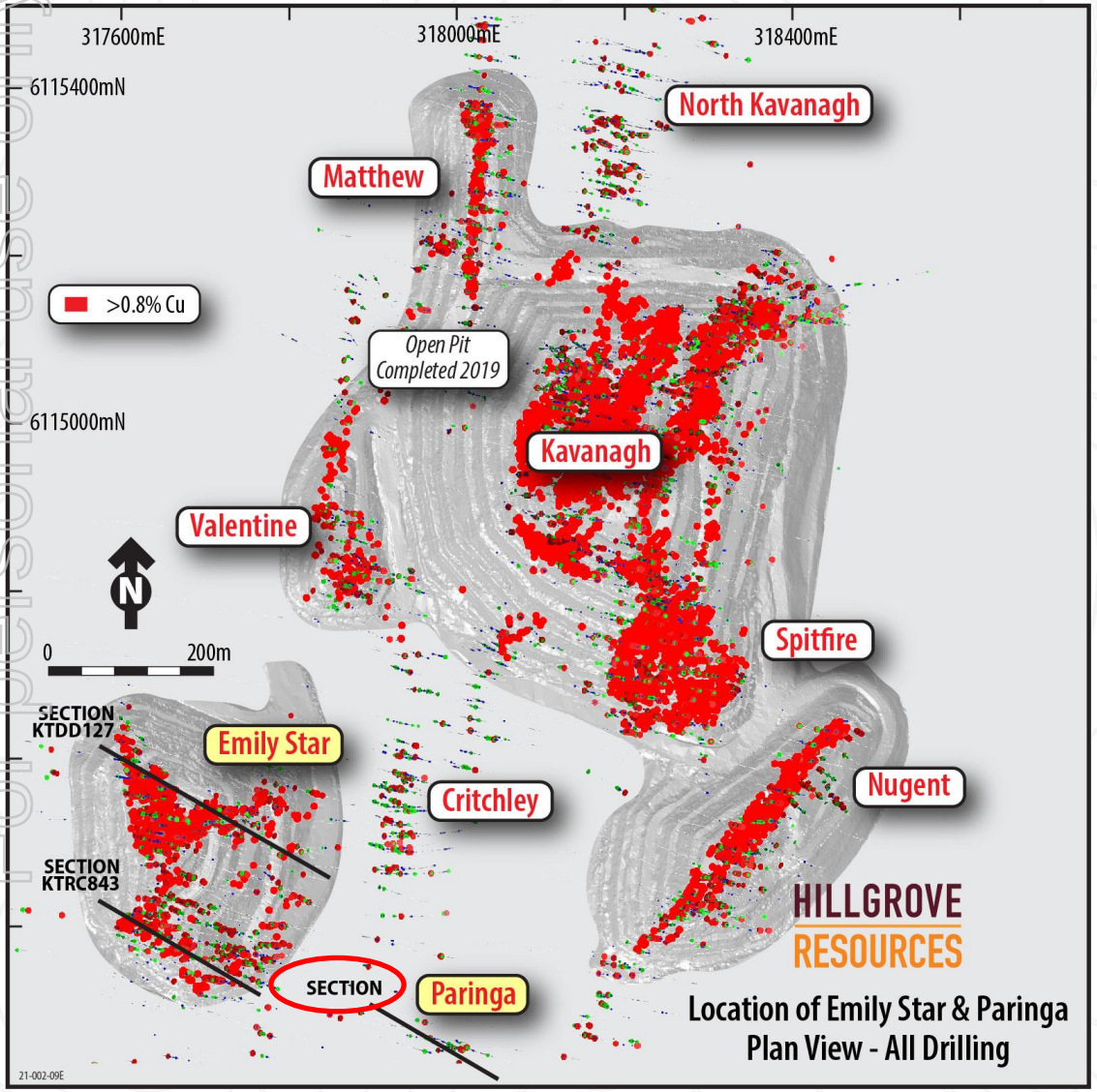
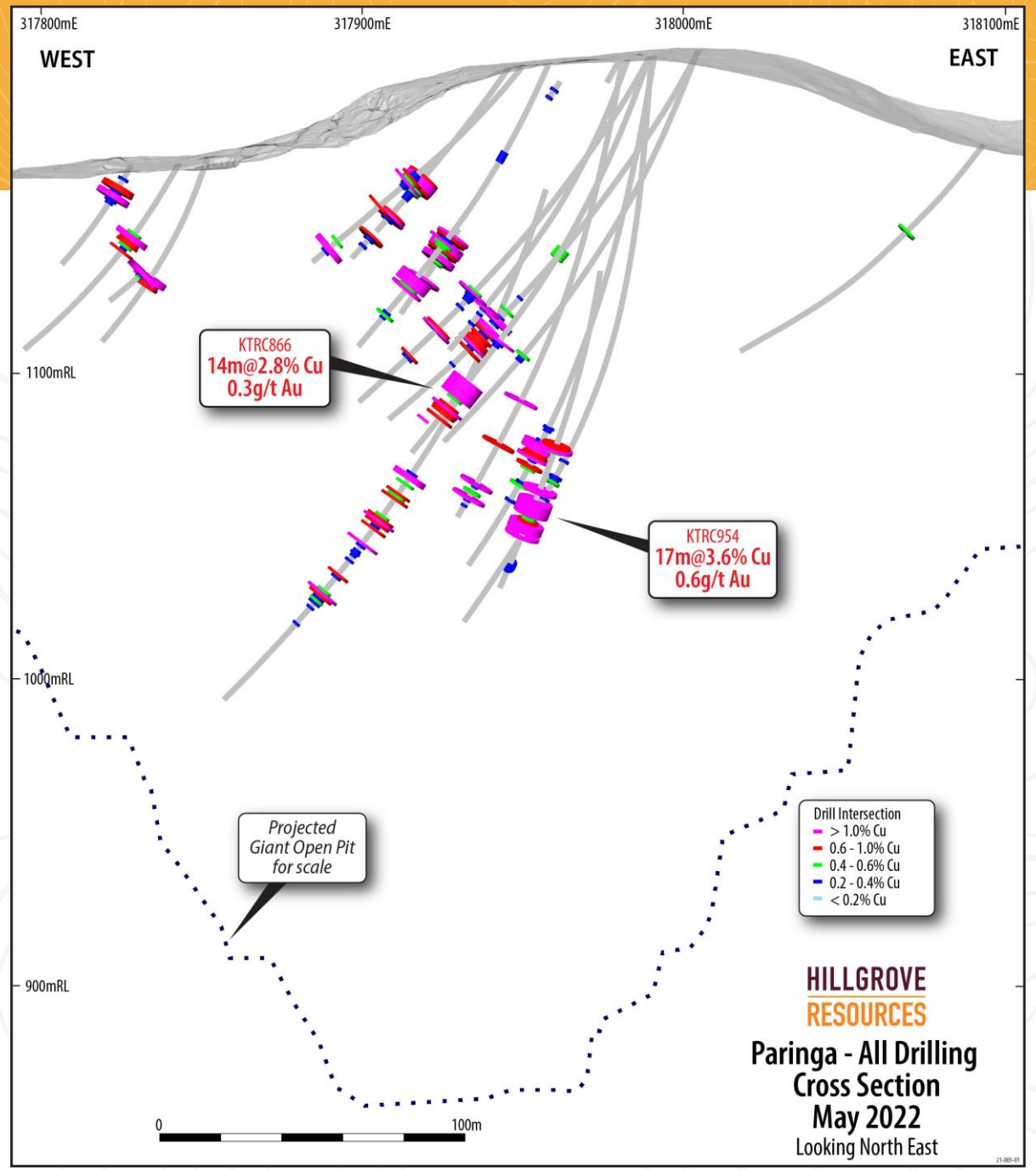
SOUTH HUB





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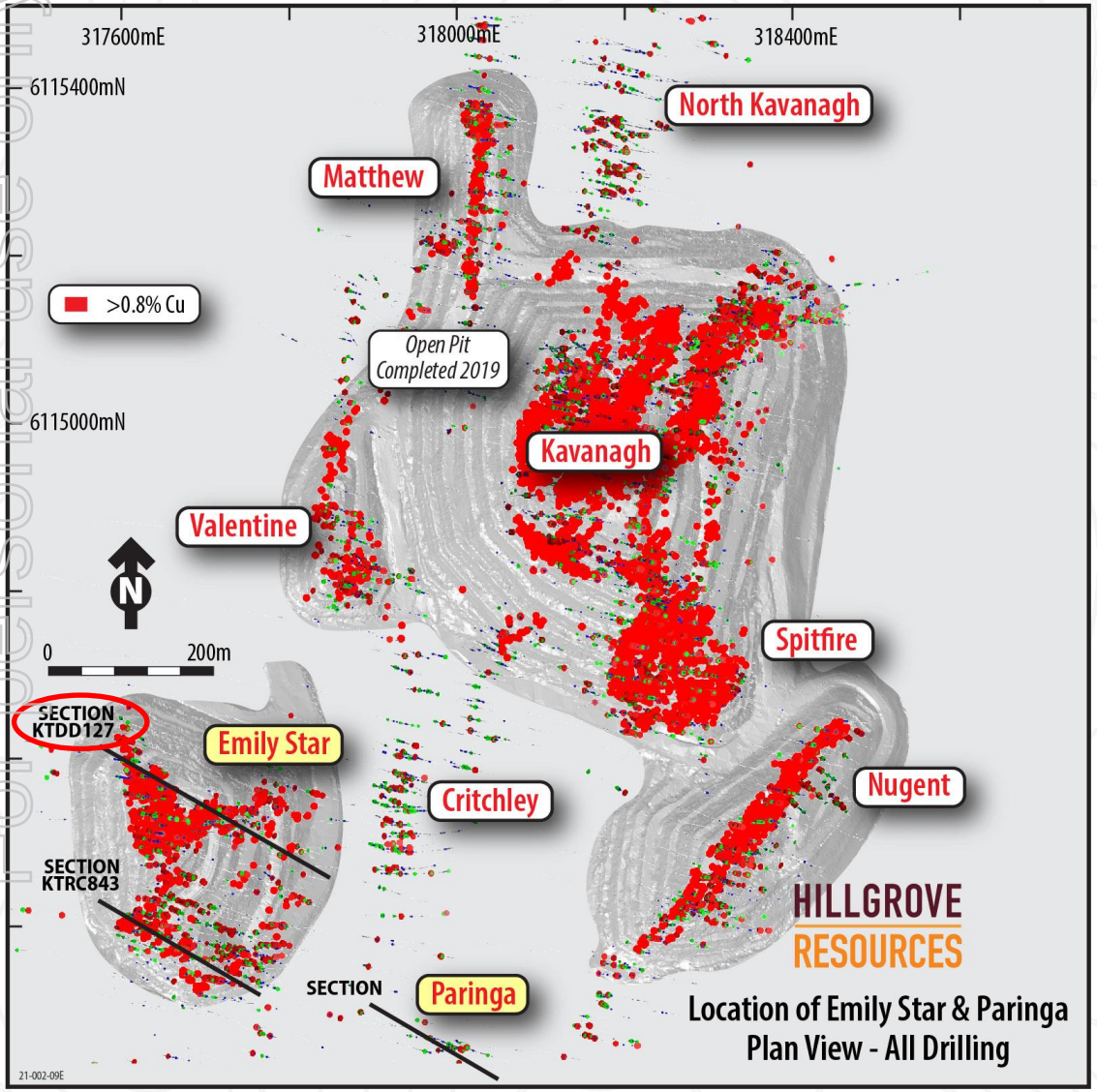

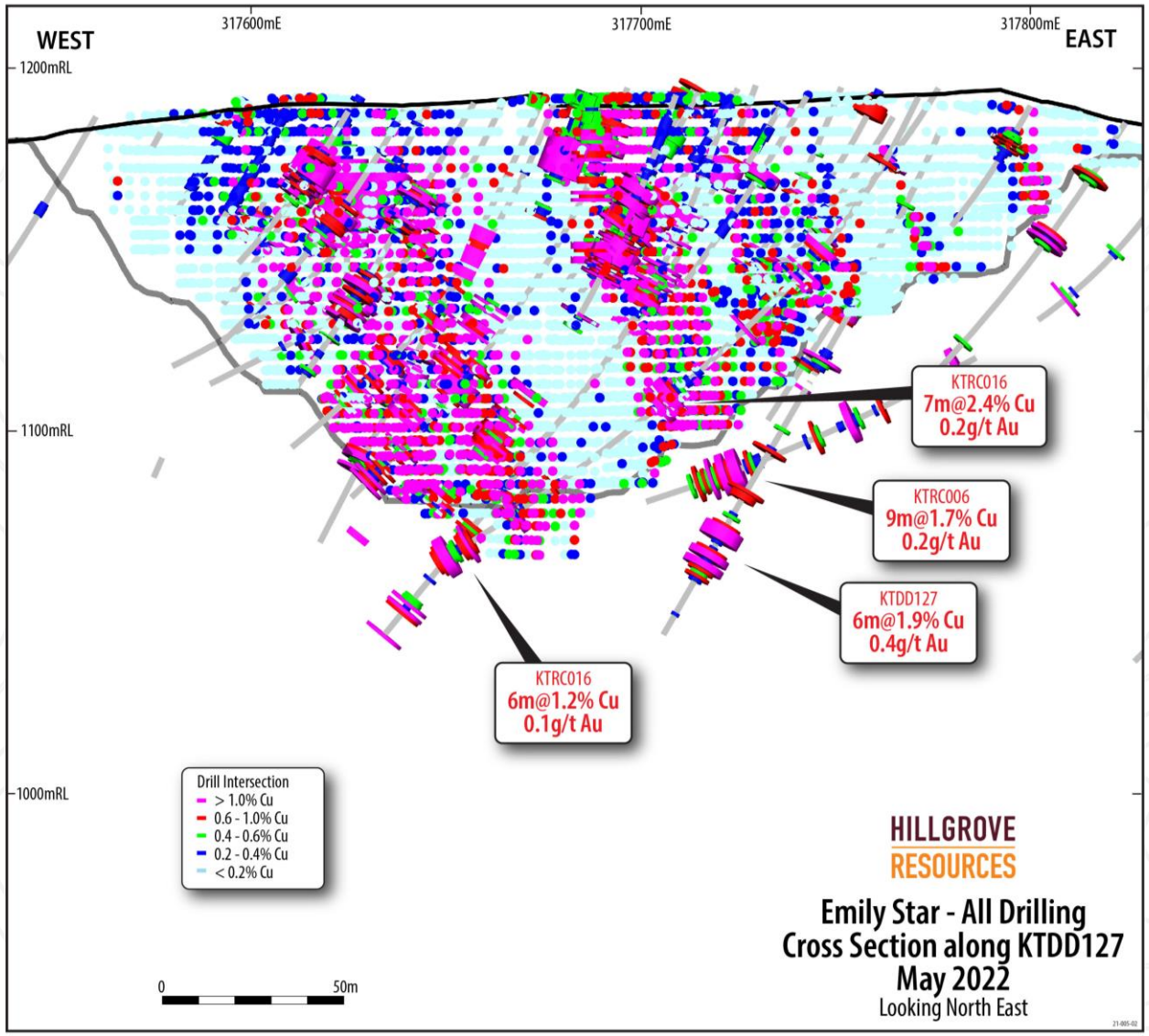

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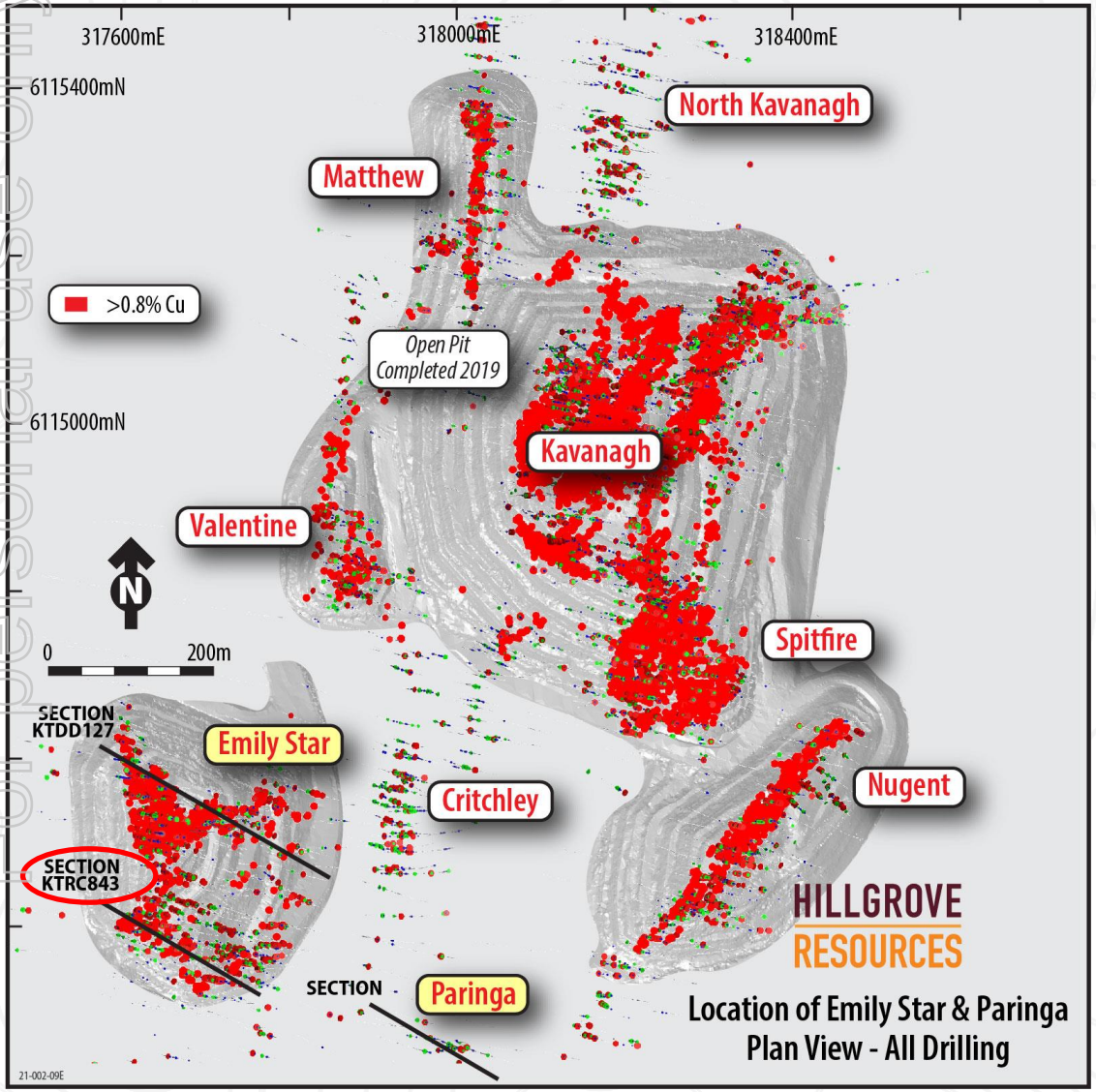

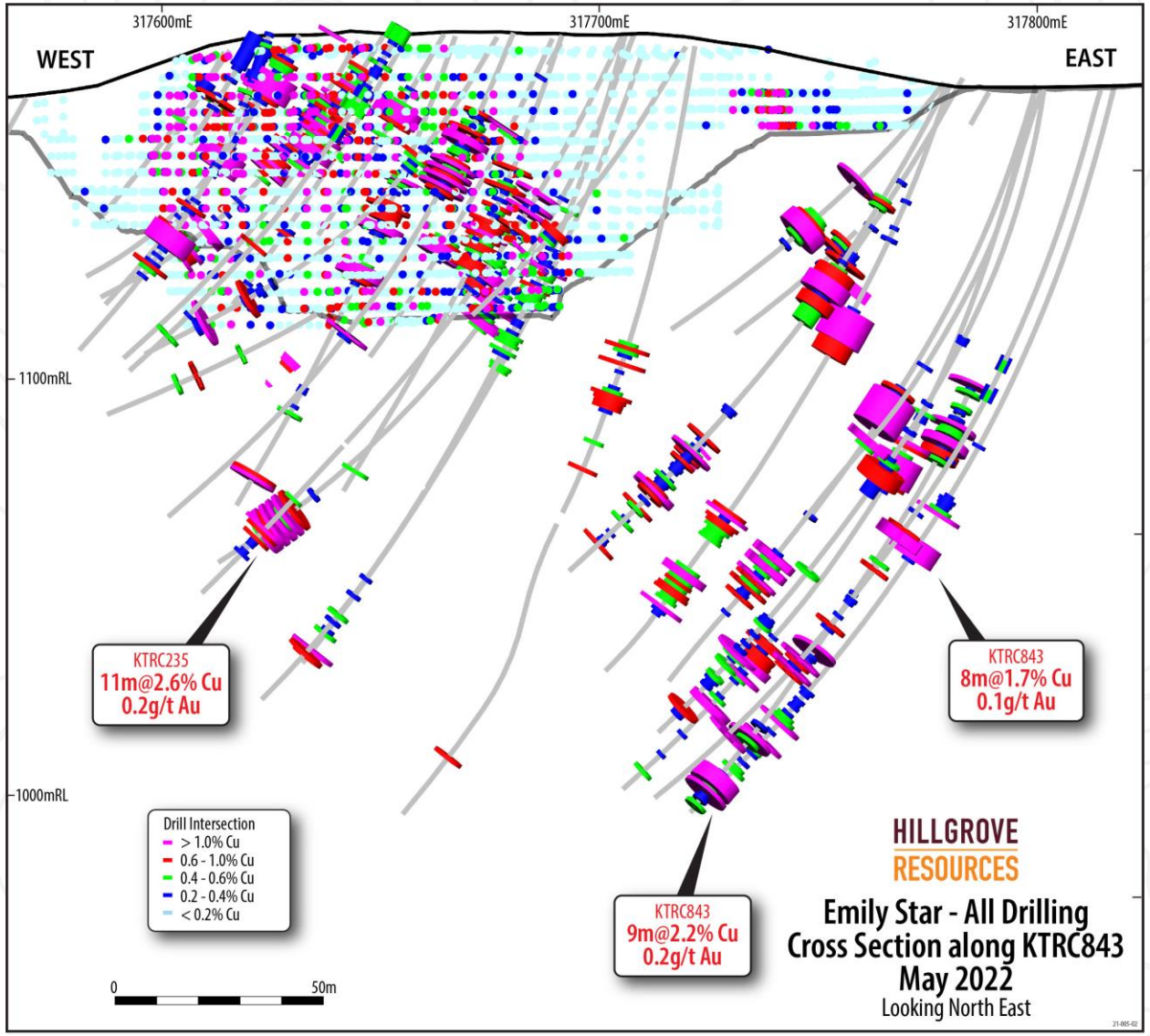

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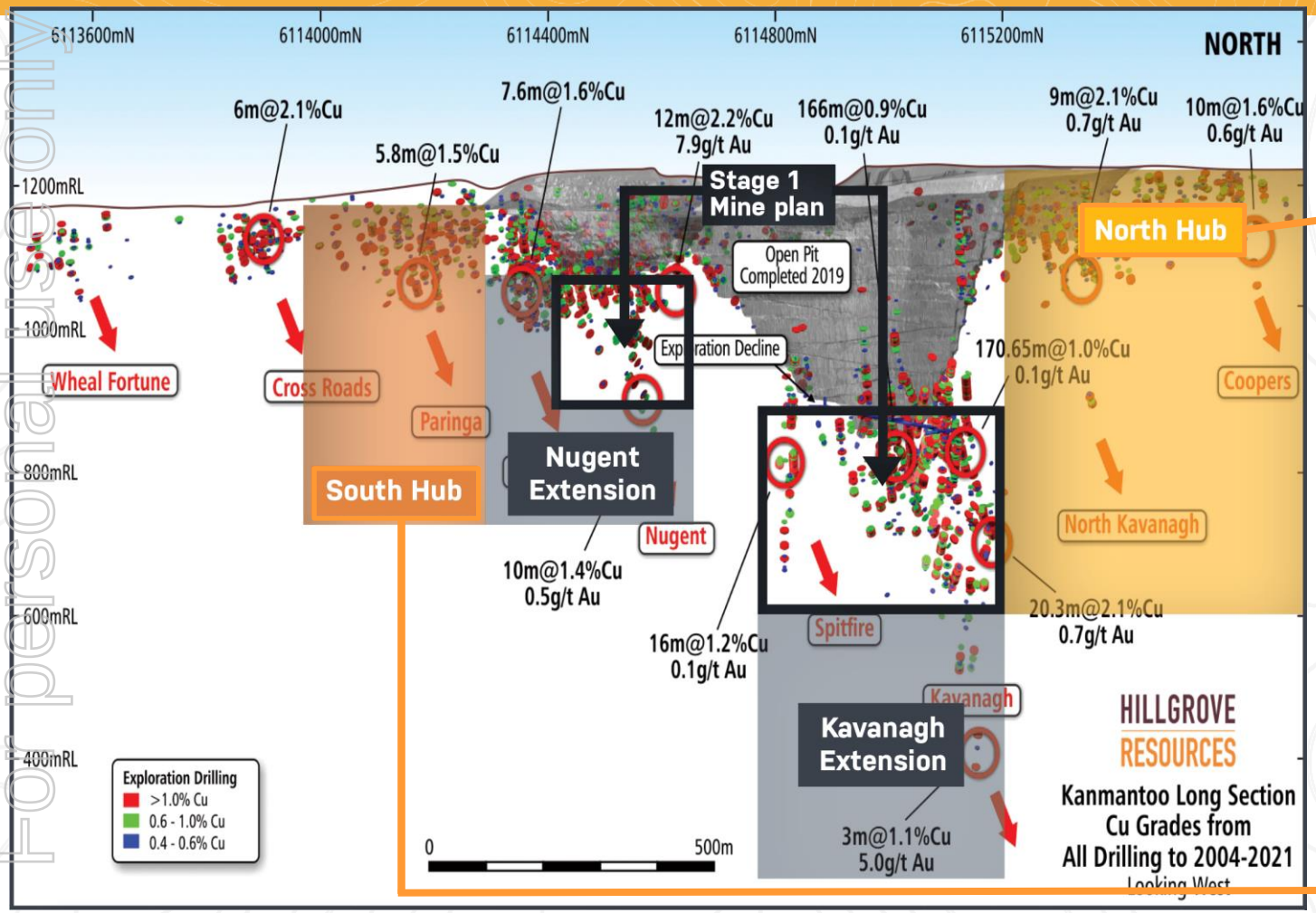

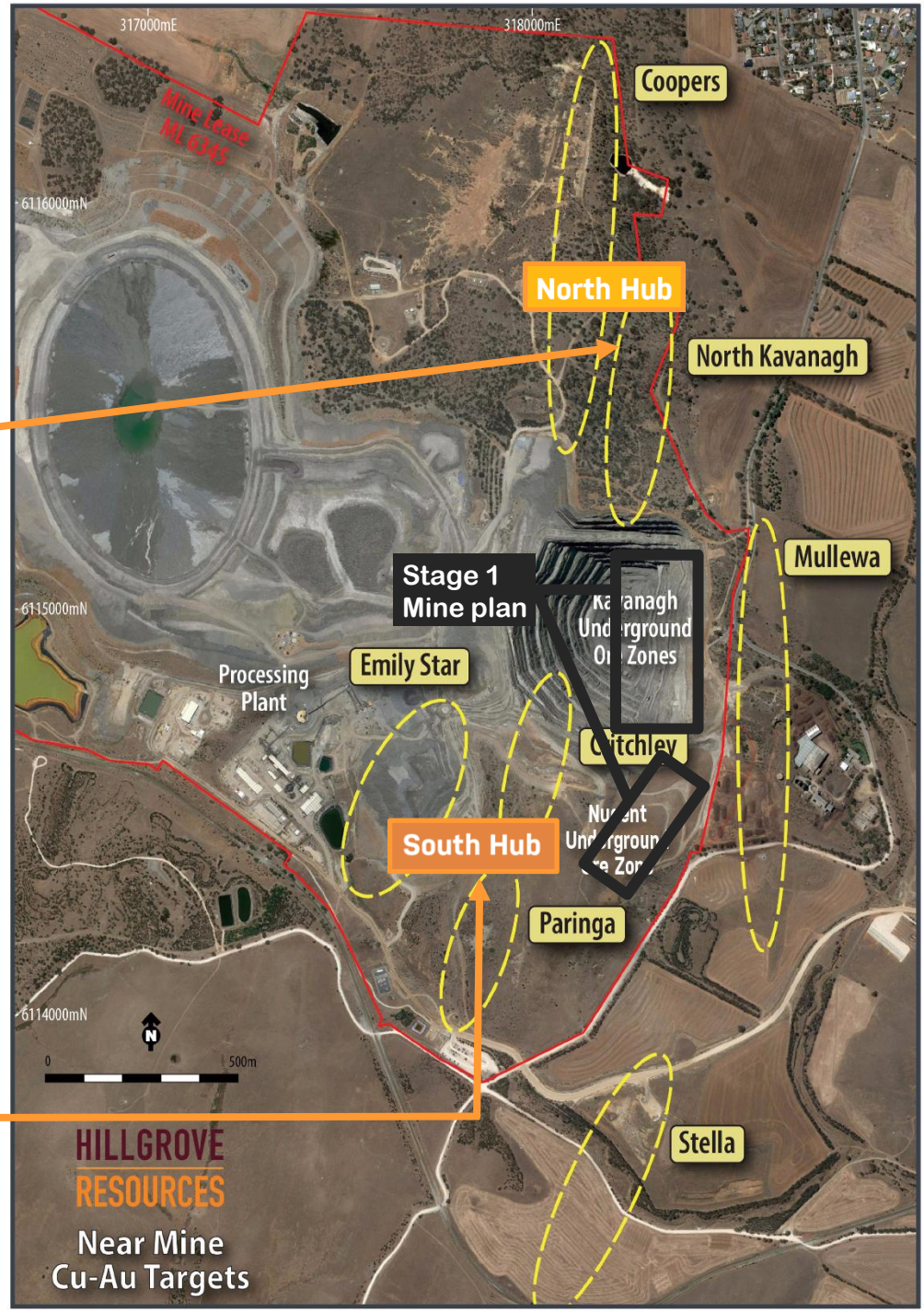

North Hub: North Kav & Coopers

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

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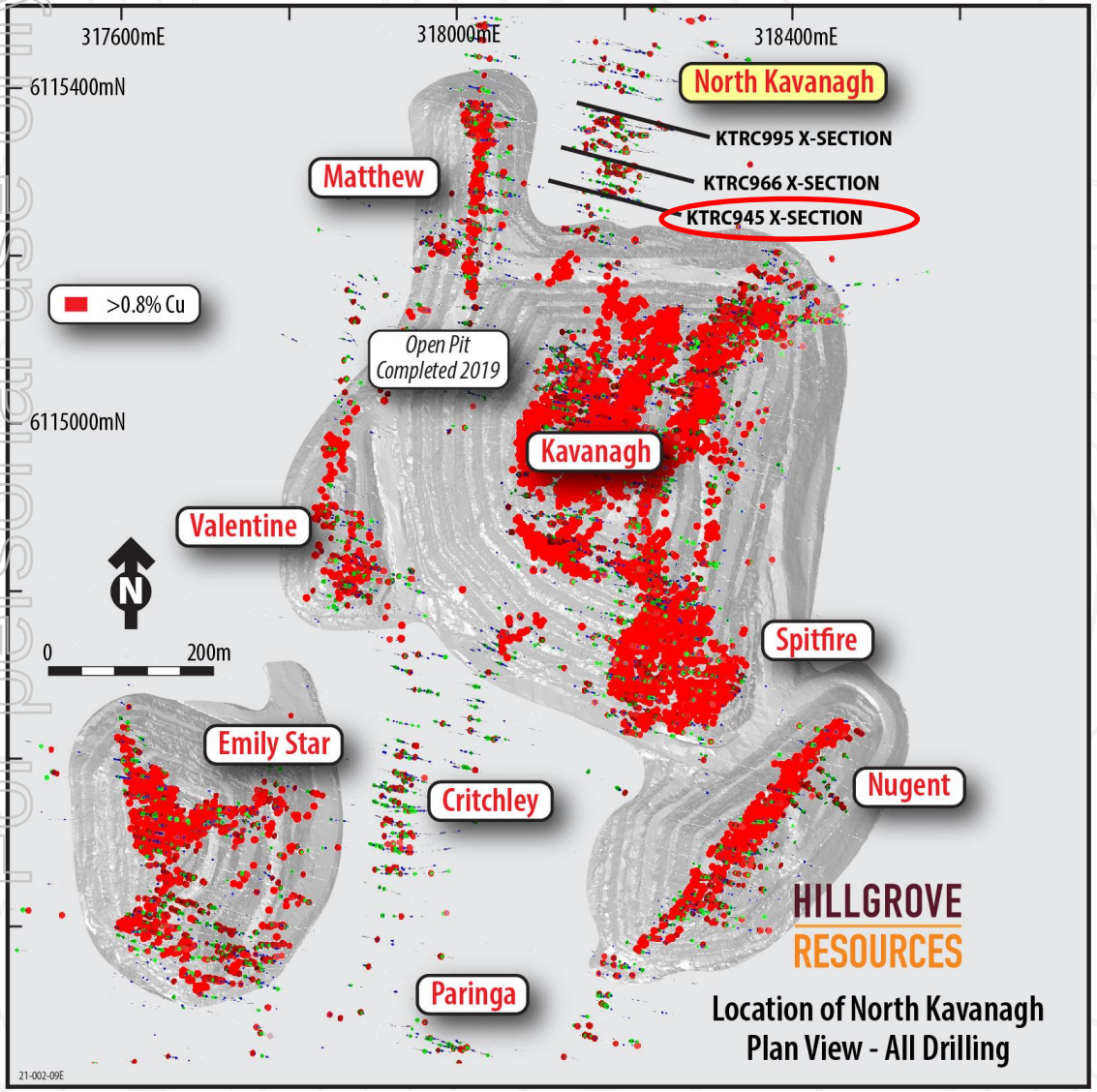
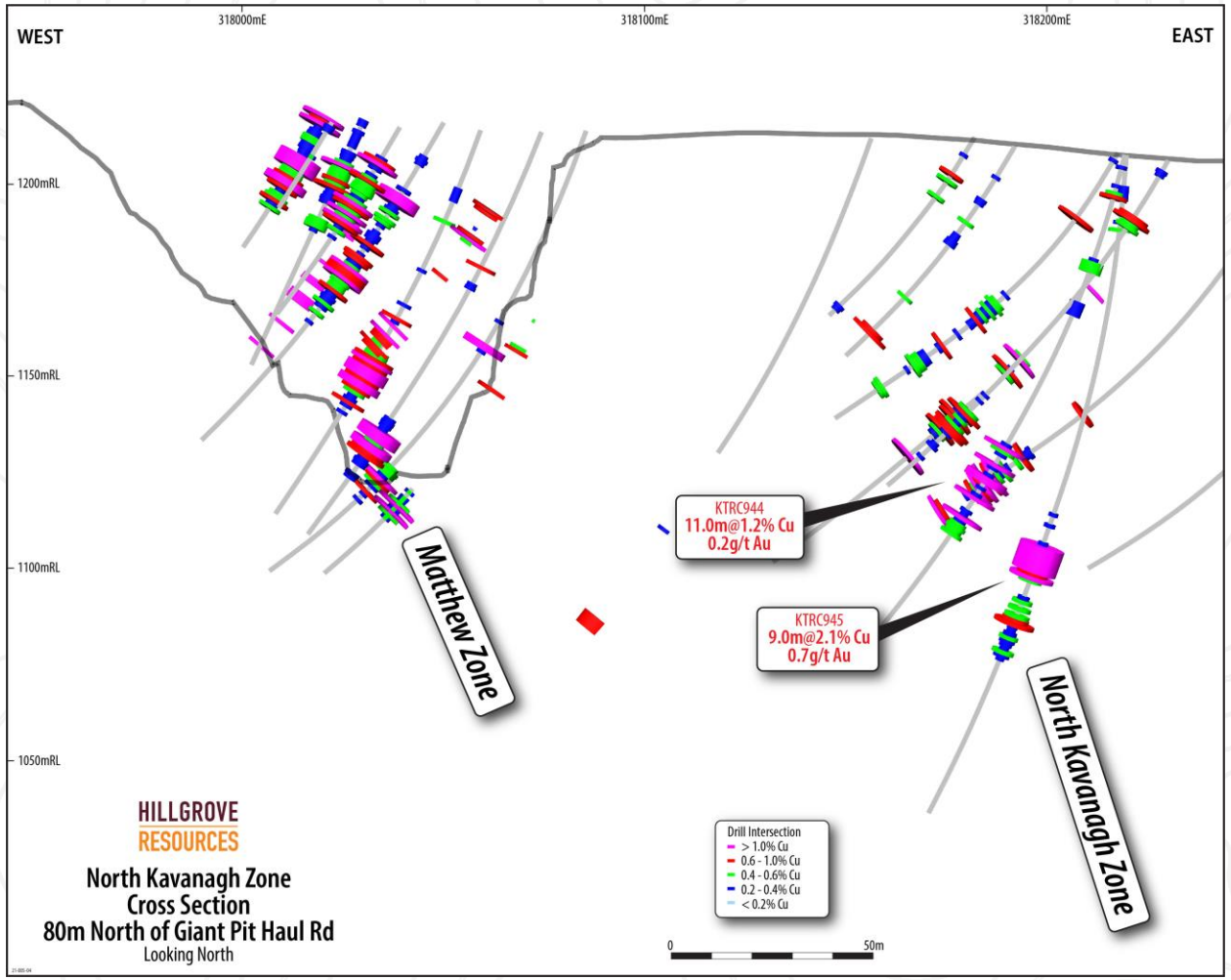
NORTH HUB

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





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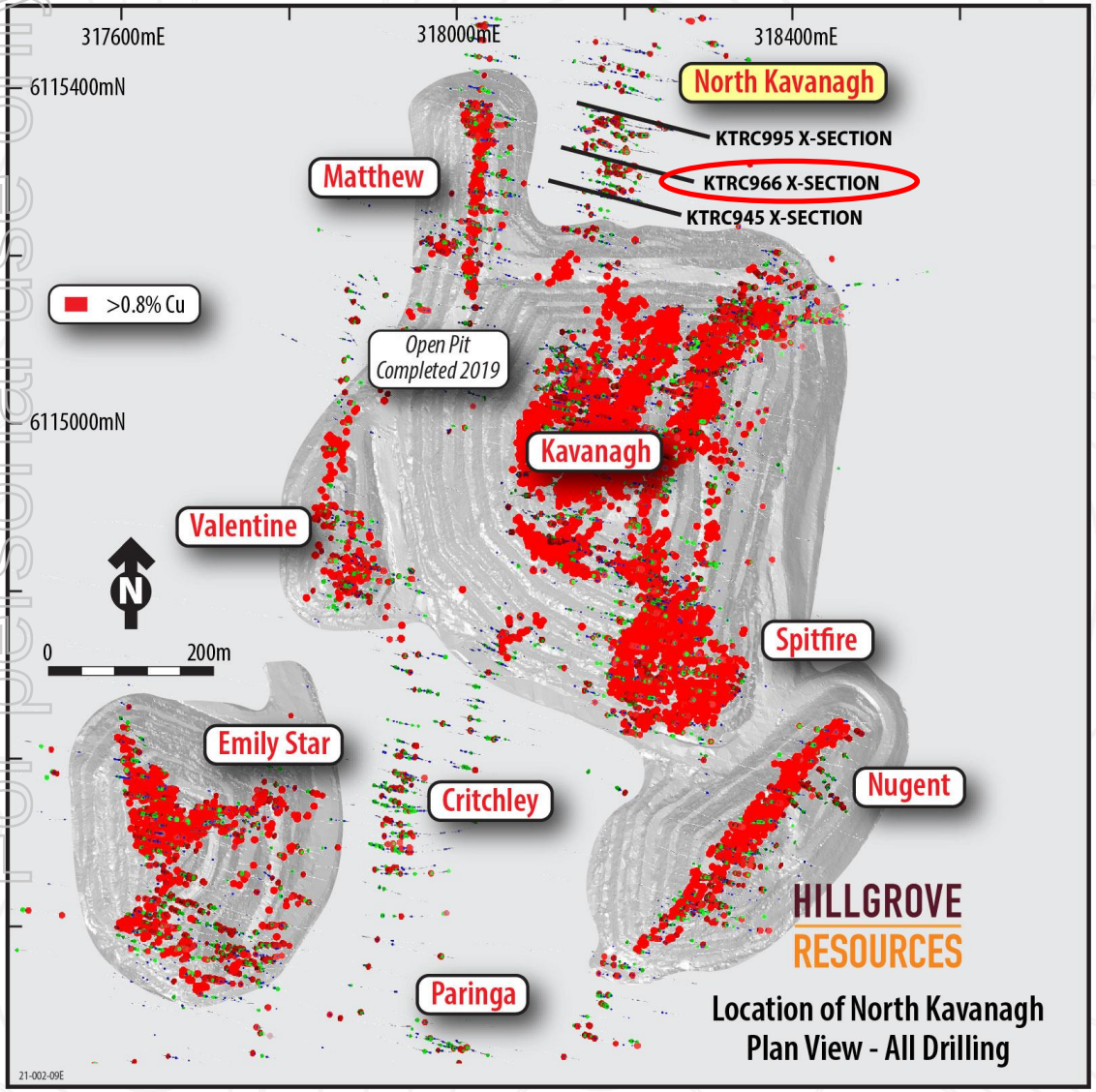
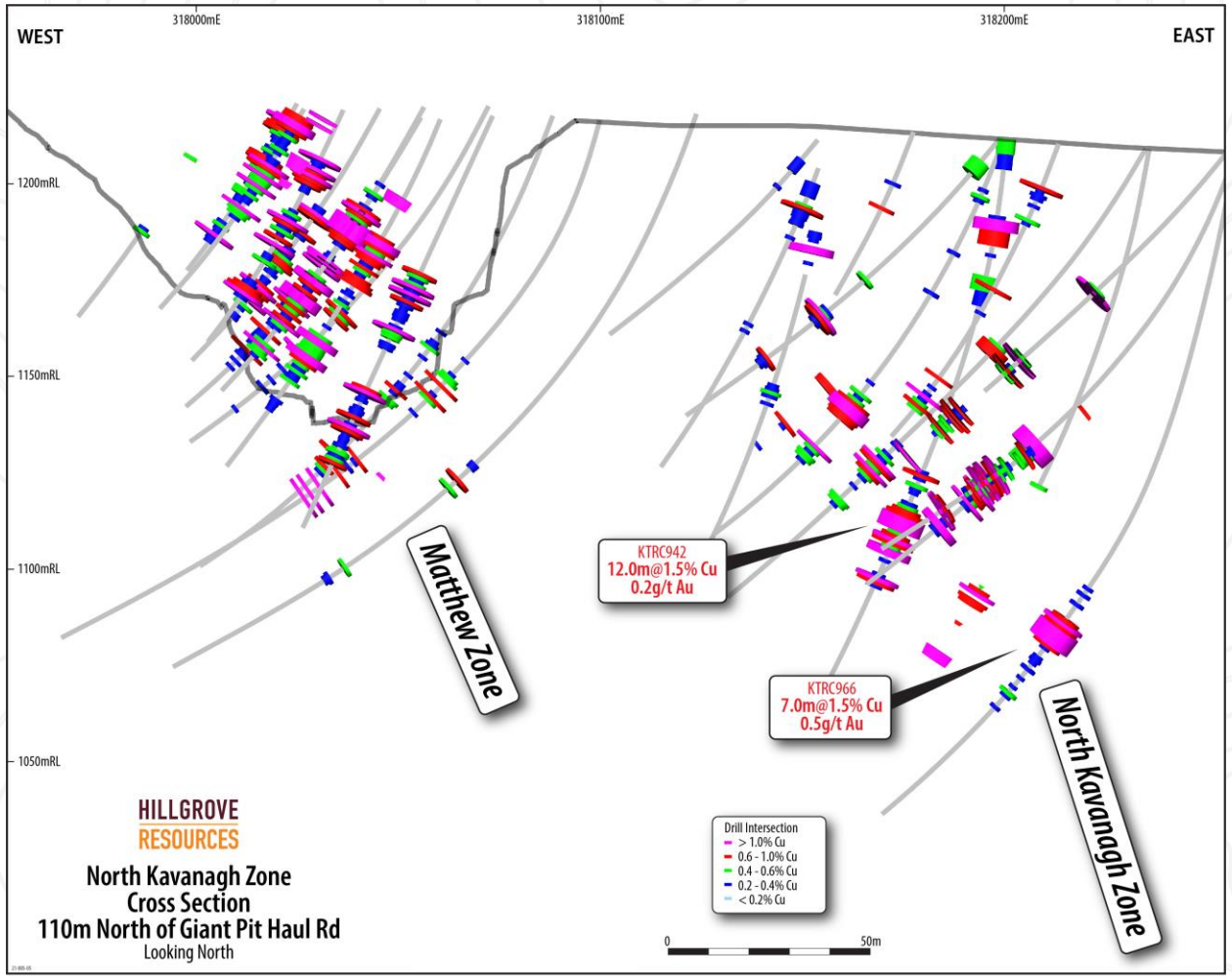
NORTH HUB





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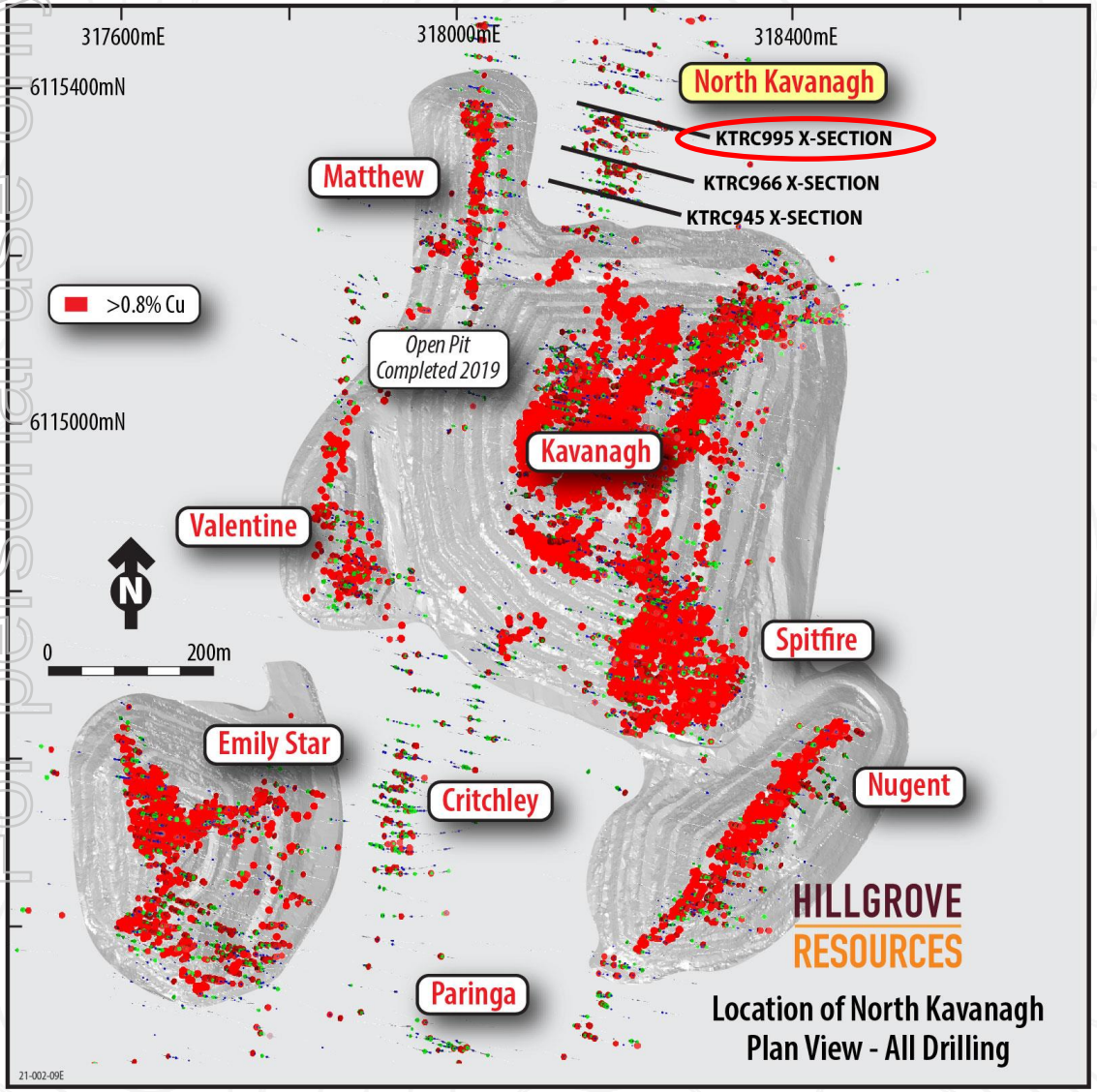
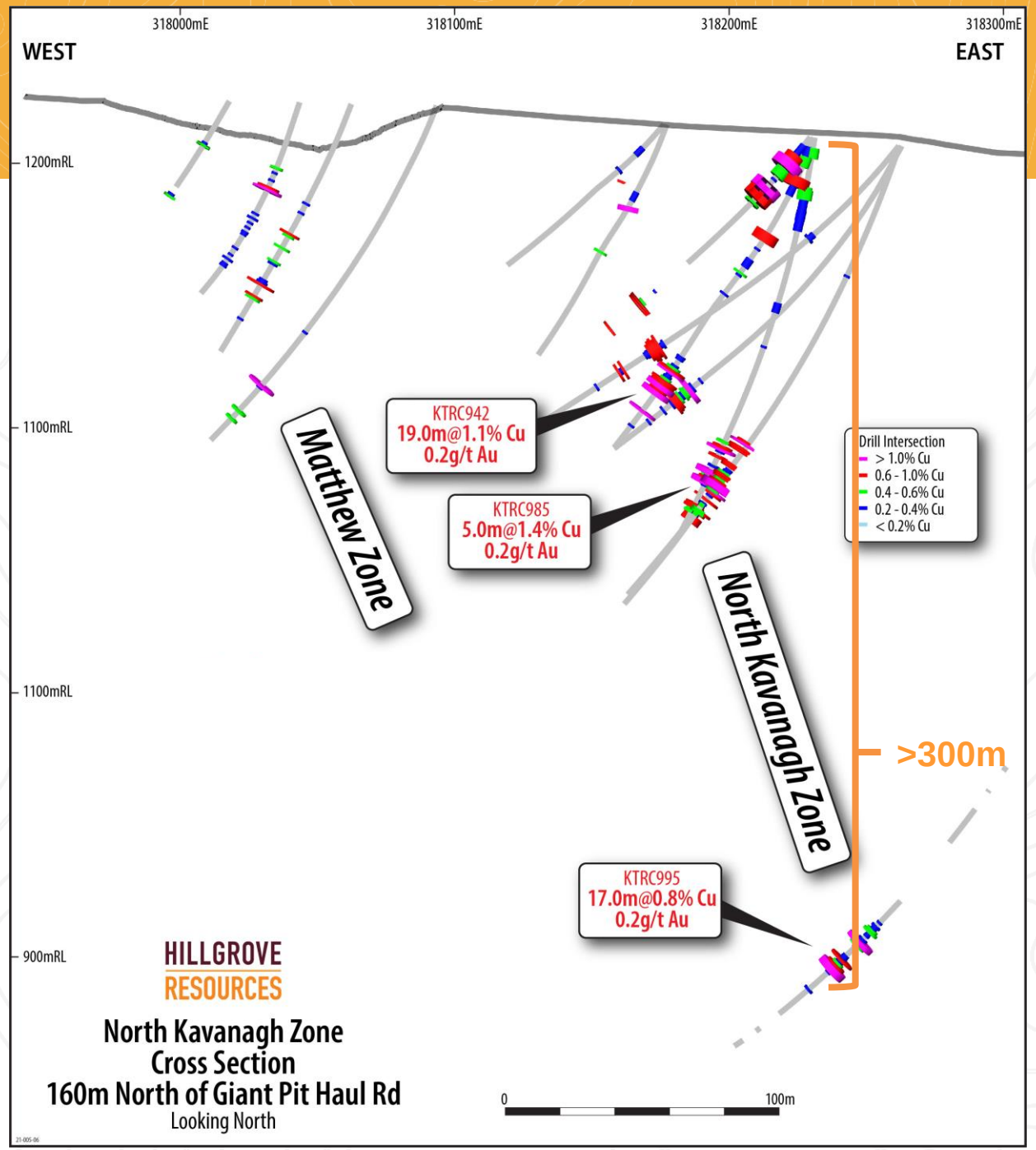
NORTH HUB

North Kavanagh lode extends from surface to >300m depth





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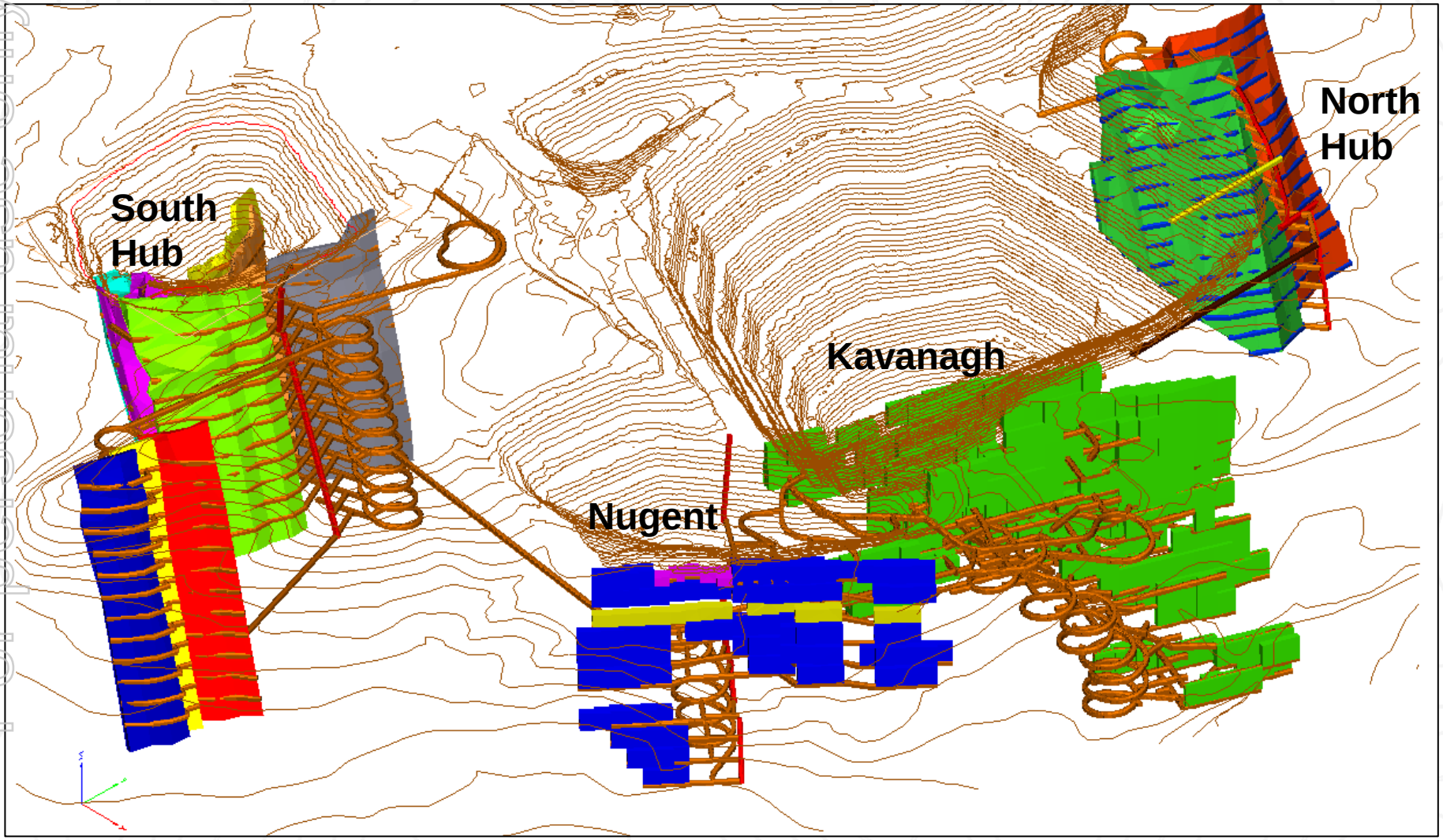

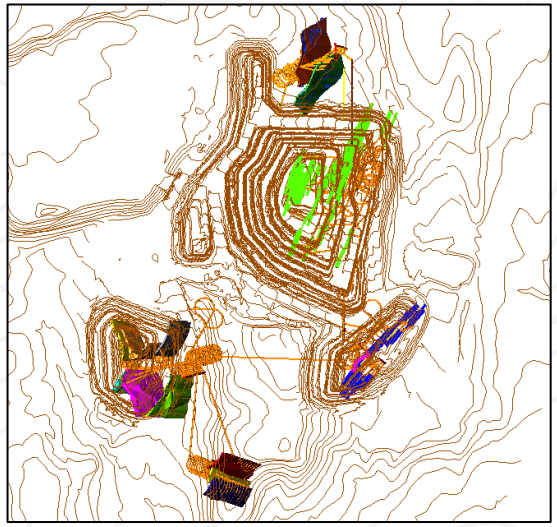

- ✓ Conceptual designs indicate North Hub and South Hub can be added to the plan for low incremental cost (pending successful confirmatory drilling)
- ✓ Mill only 40% utilised and plenty of TSF capacity, so additional throughput requires no further processing capex

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NEWS FLOW

HILLGROVE RESOURCES

- DRILLING RESULTS – NORTH & SOUTH HUB
- UPDATED MINE PLAN & ECONOMICS
- CONCLUDE FUNDING
- FID – COMMENCING UNDERGROUND
- RESOURCE UPDATES – NORTH HUB & SOUTH HUB

Strong news flow over next 6 months as we transition from explorer to developer

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OPPORTUNITY RE-CAP

HILLGROVE RESOURCES

- FULLY PERMITTED, LOW COST, LOW RISK, NEAR TERM COPPER PRODUCTION OPPORTUNITY
- STAGE 1 ALREADY HAS STRONG FINANCIALS WITH SHORT PAYBACK PERIOD
- HIGHLY LEVERAGED TO COPPER PRICE INCREASES AND RESOURCE GROWTH
- 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

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Appendix

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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.

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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).

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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.

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
- 11 May 2022 Updated Kavanagh Mineral Resource Estimate
- 26 Jul 2022 Updated Nugent Mineral Resource Estimate
- 8 Aug 2022 Spitfire Drilling Results
- 31 Jan 2023 Activity Report for Quarter End 31 December 2022

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