

AUSTRALIA'S NEXT COPPER MINE

Peter Rolley

Chief Geologist & Exploration Manager

15 February 2022

**RIU
Explorers
Conference**

IMPORTANT NOTICE

CAUTIONARY STATEMENT

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

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

DISCLAIMER

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

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

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

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

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

COMPETENT PERSONS STATEMENT

The information in this release that relates to Exploration Results, Exploration Targets and Mineral Resource Estimates is based on information compiled by Mr Peter Rolley, who is a Member of The Australian Institute of Geoscientists. Mr Rolley is a full-time employee of 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)'. Mr Rolley has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears. All exploration drill results, soil sampling images, and rock chip results have previously been reported to the ASX by a Competent Person at the time.

AUTHORISATION

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

Hillgrove Resources: Corporate Snapshot

Company Overview

- ASX listed ('HGO') Australian resources company that owns and operates the Kanmantoo Copper Gold Mine in South Australia
- Kanmantoo is approx 45 kms from Adelaide CBD
- 15+ years of strong operating experience and award-winning positive stakeholder engagement
- After completion of open pit operations in 2020, underground mine is now being developed with an aim for ore production in 2022

Market Statistics

Share Price ⁽¹⁾	A\$	0.055
Shares on Issue	M	1,168
Market Capitalisation	A\$M	64
Enterprise Value ⁽²⁾	A\$M	53
Liquidity - 12 Months	M shares	351 (30%)
Carried forward income tax losses	A\$M	192.7
Franking credits	A\$M	17.6

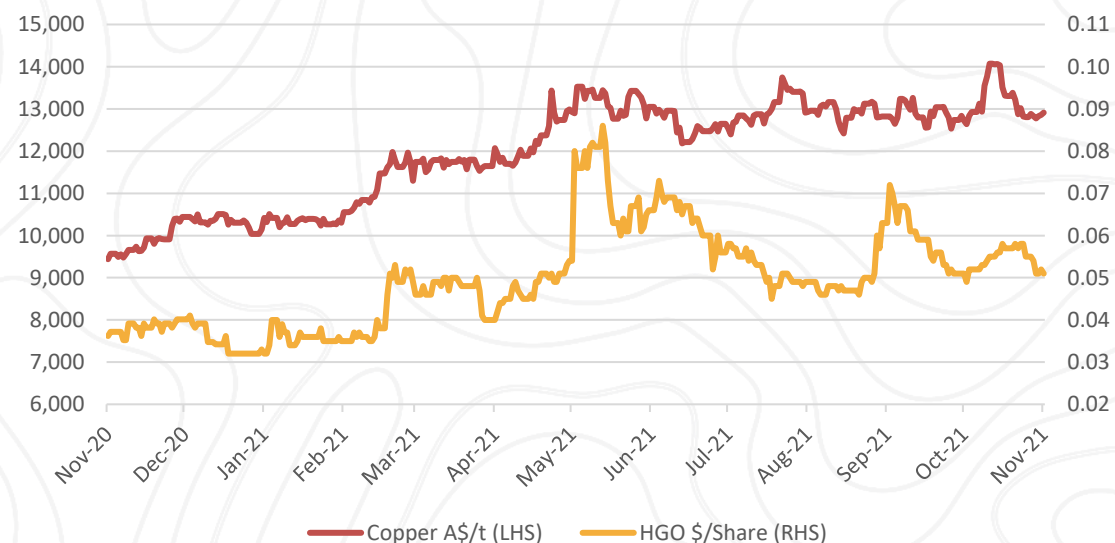
Note (1): Share price at close 10 February 2022

Note (2): Net cash as at 31 December 2021 (unaudited)

Investment Highlights

- ✓ Advanced, fully permitted Cu-Au project with key infrastructure in place for a <\$30M capex restart
- ✓ Proposed to start Cu-Au ore production in 2022
- ✓ Multiple opportunities to increase Cu-Au resource base, annual production and mine life
- ✓ Highly leveraged to current and forecast copper price strength

Share Price – 12 months



82% Increase in Copper Resource

Geology Background

- ✓ HGO hold one Exploration Licence around the mine that also covers 44 kms along the strike of the controlling Cu-Au shear system
- ✓ HGO also hold 5,765 sq kms of EL's in the same **Intrusion Related Cu-Au** system
- ✓ Drilling at Kanmantoo over past 3 years has resulted in intersections such as
 - KTDD205 170.65m @ 1.01% Cu, 0.11 g/t Au
 - Including 23m @ 2.48% Cu, 0.24 g/t Au, and
 - 13.8m @ 2.06% Cu, 0.12 g/t Au
 - KTDD190_W2 20.3m @ 2.1% Cu, 0.7 g/t Au
 - KTDD208 166.3m @ 0.9% Cu, 0.19g/t Au, etc etc

RESOURCE UPGRADE in 2021 was an 82% increase in Cu Metal cf 2020

- ✓ Resource: 5.7Mt @ 1.1% Cu, 0.3 g/t Au, 62kt Cu metal

This Resource only covers two of nine Cu-Au deposits at Kanmantoo

And HGO is still drilling!

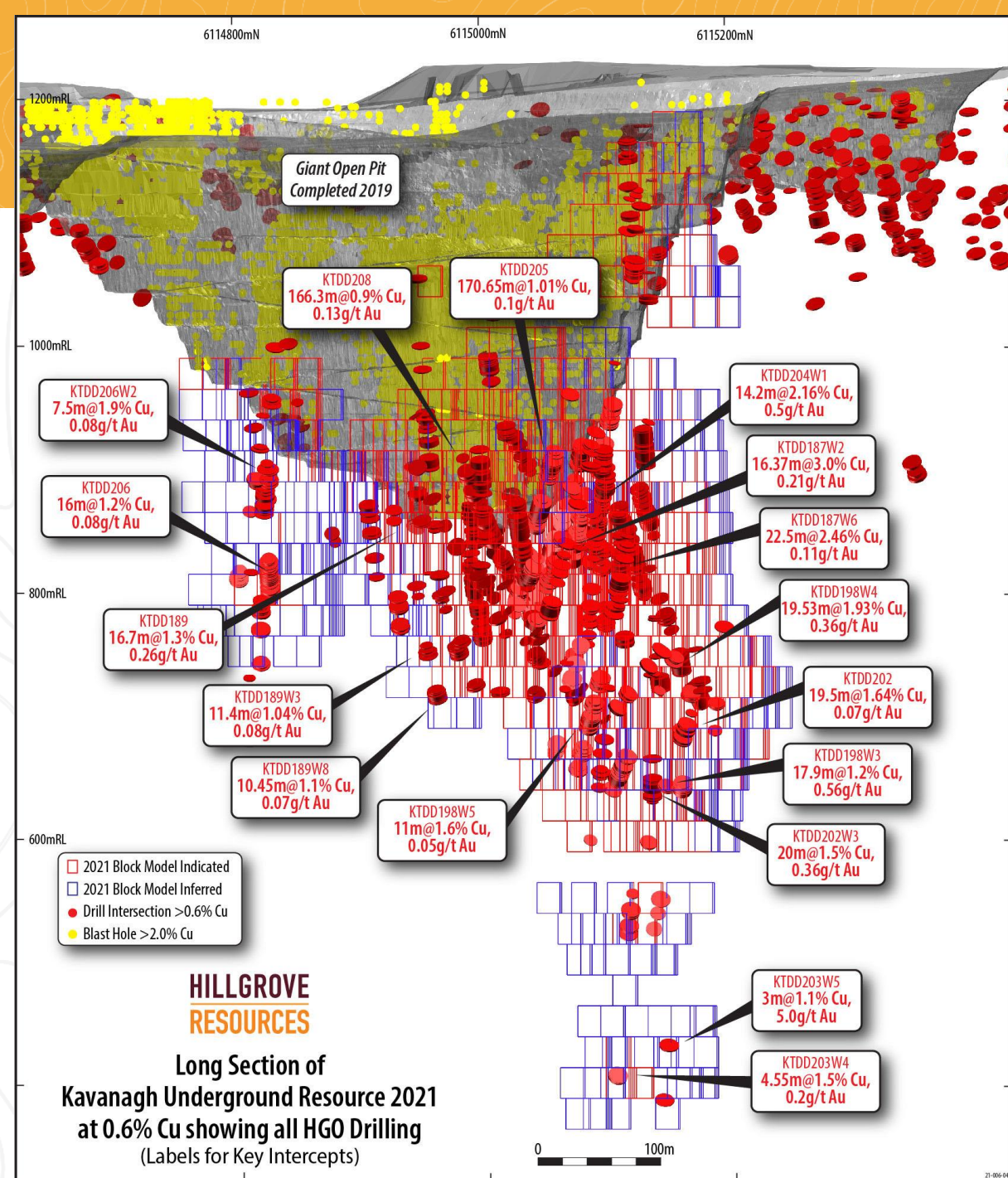


Mineral Resource Upgrade

Deposits	JORC 2012	Tonnage	Cu	Au	Cu Metal
	Classification	(kt)	(%)	(g/t)	(kt)
Kavanagh 2021 (0.6% Cu COG)	Indicated	3,530	1.1	0.11	38.9
	Inferred	1,480	1.01	0.1	15
	Sub-Total	5,010	1.08	0.11	53.9
Nugent 2020 (0.8% Cu COG)	Indicated	202	1.4	0.47	2.8
	Inferred	457	1.3	0.7	6
	Sub-Total	659	1.32	0.61	8.7
Totals	Indicated	3,732	1.12	0.13	42
	Inferred	1,937	1.08	0.73	21
	Total	5,669	1.10	0.33	62.5

2021 Drilling: 82% increase in copper metal and increase in geological confidence¹

Note (1): Indicated tonnes increased from 40% to 66%



Kanmantoo – The Mill is already Built! No Risk!

Ability for a fast, low capex restart

- ✓ Fully permitted
- ✓ 3.6Mtpa plant maintained on C&M
- ✓ Fully operational TSF with additional capacity
- ✓ Local workforce with key hires already recruited
- ✓ Same geology, geotech and metallurgy as open pit which produced 137kt Cu in concentrate
- ✓ **Already built, no delays, no cost over-runs, no supply line issues, no skilled labour shortages**

With substantial further upside

- Latent mill capacity enables project to respond to maximising value from the Resource through Cu COG optimisation, and
- Co-development of multiple ore sources



3.6MTPA PROCESSING PLANT



PERMITTED TAILINGS STORAGE FACILITY

The Mill is Built!



Excellent Economic Assessment Study Metrics

ECONOMIC ASSESSMENT – STAGE 1 (3 years)

Copper Production	kt Cu	36
Gold Production	koz Au	10
Post-tax free cash flow	A\$M	196
NPV ₈	A\$M	166
IRR	%	389
Pre-production Capital	A\$M	26
Payback Period	months	7
AISC	A\$/t	6,991

Fully funded and on track to reach FID mid-2022

- ✓ 16,000m drill program underway targeting extensions of known lodes
- ✓ Decline underway accelerating first copper production
- ✓ Commenced discussions with potential funding partners

**Stage 1
Post-Tax Free cash
A\$196M**

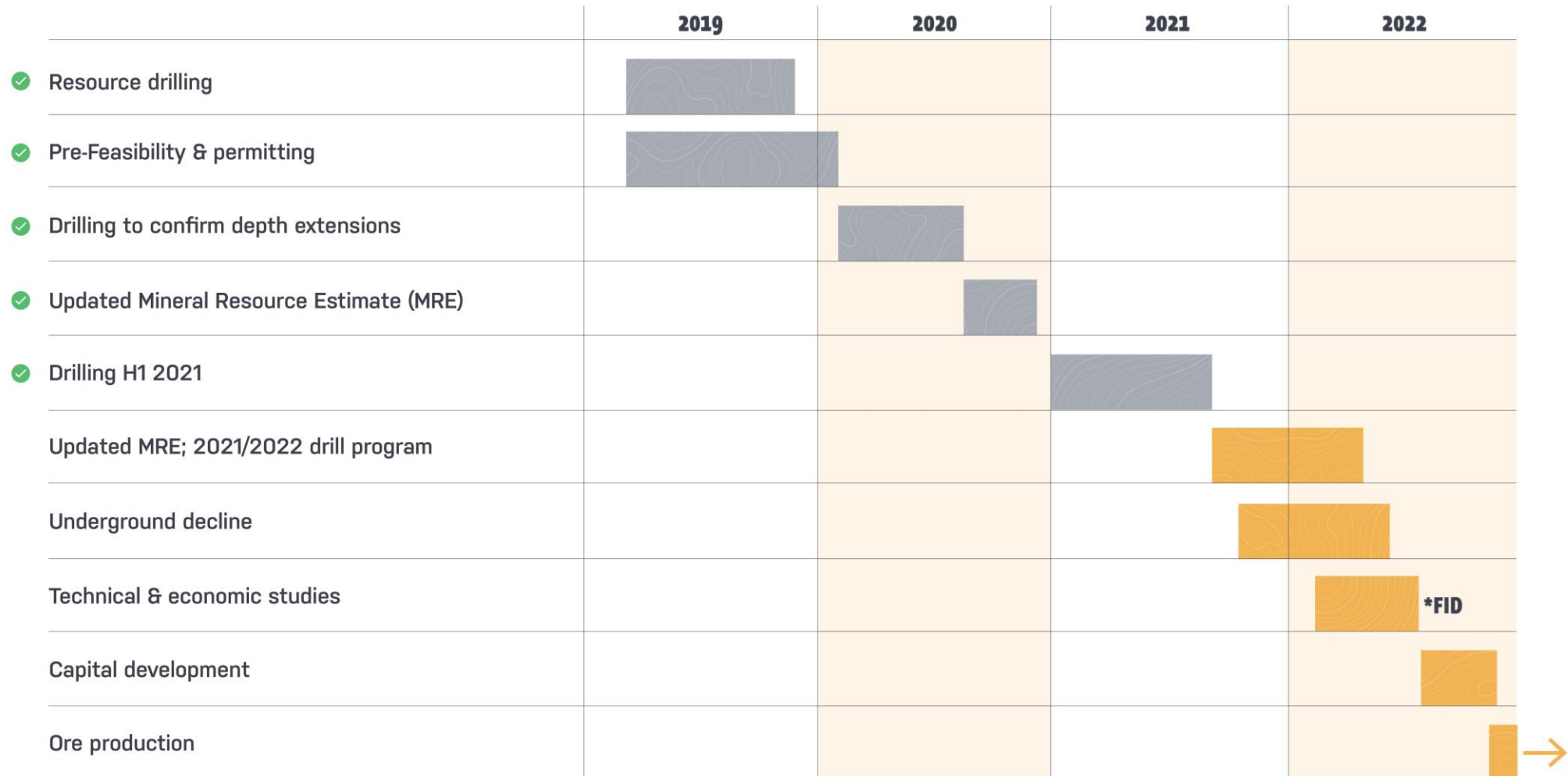
**Payback
14 Months after FID**

**Lowest Capital Intensity
Kanmantoo Stage 1
US\$0.70/lb**

**STAGE 1 – 3 Years
36 kt Cu at
AISC of A\$6991/t
10,000 ozs Au**

Current Cu Price A\$13,600/t

Kanmantoo is on schedule to producing Cu-Au ore in 2022



The Decline has Started!

Hillgrove Resources - Giant Pit, Kanmantoo Mine

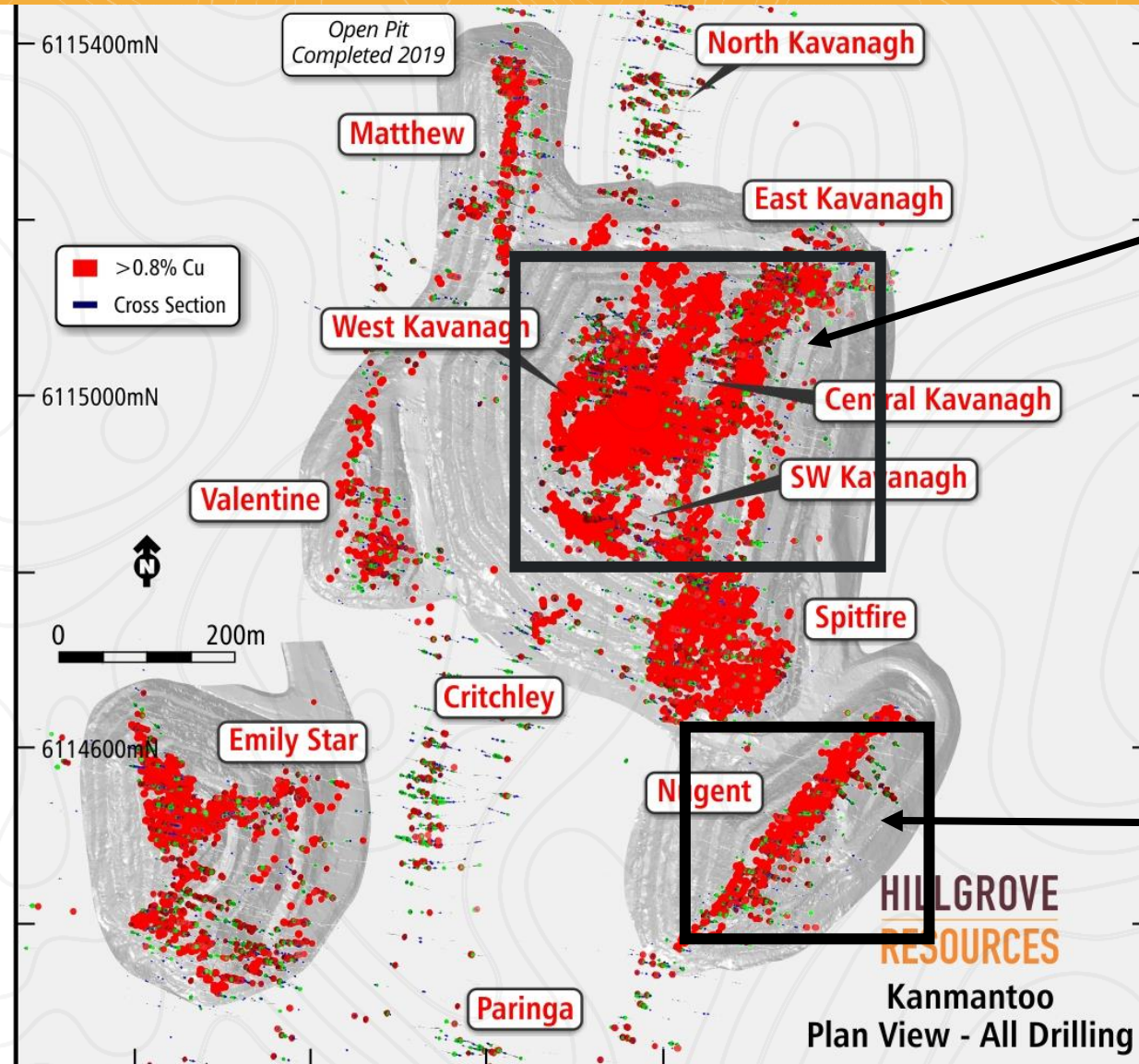
Follow up targets to further expand resources

Next Stages are
Depths and strike
extensions of
Kavanagh and Nugent

And evaluate

Paringa
Emily Star
Valentine
Matthew
North Kavanagh
Coopers

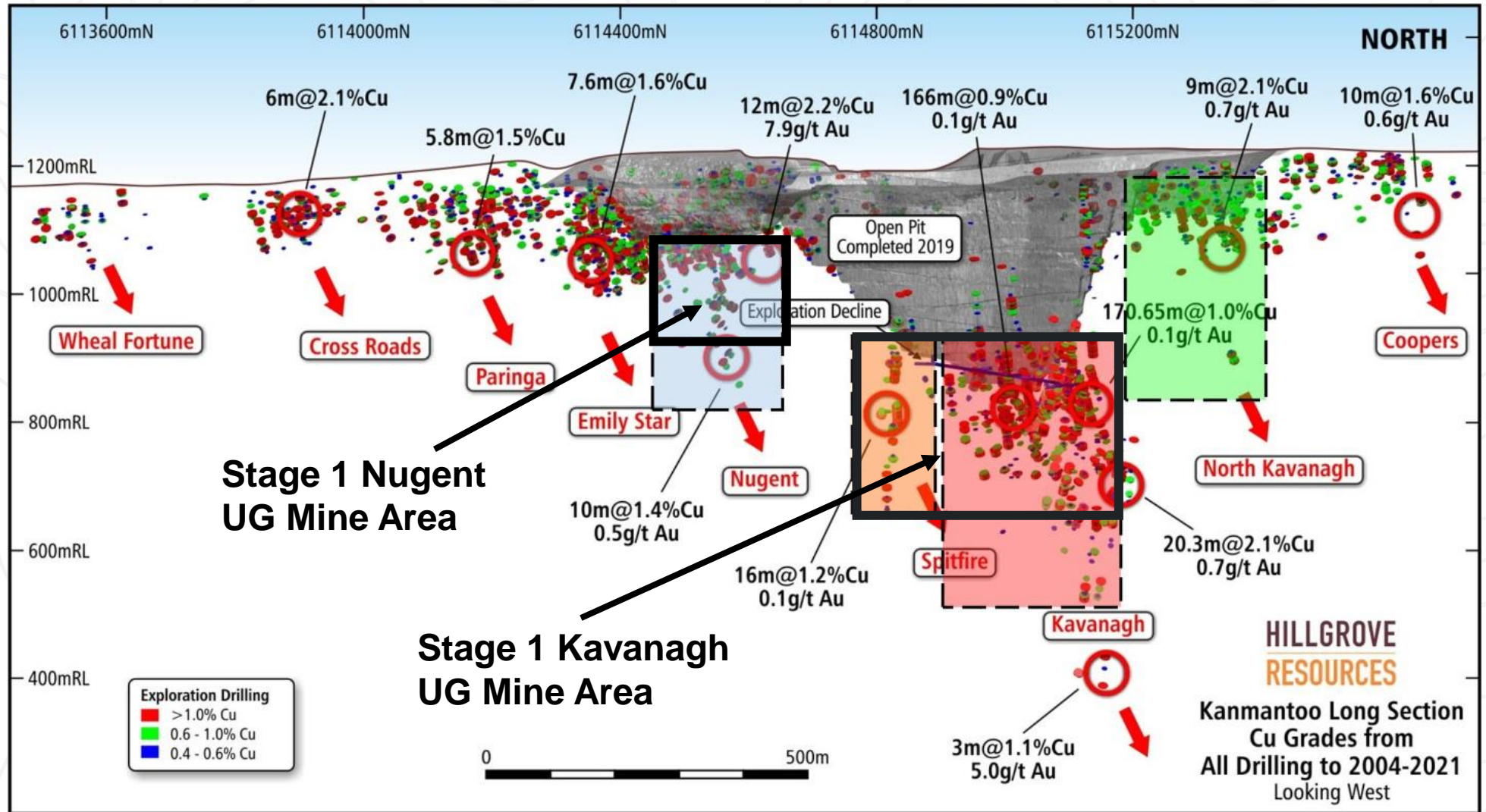
Stella



Stage 1 Kavanagh
UG Mine Area

Stage 1 Nugent
UG Mine Area

Follow up targets to further expand resources



Note (1): Exploration Target 8-16Mt @ 1-2%Cu and 0.2-0.4g/t Au within permitted Mining Lease. 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.

Hillgrove Resources: Kanmantoo South Hub



Summary of the Exploration drill holes by Target zone

Zone	Hole ID	DH Length	Downhole Intercept
Paringa	KTRC954	144 - 161m	17m @ 3.6% Cu, 0.6g/t Au
	KTRC866	123 - 137m	14m @ 2.8% Cu, 0.3g/t Au
Emily Star	KTRC833	82 - 93m	11m @ 2.0% Cu, 0.2g/t Au
	KTDD127	144 - 150m	6m @ 1.9% Cu, 0.4g/t Au

HGO: SUMMARY INVESTMENT HIGHLIGHTS

- **PERMITTED, LOW COST, LOW RISK, NEAR TERM COPPER GOLD PRODUCTION**
- **STAGE 1 HAS STRONG FINANCIALS WITH SHORT PAYBACK PERIOD**
- **AIM IS TO COMMENCE ORE PRODUCTION IN 2022**
- **DEMONSTRATED RESOURCE WITH MULTIPLE OPTIONS TO INCREASE**
- **OPTIONALITY TO RAMP UP COPPER PRODUCTION WITH LITTLE ADDITIONAL CAPITAL**

**Well positioned to be
Australia's next copper mine**

THANK YOU

