

Monday, 6 March 2023

DESPATCH OF SHARE PURCHASE PLAN DOCUMENTATION

Hillgrove Resources Limited (ABN 73 004 297 116) (ASX: HGO) (Hillgrove) confirms that despatch to Eligible Shareholders of the Share Purchase Plan Booklet and accompanying personalised Application Form (SPP Offer), as announced to the ASX on 1 March 2023, will occur today.

The SPP Offer opens today, Monday 6 March 2023, and is expected to close at 5:00pm (Sydney time) on Monday 27 March 2023.

A copy of the SPP Offer Booklet is attached.

Authorised for release by the Board of Hillgrove Resources Limited.

For more information contact:

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Hillgrove Resources Limited – Share Purchase Plan

Share Purchase Plan – Offer

Eligible Shareholders have the opportunity to participate in the Offer by applying for up to \$30,000 worth of Shares without incurring brokerage, commissions, stamp duty or other transaction costs. Details of the Offer and how to participate are set out in these Terms and Conditions. Shares issued under the Offer will rank equally in all respects with all other Shares on issue as at the date of issue and will carry the same voting rights, dividend rights and other entitlements as those Shares.

Share Purchase Plan – Key Dates

Event	Date
Record Date (being the business day prior to Hillgrove's announcement of the Plan)	28 February 2023
Opening Date	6 March 2023
Closing Date	27 March 2023
Issue Date (ie. the date of issue of Shares under the Offer)	3 April 2023
Date on which Shares issued under the Offer are expected to commence trading on ASX	4 April 2023
Despatch of holding statements in respect of Shares issued under the Offer	4 April 2023

Note: The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws.

Chairman's letter

6 March 2023

Dear Shareholder

Hillgrove Resources Limited Share Purchase Plan

I am pleased to invite you to participate in the offer of fully paid ordinary shares (**Shares**) in Hillgrove Resources Limited ACN 004 297 116 (**Hillgrove** or the **Company**) under the share purchase plan established by Hillgrove (**Offer**).

The Company is seeking to raise, in total, \$3.0 million under the Offer. The Company also reserves the right to increase the maximum based on overall applications received.

Overview of the Offer

The Offer provides you, as an 'Eligible Shareholder' of Hillgrove (subject to certain conditions), with the opportunity to acquire up to, in aggregate, \$30,000 of Shares in Hillgrove at an issue price of \$0.053 per Share (**Issue Price**).

The Issue Price represents a 15.3% discount to the volume-weighted average price of Shares traded on ASX over the 5 trading days up to, and including, 24 February 2023, which was the last day of trading of Shares on ASX prior to Hillgrove's announcement of the Plan. The Issue Price is the same as the issue price applicable to the placement to institutional and sophisticated investors (**Placement**), which is expected to be completed by Hillgrove on Wednesday, 8 March 2023.

Hillgrove is seeking to raise, in total, \$3.0 million under the Offer. The directors have reserved the right to accept oversubscriptions under the Plan to ensure all Eligible Shareholders have a reasonable opportunity to participate in the Plan.

Similarly, the Company reserves the right to scale back applications in its sole discretion. Should any scale back be necessary, the Company intends that any scale back arrangements will be made having regard to a number of factors such as the size of your shareholding at the Record Date, the extent to which you have sold or purchased Shares since the Record Date, whether you have multiple registered holdings, and the total applications received from Eligible Shareholders. If applications are scaled back, excess funds will be returned to applicants without interest.

Participation in the Offer is optional and is open to 'Eligible Shareholders' who, as at the Record Date (7:00pm AEDT on 28 February 2023), were registered as holders of ordinary shares in Hillgrove and whose address on the share register is in Australia or New Zealand.

If an 'Eligible Shareholder' holds shares as a Custodian, the Offer is also being made to the Custodian and, subject to certain conditions, the Custodian has the discretion to extend the Offer to the relevant beneficiaries.

Use of Funds

The Offer is being undertaken in conjunction with, and supplemental to, the Placement. In addition to funding the costs of the Offer and Placement, the Proceeds of the Offer (along with the Placement) will be applied to fund the development of the Kanmantoo Underground Project, mine expansion drilling, provide sufficient operational contingency, and general working capital purposes.

Timing considerations

The Offer will be undertaken in accordance with the below timetable. However, Hillgrove reserves the right to vary the dates and times set out below subject to the Corporations Act and other applicable laws.

Event	Date
Record Date (the business day prior to Hillgrove's announcement of the Plan)	Tuesday, 28 February 2023
Opening Date	Monday, 6 March 2023
Closing Date	Monday, 27 March 2023
Issue Date (ie. the date of issue of Shares under the Offer)	Monday, 3 April 2023
Despatch of holding statements in respect of Shares issued under the Offer	Tuesday, 4 April 2023
Date on which Shares issued under the Offer are expected to commence trading on ASX	Tuesday, 4 April 2023

To participate in the Offer, you should either:

- (a) pay via BPAY® online or by telephone (for Shareholders with an eligible Australian bank account only). You do not need to return the Application Form enclosed with this document if you choose this option; or
- (b) if you are a New Zealand resident and unable to use BPAY®, by making payment by international electronic funds transfer in accordance with the separate instructions provided to you along with this Booklet (you will need to also send a copy of your remittance advice to the Company's share registry under this option). Your completed Application Form and transfer for the appropriate amount must be received by the Registry prior to the close of the SPP Offer at 5.00 pm (AEDT) on Monday, 27 March 2023.

Payment by cheque, bank draft or money order will **not** be accepted.

Further information

In accordance with the enclosed terms and conditions (**Terms and Conditions**), the Offer is non-renounceable and Shares in Hillgrove may be issued under the Offer only to the Eligible Shareholder to whom they are offered.

In deciding whether to participate in the Offer, you should seek your own independent financial, legal and taxation advice in respect of the Offer. No cooling off regime applies to the acquisition of ordinary shares in Hillgrove under the Offer.

On behalf of the Board, I thank you for your continued support of Hillgrove and I invite you to consider participating in the Offer.

Yours faithfully



Derek Carter
Chairman
Hillgrove Resources Limited

Questions and answers

Question	Answer
What is the Share Purchase Plan?	<p>The Plan is an opportunity for Eligible Shareholders to purchase additional Shares without brokerage, commissions or other transaction costs.</p> <p>All Shares issued to you under the Plan will rank equally with your existing fully paid Shares and will carry the same voting rights and other entitlements to receive dividends.</p>
Am I eligible to participate?	<p>You are eligible to participate if you fulfil the criteria set out in section 2 of the Terms and Conditions.</p> <p>For you to be eligible to participate in the Offer, you must have been a holder of Hillgrove shares at 7:00pm AEDT on 28 February 2023 (Record Date) with a registered address in Australia or New Zealand.</p> <p>Certain Eligible Shareholders who are custodians holding Shares on behalf of certain beneficiaries are also able to participate in the Plan in accordance with the Terms and Conditions.</p>
Do I have to participate?	<p>No. Participation in the Plan is entirely voluntary.</p> <p>If you do not wish to participate in the Plan, no action is required on your part.</p> <p>Before you apply for Shares, Hillgrove recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser, and you monitor the price of the Shares (which are quoted on the financial pages of major metropolitan newspapers and on the ASX website).</p> <p>This booklet does not purport to contain all of the information that you need to make an investment decision.</p>
Are there any risks in participating in the Plan?	<p>There are risks associated with holding Shares and participating in the Plan.</p> <p>These risks are summarised in the 'Investment Risks' section of the Investor Presentation which was released on ASX on 1 March 2023 and available on Hillgrove's website (www.hillgroveresources.com.au). Eligible Shareholders are encouraged to read these risks carefully before deciding to apply for Shares under the Plan.</p> <p>In addition, there is a risk that the Issue Price may be differ from the market price of Shares on the day Shares are issued or allotted to you under the Plan. The market price or value of Shares is subject to market volatility. It may be higher or lower, at any time, than the Issue Price of the Shares you receive.</p>
Can I transfer my entitlement to participate?	<p>If you are eligible to participate in the Offer, you cannot transfer your right to purchase shares under the Offer to anyone else.</p>
What is the Issue Price of the Shares under the Plan	<p>The Issue Price of each Share issued under the Offer will be \$0.053 per Share, being the same price as Shares issued under the Placement, the completion of which is expected on 8 March 2023.</p> <p>The Issue Price represents a 15.3% discount to the volume-weighted average price of Shares traded on ASX over the 5 trading days up to, and including, 24 February 2023, which was the last day of trading of Shares on ASX prior to Hillgrove's announcement of the Plan on 1 March 2023.</p>
How many Shares can I apply for under the Plan?	<p>If you are an Eligible Shareholder, you are entitled to contribute a set amount of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 in applying for new Shares, regardless of the number of Shares you currently hold. These amounts may be subject to scale back.</p> <p>If you receive more than one copy of this booklet, or you hold Shares in more than one capacity (e.g. because you are both a sole and joint holder of Shares), the maximum amount you may apply to invest under the Plan in all capacities, and in aggregate, is \$30,000. By applying to purchase Shares under the Plan, you certify you have not exceeded this \$30,000 limit.</p> <p>If the Issue Price cannot be divided into \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, to give a whole number of Shares, there will be rounding down of the number of Shares. By applying to purchase Shares under the Plan, you acknowledge that any remaining balance of your payment arising from any rounding down will be deemed to form part of the aggregate issue price for the Shares. You will</p>

Question	Answer
	not receive a refund for this amount which will always be less than the Issue Price of one Share.
What will happen if the Plan is oversubscribed?	<p>The Plan aims to raise in total \$3,000,000. The directors have reserved the right to accept oversubscriptions under the Plan to ensure all Eligible Shareholders have a reasonable opportunity to participate in the Plan.</p> <p>Hillgrove may, at its absolute discretion, scale back the number of Shares that will be allotted to individual Shareholders under the Plan. Should any scale back be necessary, the Company intends that any scale back arrangements will be made having regard to a number of factors such as the size of your shareholding at the Record Date, the extent to which you have sold or purchased Shares since the Record Date, whether you have multiple registered holdings, and the total applications received from Eligible Shareholders. If this happens you may be allocated Shares to a value which is less than the value of Shares that you applied for and the difference will be refunded to you.</p> <p>Unless you have already done so, it is recommended that you register your bank account details with Boardroom to facilitate the return of any refunds into your nominated bank account.</p>
How do I apply?	<p>To apply for shares under the Offer you can either:</p> <p>Option 1: Pay by BPAY®</p> <p>Apply for Shares by making a payment of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, using the BPAY® facility provided by your bank as per the instructions on the Application Form. You do not need to return the Application Form if paying by BPAY®.</p> <p>Option 2: Pay by Electronic Funds Transfer (EFT)</p> <p>If you are a New Zealand resident and unable to use BPAY®, by making payment, apply for Shares by making a payment of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, by international electronic funds transfer in accordance with the separate instructions provided to you along with this Booklet (you will need to also send a copy of your remittance advice to the Company's share registry under this option). Your completed Application Form and transfer for the appropriate amount must be received by the Registry prior to the close of the SPP Offer at 5.00 pm (AEDT) on Monday, 27 March 2023.</p> <p>Payment by cheque, bank draft or money order will not be accepted.</p>
Can I apply for Shares under the Plan if my Shares are held by a custodian, trustee or nominee?	If you are beneficiary of Shares held by a custodian, trustee or nominee, and you reside in Australia or New Zealand, you may be eligible to participate in the Plan through your custodian, subject to the requirements set out in section 3.2 of the Terms and Conditions.
How long is the Plan open for?	<p>The Plan opens at 9.00 am (AEDT) on Monday, 6 March 2023 and closes at 5.00 pm (AEDT) on Monday, 27 March 2023.</p> <p>If you want to participate you should ensure that Boardroom receives payment in cleared funds by no later than 5.00 pm (AEDT) on Monday, 27 March 2023 (the Closing Date for the Plan).</p>
Do I have a guaranteed allocation of Shares under the Plan?	No. Hillgrove reserves the right (at its absolute discretion) to scale back applications under the Plan. If this happens, you may be allocated fewer Shares than the Parcel of Shares for which you applied, and you will be refunded the difference in the application amount (without interest payable on funds prior to your refund).
What is the market price of Shares?	The market price of Hillgrove Shares can be found on the ASX website using the stock code 'HGO'. Information is also in the financial pages of major metropolitan newspapers.
What will funds raised under the Plan be used for?	Proceeds of the Offer will be applied to fund development of the Kanmantoo Underground Project, mine expansion drilling, provide sufficient operational contingency, and general working capital purposes.
Further assistance	If you have any questions in relation to the Plan please call your stockbroker, accountant or other professional advisor. If you require information on how to make payment by BPay or EFT please contact Boardroom on 1300 737 760 from within Australia or +61 2 9290 9600 from outside Australia between 9:00am and 5:00pm (AEDT), Monday to Friday while the Offer remains open for acceptance.

Terms and conditions

1. Establishment

The Plan is established pursuant to *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and in accordance with ASIC Regulatory Guide 125 and the ASX Listing Rules. *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* grants relief from the requirement to prepare a prospectus for the offer of Shares under the Plan, subject to the satisfaction of certain conditions.

2. Participation

The Board may make offers under the Plan to all persons who, as at the Record Date, are Eligible Shareholders.

You are an **Eligible Shareholder** if you were a registered holder of Shares at the Record Date (7.00pm AEDT on Tuesday, 28 February 2023) with a registered address in Australia or New Zealand (as shown on Hillgrove's share register) unless:

- (a) you hold shares on behalf of another person who resides outside Australia or New Zealand in which case you will not be eligible to participate in respect of the Shares of that person; or
- (b) you are, or are acting for the account or benefit of, a U.S. Person as defined in Regulation S under the US Securities Act of 1933, as amended (**U.S. Person**).

Hillgrove has determined that it is not practical for a holder of Shares with a registered address (as shown on Hillgrove's share register) in any jurisdiction other than Australia or New Zealand to participate in the Offer. No Offer is made to persons who are not Eligible Shareholders. The Offer is being made to registered holders of Shares with a registered address in New Zealand in reliance on the Financial Markets Conduct Act 2013 (NZ) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (NA).

Participation in the Offer by Eligible Shareholders is optional and is subject to these Terms and Conditions.

3. Offer

3.1 Nature of offer

The Offer is non-renounceable and Shares may be issued under the Plan only to the Eligible Shareholder to whom they are offered.

The Offer will be made on the same terms and conditions to each Eligible Shareholder. For the avoidance of doubt, all Eligible Shareholders will receive the same offer, irrespective of the number of Shares which they hold on the Record Date.

3.2 Plan participation rules

The following rules apply to participation by Eligible Shareholders.

Single holders

Unless a holder is a Custodian, each Eligible Shareholder is entitled to apply under the Offer to purchase a Parcel of Shares valued at \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 (irrespective of whether the holder receives multiple offer documents under the Plan, for

example, due to multiple registered sole or joint holdings), subject to the holder certifying that the total of the application price for the following does not exceed \$30,000:

- (a) the Shares the subject of the application;
- (b) any other Shares applied for by the holder under the Plan or any similar arrangement in the 12 months before the application;
- (c) any other Shares which the holder has instructed a Custodian to acquire on their behalf under the Plan; and
- (d) any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before the application as a result of an instruction given by the holder to the Custodian or another Custodian which resulted in the holder holding beneficial interests in the Shares.

By completing and submitting an application for Shares under the Offer, a holder certifies the above.

Joint holders

Unless a holder is a Custodian, if an Eligible Shareholder is recorded with one or more other persons as a joint holder of Shares, that joint holding is considered to be a single registered holding for the purpose of the Plan and certifications or representations given by a joint holder are taken to have been given by all joint holders. Joint holders are only entitled to participate in the Offer in respect of that single holding. If the same joint holders receive more than one offer document under the Plan due to multiple identical holdings, the joint holders may only apply for one maximum amount of \$30,000 worth of Shares.

Custodians

If an Eligible Shareholder holds Shares as a Custodian, the Offer is made to the Custodian and, subject to a number of conditions, the Custodian has the discretion to extend the Offer to the Beneficiaries. The Custodian may apply for up to a maximum amount of \$30,000 worth of Shares in respect of each Beneficiary, however, Hillgrove will not allocate Shares under the Offer to the Custodian unless the Custodian certifies the matters set out in paragraph 8 of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* in a Custodian Certificate, which it will need to provide to Boardroom in conjunction with its application.

Custodians wishing to participate in the Offer on behalf of one or more Beneficiaries should contact Boardroom on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) or at corporateactions@boardroomlimited.com.au to obtain further information on how to apply and how to obtain a Custodian Certificate. If a Custodian holds Shares jointly on behalf of two or more Beneficiaries, the \$30,000 limit applies jointly in relation to those Beneficiaries as if the Custodian held the Shares on behalf of a single person.

The Company reserves the right to reject Applications in accordance with these Terms and Conditions.

A Custodian must not participate in the Plan if their participation in the Plan would breach *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

3.3 Other terms

The Offer opens at 9.00am (AEDT) on Monday, 6 March 2023. Under the Offer you may apply for shares up to a maximum of \$30,000 (subject to scale back described further below). The Offer will be made subject to any other terms and conditions that the Board thinks fit.

4. Issue Price

Shares will be issued under the Offer at an issue price of \$0.053 per Share (**Issue Price**).

The Issue Price is the same price as Shares issued under the Placement, the completion of which is expected on 8 March 2023. The Issue Price represents a 15.3% discount to the volume-weighted average price of Shares traded on ASX over the 5 trading days up to, and including, 24 February 2023, which was the last day of trading of Shares on ASX prior to Hillgrove's announcement of the Offer on 1 March 2023.

Important Note: Shareholders should note that there is a risk that the market price of Shares may change between the date of the Offer and the date on which Shares are issued pursuant to the Plan. This means it is possible that, between the time you make your application and the date on which Shares are issued pursuant to the Plan, you may be able to buy Shares at a lower price than the Issue Price. No cooling-off regime applies in relation to the application for or acquisition of Shares under the Plan.

Hillgrove recommends that you monitor the Share price and any Hillgrove announcements, which can be found on Hillgrove's website at www.hillgroveresources.com.au or in the financial pages of major Australian metropolitan newspapers, or on ASX's website at www.asx.com.au.

5. Costs of Participation

No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and issue of, Shares under the Plan.

6. Acceptance of Offers

6.1 Payment method

If you wish to participate in the Offer, you need to do one of the following:

Option 1 – Payment by BPAY®

For Eligible Shareholders with an Australian bank account, you may apply for Shares under the Offer by making a BPAY® payment on the internet or by telephone by using the personalised customer reference number shown on your Application Form which is required to identify your holding.

If you are paying for Shares via BPAY® you do not need to return your Application Form, but are taken to make the certifications and representations described in these Terms and Conditions and the Application Form. However, Custodians applying for Beneficiaries must still complete and return a Custodian Certificate.

Payment must be received by no later than the Closing Date. You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by the Closing Date.

Option 2: Payment by Electronic Funds Transfer (EFT)

If you are paying for Shares by international electronic funds transfer, please make payment in accordance with the separate instructions provided to you along with this Booklet. You must quote the unique reference on your personalised Application Form as your payment reference/description when processing your international electronic funds payment. Failure to do so may result in your funds not being allocated to your application and shares subsequently not issued. You will need to also send a copy of your remittance advice to the Company's share registry under this option.

If you receive more than one personalised Application Form (i.e. where you have multiple holdings), please only use the reference number specific to the holding on that form. If you inadvertently use the same reference number for more than one of your holdings, you will be deemed to have applied only for Shares on the Application Form to which the reference number applies. If paying by international electronic funds transfer you do not need to return your Application Form but are taken to have made the declarations on that personalised Application Form.

Payment must be received by no later than 5.00pm (AEDT) on the Closing Date. You should be aware that your own financial institution may implement earlier cut-off times or associated fees with regard to processing a funds transfer, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds transferred via EFT are received by the Closing Date. Please also note that this payment option is only available to New Zealand residents who are unable to pay by BPAY®.

6.2 Further information

For the avoidance of doubt, applications must be received by the Closing Date. Applications received after that time will not be accepted.

Eligible Shareholders may apply for Shares under the Offer in parcels valued at \$2,500, \$5,000, \$10,000, \$15,000, \$20,000 or \$30,000.

In the absence of a scale back in accordance with section 7 below, Hillgrove will divide the application money of an Eligible Shareholder by the Issue Price in order to determine the number of Shares for which they have applied (rounded down to nearest whole number of Shares).

If Hillgrove receives an amount that does not equal one of the amounts specified above, the Company may either:

- (a) reject the application and refund in full the application money (without interest) to the Eligible Shareholder; or
- (b) apply the dollar amount of the payment to the highest designated parcel that is less than the amount of the payment and refund the excess application money (without interest) to the Eligible Shareholder.

If you have more than one holding of Shares and consequently receive more than one Application Form, when applying for Shares in respect of one of those shareholdings you must only use the customer reference number specific to that shareholding as set out in the relevant Application Form. Do not use the same customer reference number for more than one of your shareholdings. This can result in your application monies being applied to your application in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

If one or more Application Forms are received under the Plan from an Eligible Shareholder in relation to Shares with a value greater than \$30,000 in any 12 month period, the Shareholder will be issued with the maximum number of Shares permitted by the Plan and the terms of the Offer. Any excess subscription monies will be refunded to the Eligible Shareholder (without interest) as soon as reasonably practicable following allocation.

If an Eligible Shareholder subscribes for an amount which is not exactly divisible by the Issue Price, in calculating the number of Shares to be issued, all fractional entitlements will be rounded down to the nearest whole number of Shares. Hillgrove will not refund any resulting small excess in subscription monies (ie. \$5 or less) which will be deemed to form part of the aggregate issue price for the Shares.

Payments must be made in Australian dollars.

Applications and payments may not be withdrawn or revoked.

6.3 Board discretion

Notwithstanding any other provision of these Terms and Conditions, the Board may, at its absolute discretion, accept, reject, correct or amend your application for Shares under the Offer, including, without limitation, if:

- (a) the Board decides to accept oversubscriptions under the Plan to ensure all Eligible Shareholders have a reasonable opportunity to participate in the Plan;
- (b) the Company considers that the application (whether alone or in conjunction with other applications) does not comply, or it is not reasonably satisfied that the application

(whether alone or in conjunction with other applications) complies, with the requirements of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* or any other requirements in the ASX Listing Rules or the Act;

- (c) an application is received after the Closing Date;
- (d) an application is made by a Custodian and does not include the required Custodian Certificate;
- (e) the BPAY® payment received in respect of your application is for less than the full, requisite amount; or
- (f) the Board is not reasonably satisfied that you are an Eligible Shareholder.

7. Oversubscription or Scale back

The amount that each Eligible Shareholder can apply for under the Plan is capped at \$30,000.

The Plan aims to raise \$3.0 million. The directors have reserved the right to accept oversubscriptions under the Plan to ensure all Eligible Shareholders have a reasonable opportunity to participate in the Plan.

Subject to complying with applicable laws and *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, Hillgrove reserves the right to close the Offer early or to scale back applications in its sole and absolute discretion. The aggregate maximum number of Shares that will be issued under the Plan will not exceed the lesser of:

- (a) 30% of the Shares on issue (being the applicable maximum specified in Exception 5 in ASX Listing Rule 7.2); and
- (b) the number such that the total amount raised by the issue of the Shares under the Offer equals \$3,000,000, subject to the Board's discretion to accept oversubscriptions under the Plan in its sole and absolute discretion.

If applications from Eligible Shareholders for participation in the Plan in aggregate exceed this limit or any lower limit determined by the Board, the Board will scale back applications to the extent and in the manner that the Board sees fit. The Board has reserved the right to accept oversubscriptions under the Plan to ensure all Eligible Shareholders have a reasonable opportunity to participate in the Plan.

If the Board elects to accept oversubscriptions under the Plan to ensure all Eligible Shareholders have a reasonable opportunity to participate, it is the Board's intention that any oversubscription arrangements will be made having regard to the pro-rata shareholdings of Eligible Shareholders as at the Record Date who apply for Shares under the Plan.

Similarly, the Board retains the discretion to scale back applications to the extent and in the manner that the Board considers appropriate. Should any scale back be necessary, it is the Company's intention that any scale back arrangements will be made having regard to a number of factors such as the size of your shareholding at the Record Date, the extent to which you have sold or purchased Shares since the Record Date, whether you have multiple registered holdings and the total applications received from Eligible Shareholders.

If there is a scale-back, Eligible Shareholders may receive less Shares than the number of Shares for which they applied. If a scale-back produces a fractional number of Shares when applied to a particular parcel, the number of Shares allocated to an Eligible Shareholder will be rounded down to the nearest whole number of Shares.

In the event of a scale back, the difference between the application monies received, and the number of Shares allocated to you under the Offer multiplied by the Issue Price, will be refunded to you, without interest, as soon as reasonably practicable following allocation.

Unless you have already done so, it is recommended that you register your bank account details with Boardroom to facilitate the return of any refunds into your nominated bank account.

8. Issue of Shares

Hillgrove intends to issue Shares pursuant to the Offer on the Issue Date (Monday, 3 April 2023).

All Shares issued under the Plan will rank equally in all respects with all other Shares on issue as at the date of issue and will carry the same voting rights, dividend rights and other entitlements as those Shares.

Hillgrove will apply for Shares issued under the Plan to be quoted on ASX. It is expected that they will be quoted on ASX shortly after the Issue Date.

Hillgrove will, within the period required by the ASX Listing Rules, send Eligible Shareholders, whose application has been accepted by the Board, a holding statement in respect of any Shares issued to them under the Plan.

9. Shortfall

The Plan is not underwritten.

Hillgrove reserves its right to place any shortfall under the Plan at a price not less than the Issue Price in accordance with its share issue capacity under the ASX Listing Rules or with the approval of shareholders in accordance with the ASX Listing Rules.

10. Key risks

There are a number of general and specific risks which may affect the future operating and financial performance and financial position of Hillgrove along with the trading price of the Shares and dividends (if any) paid on them in the future. These risks are summarised in the 'Investment Risks' section of the Investor Presentation that was released on ASX on Wednesday, 1 March 2023 and which is available on Hillgrove's website (www.hillgroveresources.com.au). Eligible Shareholders are encouraged to read these risks carefully before deciding to apply for Shares under the Plan.

These risks are associated with an investment in Shares but are not an exhaustive list. As a Shareholder, you will continue to be exposed to such risks. There may also be additional risks and uncertainties not currently known which may have an adverse effect on Hillgrove's business and the value of the Shares. Where possible, Hillgrove will seek to minimise its exposure to, and mitigate the effects of, these risks. However, certain risks relate to matters that are outside the control of Hillgrove, and there can be no assurance that any steps that Hillgrove takes will successfully protect it from any particular risk.

The risks identified in the Investor Presentation do not take into account the investment objectives, financial situation, tax position or other circumstances of any particular Shareholder. Shareholders should have regard to their own investment objectives and financial circumstances and seek professional advice from their legal, financial or other independent adviser before determining whether or not to participate in the Plan.

11. Acknowledgements

If you apply to participate in the Offer by submitting a BPAY® or ETF payment, you will be deemed to have represented on behalf of each person on whose account you are acting that:

- (a) you acknowledge that you are, and each person on whose account you are acting is, an Eligible Shareholder;
- (b) you agree that your application is made on, and you agree to be bound by, these Terms and Conditions and the terms and conditions set out in the Application Form and Hillgrove's constitution;

- (c) you declare that all details and statements in your Application Form are true and complete and not misleading;
- (d) your application is irrevocable and unconditional;
- (e) the Company may in its sole and absolute discretion scale back any application and/or participation in the Plan to the extent and in the manner it sees fit;
- (f) if there is a scale back (at the Company's sole and absolute discretion) you may receive less than the number of Shares for which you have applied;
- (g) if your application results in a fractional number of Shares, the number of Shares you will be allotted (subject to the other terms of the Offer, including in relation to any scale back) will be rounded down to the nearest whole number of Shares;
- (h) the Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (i) you have not and will not send any materials relating to the Offer to any person in the United States or that is, or is acting for the account or benefit of a U.S. Person;
- (j) this document has not been registered, filed with or approved by any New Zealand regulatory authority;
- (k) this document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain;
- (l) that the total of the application price for the following does not exceed \$30,000:
 - (i) the Shares the subject of the application;
 - (ii) any other Shares applied for by the holder under the Plan or any similar arrangement in the 12 months before the application;
 - (iii) any other Shares which the holder has instructed a Custodian to acquire on their behalf under the Plan; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before the application as a result of an instruction given by the holder to the Custodian or another Custodian which resulted in the holder holding beneficial interests in the Shares;
- (m) you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act 2001 (Cth) (insider trading) and laws and regulations designed to restrict terrorism financing and/or money laundering);
- (n) you are not a 'designated person' or 'designated entity' (or other like term) for the purpose of any domestic or international law or regulation implementing United Nations sanctions; and
- (o) you acknowledge that the market price of Shares may change between the date of the Offer and the date on which Shares are issued pursuant to the Plan; and that the price you pay per Share pursuant to the Offer may exceed the market price of the Shares at the time the Shares are issued, or otherwise allocated, to you under the Offer.

12. Miscellaneous

12.1 Amendment, suspension and termination of the Plan

The Board may, in its discretion, amend, suspend or terminate the Plan at any time and adopt any administrative procedures it thinks appropriate in relation to the Plan. Hillgrove will notify ASX of any amendment, suspension or termination of the Plan, but failure to do so will not invalidate the amendment, suspension or termination.

Without limiting any other provision of these Terms and Conditions, the Board may vary the timetable for the Offer, including the Closing Date.

Hillgrove may issue to any person fewer Shares than subscribed for under the Plan (or none at all), including, if Hillgrove believes that the issue of those Shares would contravene any law (in any jurisdiction) or the rules of any financial market on which Shares are quoted.

12.2 Administration and Dispute Resolution

Hillgrove's principal objective in administering the Plan is to facilitate participation consistent with compliance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and all applicable laws and efficient administrative practices. The Board may adopt any administrative procedures it thinks appropriate (from time to time) in relation to the Plan.

Hillgrove may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, offer, application or Shares, and the decision of Hillgrove shall be conclusive and binding on all participants and other persons to whom the determination relates.

Hillgrove reserves the right to waive compliance with any provision of these Terms and Conditions.

12.3 Notices

Notices and statements to Eligible Shareholders may be given in any manner determined by the Board from time to time.

12.4 Privacy

- (a) Chapter 2C of the Corporations Act requires information about Shareholders (including name, address and details of the shares held) to be included in Hillgrove's public register. If a Shareholder ceases to be a Shareholder, Chapter 2C of the Corporations Act requires this information to be retained in Hillgrove's public register. These statutory obligations are not altered by the *Privacy Act 1988* (Cth) as amended.
- (b) Hillgrove may collect personal information to process your application and implement the Plan, and to administer your shareholding.
- (c) The personal information contained on the Hillgrove register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- (d) The personal information Hillgrove collects may include your name, address, other contact details, bank account details and details of your Hillgrove shareholdings.
- (e) Shareholders who are individuals and the other individuals in respect of whom personal information is collected, as outlined above, have certain rights to access, correct or update the personal information held about them, subject to some exceptions allowed by law. Such individuals should contact Boardroom on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) or at corporateactions@boardroomlimited.com.au if they

wish to request access to that personal information. Reasons will be given if access is denied.

- (f) Your personal information may be disclosed to joint investors, registry, to securities brokers, to third party service providers (including print and mail service providers, technology providers, and professional advisers), and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom Hillgrove will disclose your personal information may be located overseas.
- (g) The main consequence of not providing the personal information outlined in clauses 12.4(a) to 12.4(d) above would be that Hillgrove may be hindered in, or prevented from, processing your application, and from conducting and implementing the Plan.
- (h) Boardroom's privacy policy is available on their website: <https://boardroomlimited.com.au/>

12.5 No U.S. Securities Act Registration

This document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. The Shares have not been and will not be registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States and may not be directly or indirectly, offered, sold or resold to:

- (a) a U.S. Person or a person acting for the account or benefit of a U.S. Person; or
- (b) a person within the United States or a person acting for the account or benefit of a person within the United States.

Because of these legal restrictions, and consistent with the representations contained in these Terms and Conditions and the Application Form, you must not:

- (c) send copies of these Terms and Conditions or any other material relating to the Offer to any person in the United States or who is, or is acting for the account or benefit of, U.S. Persons; or
- (d) submit an Application Form or make payment by BPAY® or otherwise for Shares for any person in the United States or who is, or is acting for the account or benefit of, U.S. Persons.

12.6 No Registration in New Zealand

The Shares under the Offer are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the Offer is being made in reliance on the *Financial Markets Conduct Act 2013* (NZ) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (NZ).

This document has not been registered, filed with, or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

12.7 No Financial Product Advice

Hillgrove is not licensed to provide financial product advice in relation to the Shares issued under the Plan or any other financial products. No cooling off regime applies in respect of the acquisition of Shares under the Plan (whether the regime is provided for by law or otherwise). Eligible Shareholders should obtain their own advice on whether or not to participate in the Plan.

12.8 Taxation

Hillgrove makes no representations or warranties in respect of, and accepts no responsibility for, the liability of Eligible Shareholders to pay, any tax (including income tax and withholding tax) in respect of any issue of Shares, payment or other transaction under this Plan.

12.9 Governing law

The Offer is governed by the law in force in South Australia. By accepting the Offer you submit to the non-exclusive jurisdiction of the courts of South Australia.

13. Glossary

Capitalised terms in these Terms and Conditions have the meaning set out below unless the context otherwise requires.

Application Form	means the personalised application form enclosed with these Terms and Conditions.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited or its financial market, the Australian Securities Exchange, as the context requires.
ASX Listing Rules	means the listing rules of ASX as they are amended from time to time.
Beneficiary	means a person who resides in Australia or New Zealand for whom a Custodian (being an Eligible Shareholder) held Shares on behalf of on the Record Date, and who is not, or is not acting for the account or benefit of, a U.S. Person.
Board	means the board of directors of Hillgrove from time to time.
Boardroom	means Boardroom Pty Limited ACN 003 209 836, the Company's share registrar.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Custodian	has the meaning given to that term in paragraph 4 of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> and applies where that entity acts on behalf of more than one registered Beneficiary.
Custodian Certificate	means a certificate complying with paragraph 8 of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> .
Eligible Shareholder	has the meaning given to that term in section 2 of these Terms and Conditions.
Hillgrove or Company	Hillgrove Resources Limited ACN 004 297 116.
Issue Price	has the meaning given to that term in section 4 of these Terms and Conditions.
Offer	means the offer of Shares under the Plan to Eligible Shareholders.
Parcel	A parcel of Shares in respect of an amount of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, at the Issue Price.
Plan	means the share purchase plan which is the subject of these Terms and Conditions.
Share	means a fully paid ordinary share in the capital of Hillgrove.
Shareholder	means a holder of one or more Shares.
Terms and Conditions	means these terms and conditions.
U.S. Person	has the meaning given in section 2 of these Terms and Conditions.