For personal use only

ASX RELEASE

HILLGROVE RESOURCES

13th February 2025

2025 KANMANTOO EXPLORATION TARGET UPDATE

Hillgrove Resources Limited ('Hillgrove', 'the Company') (ASX:HGO) is pleased to provide the following Exploration Target update at its Kanmantoo Mine and near surrounds located at Kanmantoo, 55 kilometres southeast of Adelaide in South Australia.

KEY POINTS

- High potential Explorational Targets identified (see Table 1) with excellent potential for down dip extensions to mineralisation and the discovery of new lodes which can be added to the mine plan:
  - Four targets down dip of the 2024 Mineral Resource
  - Five untested targets for underground potential including three with surface expression
- All targets are within 500 metres of the Kanmantoo processing plant
- Over 19,000 metres of diamond drilling is planned from Kanmantoo Underground testing Exploration Targets
- Third underground diamond drill rig to be mobilised during Quarter 2

Commenting on the new Exploration Targets, Hillgrove CEO and Managing Director, Bob Fulker said:

> *"Following the successful near doubling of contained copper and 138% increase in contained gold in the September 2024 Kanmantoo Mineral Resource Estimate, the team have identified and prioritised the next drilling targets at Kanmantoo from the numerous Exploration Targets available. Our new suite of Exploration Targets focus on down dip extensions to known open pit mined resources and near mine discovery opportunities at Stella and South Kanmantoo."*

Updated Exploration Target

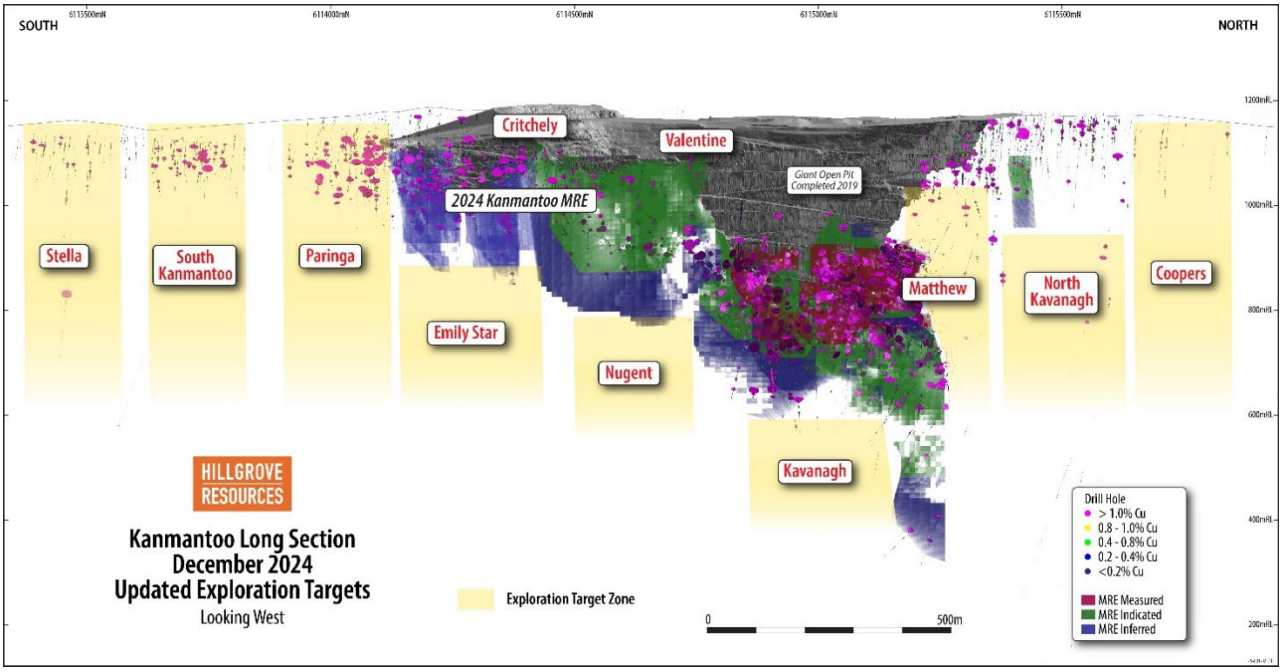

Figure 1: Longitudinal section of Exploration Target zone locations

Hillgrove has approximated an Exploration Target for the Kanmantoo area of between **25 to 40 million tonnes with a target grade of 0.7% to 1.4% copper and 0.05 g/t to 0.5 g/t gold** (see Table 1) based on exploration drilling results, relevant operational experience and geological knowledge of the deposit. The grade range estimates are in line with the parameters used to generate the domain models for the 2024 Mineral Resource Estimate. The Exploration Target herein replaces the Company's previous Exploration Target releases and excludes the 2024 Mineral Resource Estimate (MRE) at Kavanagh, Nugent, Emily Star and North Kavanagh[1]. The Exploration Target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve estimate.

Included in this release is an approximation of the Exploration Target at Stella and South Kanmantoo. Mineralisation has been affirmed at both targets by Hillgrove's exploration drilling. See ASX releases titled 'New Gold Discovery Confirmed at Stella' dated 26 August 2021 and 'Kanmantoo Brownfields Exploration Drilling Results' dated 2 June 2010 for drilling results. Both targets are located on an Exploration Licence (EL 6526) held 100% by Hillgrove and within 500 metres of the Kanmantoo processing plant.

Kanmantoo Region Exploration Target			
Deposit	Tonnage Range (Mt)	Grade Range (Cu%)	Grade Range (Aug/t)
Targets Below 2024 Mineral Resource			
Kavanagh	4.5-7.0	0.7-1.4	0.05-0.2
Nugent	2.8-3.4	0.7-1.3	0.3-0.5
Emily Star	3.3-5.0	0.7-1.1	0.05-0.2
North Kavanagh	1.9-2.8	0.7-1.1	0.1-0.3
Targets with No Adjacent Resource Estimate			
Matthew	3.1-4.7	0.7-1.1	0.1-0.3
Valentines	1.9-2.8	0.7-1.2	0.05-0.2
Paringa	1.2-1.9	0.7-1.0	0.05-0.2
Critchley	1.2-1.9	0.7-1.1	0.05-0.2
Coopers	1.0-2.0	0.7-1.2	0.1-0.3
Targets within 500m of Processing Plant (on EL 6526)			
South Kanmantoo (EL 6526)	2.0-4.0	0.7-1.2	0.1-0.3
Stella (EL 6526)	2.0-4.0	0.7-1.2	0.1-0.3
Total	**25.0-40.0**	**0.7-1.4**	**0.05-0.5**

Table 1: Summary of the Kanmantoo Exploration Target by Lode[2]

[1+1] See ASX release titled 'Maiden Kanmantoo Underground Ore Reserve And 96% Increase In Copper Mineral Resource Endowment' dated 18 October 2024 available to view at www.hillgroveresources.com.au and see Appendix A of this release for information on Kanmantoo Mineral Resource and Ore Reserve

[2] The Exploration Target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

For personal use only

For personal use only

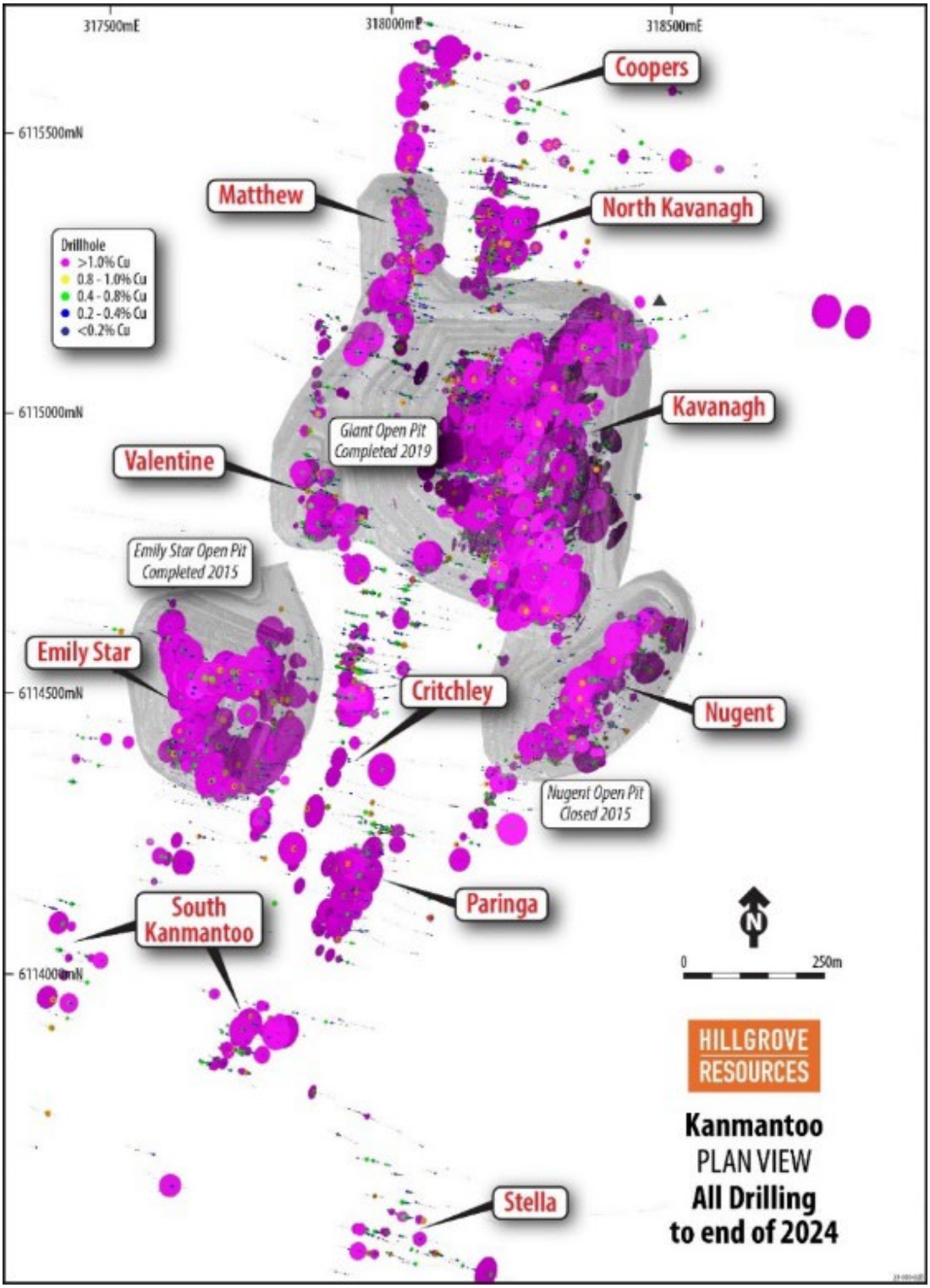

Figure 1: Plan view of location of target zones

2025 Exploration Activities

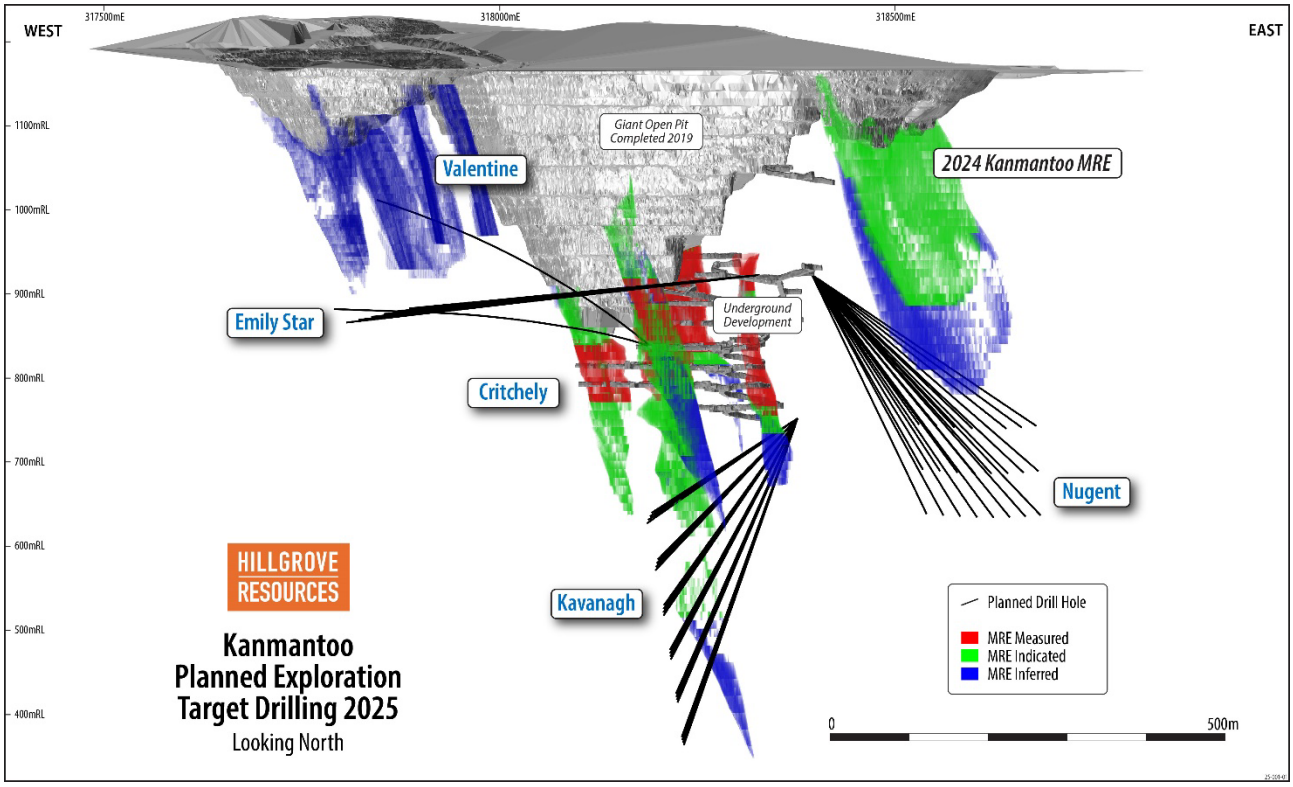

Figure 3: Planned Exploration Drill Targets 2025

The Kanmantoo orebody has excellent potential for down dip extensions to mineralisation and the discovery of new lodes, as shown in Figure 3 and demonstrated by a 96% increase in the recently reported Kanmantoo Mineral Resource[3] achieved through organic growth. In addition to this, the Geology team have identified the next series of near mine exploration opportunities utilising the underground development of new diamond drill platforms allowing for targeting new areas of Valentines, Critchley and Matthew below previous surface expressions identified.

To test these areas, the Company will be mobilising a third underground diamond drill rig to facilitate the continued drilling of these near mine targets, alongside resource expansion and grade control targets. It will focus on targeting mine life extensions down dip of the existing mine design on the Nugent and Kavanagh lodes – including testing strike extensions to known lodes and testing lodes such as Valentines, Critchley and Paringa which are located proximal to planned mine infrastructure. Approximately 19,000 metres of drilling is planned for these areas in 2025 and is in addition to the grade control drilling which is planned to occur continuously utilising two drill rigs.

Information collected during the drilling campaigns will be used to further understand the structural controls on the Kanmantoo Mineralisation system and mineralogy associations with specialised data collection planned.

This drilling will be incorporated feed into Hillgrove's annual Mineral Resource and Ore Reserve Statement planned for release in the fourth quarter of 2025. This will also include the results of drilling conducted in 2024 but not yet incorporated into the announcement dated 18 October 2024.

For personal use only

For personal use only

Method of Assessment

Over the region of the Kanmantoo Copper Mine that falls outside of the current mine plan and existing mine voids (pit and underground), eleven potential higher-grade copper-gold target zones have been identified which will be the focus for future exploration efforts. The identification and location of the target zones is predominantly based upon reviewing depth, width and strike extensions of known copper gold zones that have been mined within the open pit or been intersected by drilling undertaken by Hillgrove. A review of the Company drill hole database containing the drilling undertaken by Hillgrove over the past 21 years down to a depth of 800 metres, in conjunction with the operational information from both the open pit and underground operations, and the geological knowledge gained from the years of mining shows several higher-grade copper-gold zones do extend to depth beneath or within the surrounds of the Giant, Nugent and Emily Star open pits. The grade range estimates are in line with the parameters used to generate the domain models for the 2024 Mineral Resource Estimate.

The analysis of the drill hole database also shows there is a lack of drilling below and along strike of the open pits to assess these higher-grade zones (Figure 2 and 3). Outside of these open pits the average depth of drilling is <120 metres below surface. The copper and gold grade profiles for the Exploration Target have been defined based upon average grades of exploration diamond drilling within the target copper-gold zones, or the average grade of the appropriate MRE for the relevant zone. The Nugent and Kavanagh targets have been updated to account for the ongoing grade control drilling and the 2024 Kanmantoo Mineral Resource[4]. The West Kavanagh, Central Kavanagh, East Kavanagh, and Spitfire targets have been combined as “Kavanagh”.

Authorised for release by the Board of Hillgrove Resources Limited.

For more information contact:

Mr Bob Fulker
CEO & Managing Director
Tel: +61 (0)8 7070 1698

Mr Joe Sutanto
Chief Financial Officer & Company Secretary
Tel: +61 (0)8 7070 1698

Forward Looking Statement

This release contains or may contain certain forward-looking statements and comments about future events, that are based on Hillgrove's beliefs, assumptions and expectations and on information currently available to management as at the date of this presentation. Often, but not always, forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "plan", "believes", "estimate", "anticipate", "outlook", and "guidance", or similar expressions, and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and production potential, financial forecasts, product quality estimates of future Mineral Resources and Ore Reserves. Such statements are only expectations or beliefs and are subject to inherent risks and uncertainties which could cause actual values, results or performance achievements to differ materially from those expressed or implied in this announcement. Where Hillgrove expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Hillgrove that the matters stated in this presentation will in fact be achieved or prove to be correct. Except as required by law, Hillgrove undertakes no obligation to provide any additional or updated information or update any forward-looking statements whether on a result of new information, future events, results or otherwise. Readers are cautioned against placing undue reliance on forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Hillgrove, the directors, and management of Hillgrove. These factors include, but are not

[4] See ASX release titled ‘Maiden Kanmantoo Underground Ore Reserve and 96% Increase in Copper Mineral Resource Endowment’ dated 18 October 2024 [no need to restate – use same reference number [1] instead]

limited to difficulties in forecasting expected production quantities, the potential that any of Hillgrove's projects may experience technical, geological, metallurgical and mechanical problems, changes in market prices and other risks not anticipated by Hillgrove, changes in exchange rate assumptions, changes in product pricing assumptions, major changes in mine plans and/or resources, changes in equipment life or capability, emergence of previously underestimated technical challenges, increased costs, and demand for production inputs.

About Kanmantoo Copper Mine

The Kanmantoo Copper Mine is located approximately 55 kilometres from Adelaide, South Australia. The mine operated as a series of open pits from 2010 to 2020, producing around 137,000 tonnes of copper and over 55,000 ounces of gold. The operation is fully permitted and has significant infrastructure including a 3.6 million tonne per annum processing plant and a tailings storage facility with approximately 7.0 million tonnes of permitted capacity. Operations restarted in 2023 with underground mining commencing in May 2023 and first copper production in February 2024.

Competent Person's Statement

The information in this release that relates to the Exploration Targets is based upon information compiled by Caitlin Rowett, who is a Member of The Australasian Institute of Mining and Metallurgy. Caitlin Rowett is a full-time employee and holds equity in Hillgrove Resources Limited and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)'. Caitlin Rowett has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the 2024 Kanmantoo Mineral Resource Estimate is extracted from ASX release titled 'Maiden Kanmantoo Underground Ore Reserve and 96% Increase in Copper Mineral Resource Endowment' dated 18 October 2024 and is available to view at www.hillgroveresources.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 that all material assumptions and technical parameters underpinning the Mineral Resource Estimate 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 announcements.

For personal use only

APPENDIX A – Mineral Resource and Ore Reserve estimate

HILLGROVE RESOURCES

Kanmantoo Mineral Resource Estimate as at 30th September 2024

Mine Area	JORC Classification	Tonnage (kt)	Cu (%)	Au (g/t)	Ag (g/t)	Bi (ppm)	Cu Metal (kt)	Au Metal (koz)
Kavanagh (including Spitfire)	Measured	3,200	0.94	0.04	2.9	190	30	4
	Indicated	3,400	0.77	0.10	2.4	97	26	11
	Inferred	6,300	0.70	0.11	2.4	110	44	22
	Sub-Total	**13,000**	**0.78**	**0.09**	**2.5**	**130**	**100**	**37**
North Kavanagh	Measured	-	-	-	-	-	-	-
	Indicated	230	0.78	0.17	3.0	140	2	1
	Inferred	110	0.77	0.21	3.3	130	1	1
	Sub-Total	**340**	**0.78**	**0.18**	**3.1**	**140**	**3**	**2**
Nugent	Measured	-	-	-	-	-	-	-
	Indicated	2,300	0.74	0.36	1.7	66	17	26
	Inferred	1,100	0.71	0.35	1.6	40	8	13
	Sub-Total	**3,400**	**0.73**	**0.36**	**1.6**	**57**	**25**	**39**
Emily Star	Measured	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-
	Inferred	**2,600**	**0.77**	**0.08**	**1.6**	**110**	**20**	**7**
	Sub-Total	**2,600**	**0.77**	**0.08**	**1.6**	**110**	**20**	**7**
TOTAL		***19,300***	***0.77***	***0.14***	***2.2***	***110***	***150***	***82***

Notes:

1. Due to effects of rounding, total numbers may not sum
2. Tonnage and metal are rounded to the nearest 1,000 tonnes, grades are rounded to 2 significant figures
3. Mineral Resource is Reported at a 0.4% Cu Cut Off Grade for all Mine Areas
4. Mineral Resource is depleted for mining as at 30 June 2024
5. Mine depletion refers to current Kavanagh UG operation, and historical Giant Pit, Nugent and Emily Star open pits

The information is extracted from the report entitled 'Maiden Kanmantoo Underground Ore Reserve and 96% Increase in Copper Mineral Resource Endowment' released on 18 October 2024 and is available to view on the Hillgrove Website https://www.hillgroveresources.com.au/announcements. 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 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.

For personal use only

APPENDIX A – Mineral Resource and Ore Reserve estimate

HILLGROVE RESOURCES

Kanmantoo Ore Reserve as at 31st August 2024

Mine Area	JORC Classification	Tonnes (kt)	Cu (%)	Au (ppm)	Ag (ppm)	Bi (ppm)	Cu Metal (kt)	Au Metal (koz)
Kavanagh	Proved	1,100	1.01	0.04	2.82	220	12	1
	Probable	1,000	0.88	0.15	2.7	140	9	5
	Proved + Probable Kavanagh Total	**2,100**	**0.95**	**0.09**	**2.76**	**180**	**21**	**6**
Nugent	Proved	-	-	-	-	-	-	-
	Probable	670	0.76	0.33	1.44	79	5	7
	Proved + Probable Nugent Total	**670**	**0.76**	**0.33**	**1.44**	**79**	**5**	**7**
Total Ore Reserve (Kavanagh + Nugent)	Proved	1,200	1.01	0.04	2.82	220	12	1
	Probable	1,700	0.83	0.22	2.21	110	14	12
	Proved + Probable	**2,800**	**0.91**	**0.15**	**2.45**	**160**	**26**	**14**

Notes:

1. Dry metric tonnes.
2. 0.6% Copper (Cu) design cut-off grade.
3. No Probable Ore Reserve was derived from Measured Mineral Resource.
4. Minimum stope mining width 5.0m apparent.
5. Grades are rounded to two decimal places. Tonnages are rounded to two significant figures.
6. Any minor apparent discrepancies for sums in the table are related to rounding.
7. The period for economic extraction is from Sept 2024 until April 2027.
8. Ore Reserve converted from Mineral Resource is based on the October 2024 Mineral Resource report by Caitlin Rowett (Hillgrove Resources Limited) and Sonia Konopa (ERM) titled "Kavanagh, Nugent & North Kavanagh Underground Mineral Resource Estimate", as at 30th September 2024.
9. Competent Person: Tom Bailey MAusIMM (#206304).
10. Mining has commenced and observed ground conditions have been very good. Further geotechnical investigation is required to increase confidence in the stable mining spans.

The information is extracted from the report entitled 'Maiden Kanmantoo Underground Ore Reserve and 96% Increase in Copper Mineral Resource Endowment' released on 18 October 2024 and is available to view on the Hillgrove Website https://www.hillgroveresources.com.au/announcements. 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 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.

For personal use only

For personal use only

APPENDIX B – JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• Reverse circulation (RC) and diamond drill hole (DD) samples collected by Hillgrove Resources personnel have been used for the geological interpretation and estimation. • Drill hole sampling was conducted as per the Hillgrove Resources procedures and QAQC protocols. RC Drilling: • 2004 to 2007 drilling: • A rig mounted 75/25 splitter was used to collect a bulk sample and smaller split sample (3-4kg) directly off the drill rig at 1m intervals. The split sample was then split down manually if required using a cone or riffle splitter to generate a sample of ~3kg. • 1m intervals were assayed with samples being prepared by Genalysis Laboratories in Adelaide. Each sample was pulverised to ~95% passing -75µm and the remaining pulp shipped to Genalysis Perth for analysis. • 2011 – 2012 drilling: • 1m bulk samples were collected during drilling with smaller split samples (3-4kg) for assay being collected primarily using a cone or riffle splitter directly off the rig. • Specific target intervals and/or samples exhibiting visible mineralisation were assayed at 1m intervals. All other sample intervals were composited (using spear sampling) to 4m intervals for assaying. On return of assay results, the 4m composite results were examined and any 4m composites returning an economic copper grade (>0.2%) were re-assayed using the original 1m samples (collected from original bulk sample using spear sampling to produce a representative 1.5kg to 3kg sample). • Samples were prepared by ALS Adelaide with each sample being riffle split to a maximum size of 3kg then pulverised split to 85% passing 75µm or better and then shipped to ALS Perth for assay. Diamond core 2004 – 2010 drilling: • Core samples were sawn in half using a diamond core saw. A small percentage of core samples were sawn in quarters. Sampling was undertaken at 1m intervals or to geological boundaries as determined by the supervising geologist. Half or quarter core samples were sent for assay and the remaining core kept in core trays for future reference. • Samples were prepared by Genalysis Laboratories in Adelaide using a jaw crusher to ~2mm. Each sample was then pulverised to ~95% passing -75 µm and the remaining pulp shipped to Genalysis Perth for assaying. Diamond core 2017 - 2023 drilling: • Core samples were sawn in half using a diamond core saw. A small percentage of core samples were sawn in quarters.

For personal use only

Sampling was undertaken at 1m intervals or to geological boundaries as determined by the supervising geologist. Half or quarter core samples were sent for assay and the remaining core kept in core trays for future reference.

- Samples were prepared by ALS Laboratories in Adelaide using a jaw crusher to ~2mm. Each sample was then pulverised to ~95% passing -75 µm and the remaining pulp shipped to ALS Perth for 4-acid digest ICP-MS assaying.

Diamond core

Underground Diamond Drilling:

- The UG Diamond Drill Hole (DDH) sampling was conducted as per the Hillgrove Resources procedures and QAQC protocols.
- Sample intervals from 1.25m to 0.25m as determined by geology through visibly mineralised zones.
- Where samples are despatched to ALS the sample intervals are split from the drill core, with the drill core sawn in half with a diamond core saw and half-core sample crushed to 75% < 2mm by ALS's Boyd Crusher
- Where samples are assayed by the on-site XRF, the whole interval of drill core is crushed to 75% < 2m by Hillgrove's Orbis OM100 Crusher

Drilling techniques

Drillhole Type	Drill Date	Bit Size	% Oriented	Orientation Method
Diamond	All	HQ from surface to fresh, then NQ to end of hole	97%	Spear
RC	2004 & 2007	5.75"	NA	NA
	2011 & 2012	4.5"	NA	NA

Drillhole Type	Drill Date	Bit Size	% Oriented	Orientation Method
Diamond	2017 - 2024	HQ pre-collar from surface to 200m depth	97%	ACE Tool
		NQ from pre-collar to EOH		
Diamond (UG)	2021+	Up to 12 wedges per parent hole NQ Drilled from UG		

Drill sample recovery

RC Drilling:

- Sample recovery or the occurrence of wet samples is not recorded in the drill hole database although communications with Exploration Personnel and field observations indicate that sample recovery or wet samples were rarely a problem.

Diamond Core:

- Diamond core recovery is recorded by Hillgrove Field Technicians during metre marking and orientation of all holes. Results demonstrate good recoveries with an average recovery rate of 99%. Core loss generally occurs in the upper sections of holes throughout the oxidised and transitional material. Core loss at depth is generally associated with a low Rock Quality Designation (RQD) value, suggesting the interval represents a shear or fault zone.

For personal use only

Logging	• All drill core was logged for lithology, alteration, weathering and mineralisation by Hillgrove geologists in accordance with Hillgrove's Core Logging Procedure. Colour and any additional qualitative comments are also recorded. • All diamond core trays were photographed before sampling and these photographs are stored on the Hillgrove server. • Both drill core and RC chip trays are stored on site in a core yard facility. • All geological logging is recorded into Geobank (a database product from Micromine) templates and visually validated before being imported into the Hillgrove drill hole database. Additional validation is conducted automatically on import. • In addition, a geotechnical log of all drill core is recorded utilising standard geotechnical logging indexes. RQD is 98-100%. UG drill core is not oriented. Where required, orientation of structure relative to the dominant S2 foliation is recorded. • Selected Holes also have magnetic susceptibility readings at 1m intervals.
Sub-sampling techniques and sample preparation	RC holes • Sub-sampling as described in the *"Sampling Techniques"* section above. Diamond holes • Sub-sampling as described in the *"Sampling Techniques"* section above. • Field Duplicates were collected via manual splitting of the bulk sample with a riffle or cone splitter if available or by spear sampling. All field duplicates for drilling from 2011 onwards were collected using spear sampling. Analysis of the field duplicate results indicates that this method of duplicate sample collection is satisfactory. • Hillgrove have detailed sampling and QAQC procedures in place to ensure sample collection is carried out to maximise representivity of the samples, minimise contamination and to maintain sample numbering integrity.
Quality of assay data and laboratory tests	• Pre 2011, all samples were submitted to Genalysis for analysis. Gold was determined by fire assay by flame AAS (FA50) and copper analysed via a mixed acid digest (method AT) with determination by Optical Emission Spectrometry (OES). If the copper result was greater than 1%, the analysis was repeated using a slightly modified mixed acid digestion technique (method AX). • Post 2011 samples were submitted to ALS Perth for assaying by four acid digest with Atomic Absorption Spectroscopy (AAS) and gold was analysed via fire assay and Atomic Absorption Spectroscopy (AAS). • Approximately 20% of the total samples used for this estimation were assayed using a double acid aqua regia digest with an ICPOES finish (a method which does not guarantee complete dissolution of sample). A re-assay program was undertaken in 2011 which detected no bias between the results of the double acid aqua regia digest and the mixed acid digestion results. • The QAQC of sample preparation and analysis processes were via the following samples: ○ Certified reference materials (CRMS) inserted into the sample sequence at a frequency of one in 20. ○ Field duplicates inserted at a rate of one in every 20 samples. ○ Blanks inserted at a rate of one in every 20 samples. ○ Laboratory QAQC samples were inserted with a minimum of two standards and one blank for every batch of 40 samples. • Hillgrove's Quality policy is that at a minimum of 5% of all samples are CRM's, 5% of samples submitted are blanks and 5% of

For personal use only

	samples submitted are field duplicates thus ensuring that as a minimum, 15% of all samples submitted for analysis are QAQC samples.
	• Results from all returned QAQC samples provide reasonable confidence as to the accuracy of the assay results used in the estimation. Field duplicates show a good correlation with original sample results and in general most CRM results fall within the expected ranges.
	• For the samples submitted to the Hillgrove on-site laboratory, the pelletised fines samples are presented to the Olympus XRF instrument and energised for 40 sec. The results are automatically recorded to a database.
	• The QAQC of sample preparation and analysis processes were via the following samples:
	  ○ Certified reference materials (CRM's) inserted by HGO into the sample sequence at a frequency of one in 20. OREAS standard 506 has been used to provide a CRM Standard grade of 0.444% Cu, and 0.365 g/t Au which are relevant for the expected cutoff grades used for resource estimates across the Kanmantoo deposit.
	  ○ Results from all returned QAQC samples provide reasonable confidence as to the accuracy of the assay results used in the estimation. >90% of assays fall within 2SD of the expected CRM mean grade for Cu and Au.
	  ○ Laboratory inserted QAQC samples were inserted with a minimum of two standards and one blank for every batch of 40 samples.
	• Quartz flushes with <60ppm Cu are introduced to the crushers and bowl pulverisers within every high sulphide interval. These are monitored and where Cu contamination of the quartz flush occurs the batch is repeated. For the holes reported there are no examples of sulphides contaminating successive samples via sample preparation processes.
	• Quartz washes are also utilised through the OM100 crusher where high sulphides are present and identified by the logging geologist.
	• Hillgrove's quality policy is that at a minimum of 5% of all samples are CRM's, and 5% of samples submitted are blanks thus ensuring that as a minimum, 10% of all samples submitted for analysis are Hillgrove QAQC samples.

Verification of sampling and assaying	• Umpire laboratory checks were undertaken during 2008 and 2011 with no significant issues identified. • Primary sample data is captured in the field into templates and stored on the Hillgrove server. The Excel templates were then imported into the SQL database using data entry procedures and database import tools. Data was visually checked by the Geologist prior to import and additional validation was carried out by the database upon import. • Copper results were reported in ppm units from the laboratories and then converted to a % value within the database
Location of data points	• The map projection of Map Grid of Australia 1994 - Zone 54, (MGA94-54) was used all work undertaken for this Mineral Resource. • Hillgrove drilling was planned and set-out using the local Kanmantoo Mine Grid and then transformed to MGA94-54 for the Resource estimation. The Kanmantoo local grid is oriented at +10º to MGA94_Zone 54 – (i.e. local grid North equates to 010º MGA94_Zone 54). • Within the database the relative level (RL) has been calculated as RL+1000m to ensure no negative RL values within the dataset. • The topographic surfaces used in the estimation have accuracy in the z direction of approximately +/-1m for the majority of the block model area due to the use of lower resolution contours outside the direct mine areas. The source of the contours used outside of the Mining area was sourced from a mix of 2008 flyover data and other Surveys performed prior to Nov 2008. The Kanmantoo Mine

For personal use only

	area and immediate surrounds have +/-20mm accuracy as this area is updated by the Hillgrove Surveyors regularly using a DGPS (Trimble R8 GNSS Model 3 using kinematic option). • Pre-2011, all drill hole collars were surveyed by Engineering Surveys Pty Ltd (Adelaide) using DGPS. All pick-ups were reported in MGA94-54 coordinate system and converted to local grid. • Post-2011, all drill hole collars surveyed using DGPS (Trimble R8 GNSS Model 3 - kinematic option) by onsite Hillgrove Surveyors. The accuracy of this instrument is 10mm in the horizontal plane and 20mm in the vertical. All pick-ups were reported in MGA94-54 coordinate system and converted to local grid. • Downhole surveys were determined using a variety of methods including Gyro tool, Camteq, Digital downhole cameras, Eastman single shot camera and Compass Clinometers. For all pre-2010 holes initial surveys were completed with either a conventional Eastman single shot camera or digital down hole survey tools and then the majority of drill holes were re-surveyed using a Gyro tool. All holes post-2010 are surveyed by electronic gyro at 12 m intervals. • All downhole survey methods have a priority assigned to them in the drill hole database and therefore holes with data from multiple methods have had their survey values allocated according to this priority.
Data spacing and distribution	• Drilling was completed throughout the deposit on a variable section spacing of between 15 m to 40m and an on-section collar spacing of between 10 m and 50m. • The variable drill spacing both along strike and on-section was considered during resource classification; mineralisation estimated on broader spaced drilling was given a lower confidence classification than mineralisation estimated using tighter spaced drilling. • All samples were composited to 2m lengths prior to geostatistical analysis and Mineral Resource estimation.
Orientation of data in relation to geological structure	• The majority of holes are angled drill holes (dipping between -55º and -75º) drilled from east to west. Predominantly the main mineralised lenses dip steeply to local grid east, therefore east-west orientated drill holes and section provide as close to practicable "true width", representative intersections of lithology and mineralisation. • Whilst some mineralised lenses, most notably the Nugent Zone are somewhat oblique to the general 010º strike of the mineralised zones, these lenses still generally exhibit a steep easterly dip and their orientation is not considered to have introduced any sampling bias material to the Resource estimation.
Sample security	• RC samples – A Hillgrove employee is present for the collection of samples off the rig and is also responsible for collecting and organising the samples ready for assay. Hillgrove has a detailed sample collection/submission procedure in place to ensure sample security. • Assay samples are collected from the rig at the end of each day by Hillgrove Field Technicians, sealed in large plastic bags and placed at the Exploration office ready for pick up by courier. Check sheets detailing all samples for a specific batch are generated prior to the samples leaving site. • DD samples – A Hillgrove employee is responsible for picking up the completed core from the rig at the end of each day and moving it to the core yard ready for processing. Hillgrove Field Technicians and geologists are then responsible for all core movements through to sampling and preparing for transport to the preparation facility. Sample transport is by dedicated road transport to the sample preparation facility. All samples are transported in sealed plastic bags and are accompanied by (either paper form or by email) a detailed sample submission form generated by the Field Technician.

For personal use only

	• On receiving a batch of samples, the receiving laboratory checks received samples against a sample dispatch sheet supplied by Hillgrove personnel. On completion of this check a sample reconciliation report is provided for each batch received.
Audits or reviews	• Previous audits of the Hillgrove sampling methods were reviewed by independent consultant and were considered to be of a very high standard.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• The Kanmantoo Cu-Au mine is situated on Mining Lease ML6345 and is owned 100% by Hillgrove Resources Limited (HGO). • HGO owns the land covered by the Mining Lease. The Mine Lease is encompassed on all sides by EL6526 also owned 100% by Hillgrove Resources. All drill holes were drilled on land owned or rented by Hillgrove Resources.
Exploration done by other parties	• Hillgrove Resources commenced exploration drilling in 2004 and since then has completed a number of exploration sampling and mapping campaigns which have resulted in defining the exploration targets.
Geology	• Mineralisation occurs as an epigenetic system of structurally controlled veins and disseminations of chalcopyrite, pyrrhotite, pyrite, magnetite, within a quartz + biotite + andalusite ± garnet ± chlorite +/- staurolite schist host rock. Structural studies suggest the mineralisation is within brittle structures that have been re-activated.
Drill hole Information	• No new drill holes are reported in this release
Data aggregation methods	• No new drill holes are reported in this release
Mineralisation widths	• No new drill holes are reported in this release.
Diagrams	• Diagrams that are relevant to this release have been included in the body of the release.
Balanced reporting	• All zones comprising the Exploration Target have been reported in this release.
Other exploration data	• No Other exploration data has been used in approximating the Exploration Target.
Further work	• The company is undertaking a drilling program to continue testing the exploration target.