

Monday, 19 February 2024

INVESTOR PRESENTATION

With the commencement of copper production and first revenues, completing the Company's transition from an explorer and developer to a cash generating producer, the Company is pleased to release an updated investor presentation. Please refer to the attached.

Authorised for release by the Board of Hillgrove Resources Limited.

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**HILLGROVE
RESOURCES**

AUSTRALIA'S NEWEST COPPER PRODUCER



Lachlan Wallace
CEO & Managing Director
February 2024

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Unless otherwise stated, all cashflows in this presentation are in Australian dollars, are undiscounted and are in real terms (not subject to inflation/escalation factors).

Competent Person's Statement

The information in this report that relates to Exploration Target and Exploration Results, and Mineral Resource Estimate is based on and fairly represents information and supporting documentation compiled by Peter Rolley, a Competent Person, and at the time a full-time employee of Hillgrove Resources Limited, and a member of the Australian Institute of Geoscientists. Mr Rolley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Rolley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Further information on the Kanmantoo UG Mineral Resources was released to the ASX on 11 May 2022 and 26 July 2022 , which is also available on the Hillgrove Resources website at www.hillgroveresources.com.au

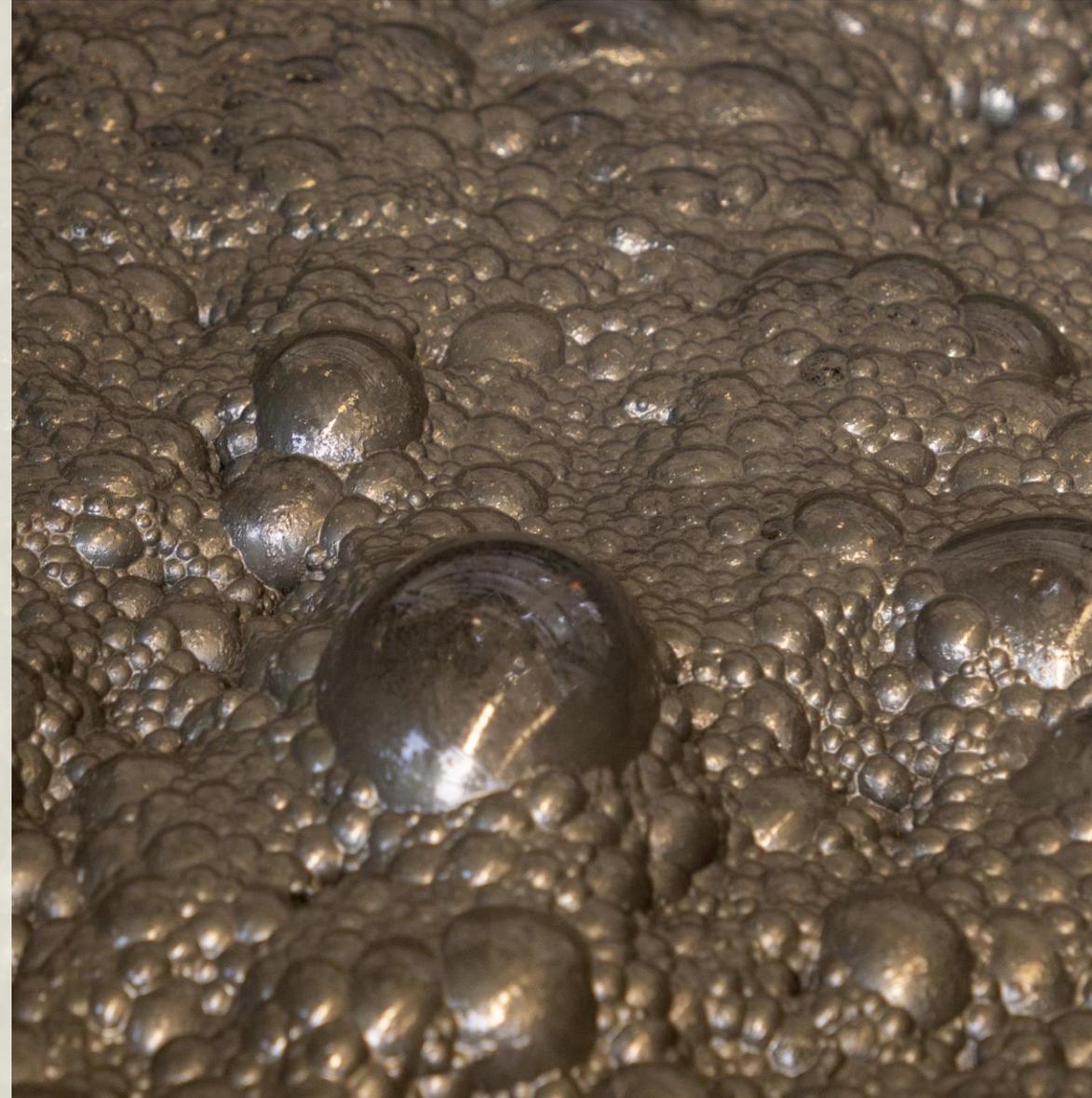
Hillgrove Resources confirms that it is not aware of any new information or data that materially affects the information included in that market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Hillgrove Resources confirms that the form and context in which the findings of the Competent Persons (Peter Rolley in relation to the Exploration Target and to the Mineral Resource Estimates) are presented, have not been materially modified from the original market announcement.

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COPPER PRODUCTION UNDERWAY... NOW FOR GROWTH

- ✓ Copper production delivered on schedule in Q1-24
- ✓ Costs in line with plan
- ✓ First cash from copper sales received
- ✓ Production profile ramping up as underground development opens more stopes
- ✓ Now focused on growing the mine life by chasing existing lodes down dip and along strike, and...
- ✓ Drilling the massive Kanmantoo Deeps target



CORPORATE SNAPSHOT

Company Overview

- ASX listed ('HGO') Australian resources company that owns and operates the Kanmantoo Copper Gold Mine in South Australia
- 20 years of strong operating experience and award-winning positive stakeholder engagement
- Kanmantoo open pit produced 137kt Cu & 55koz from 2010 to 2020.
- Copper production from the underground commenced in 2024.
- Debt free.

Market Statistics

Share Price ⁽¹⁾	A\$	0.075
Shares on Issue	M	1,912
Market Capitalisation	A\$M	143
Enterprise Value ⁽²⁾	A\$M	133
Liquidity - 12 Months	M shares	629 (33%)
Carried forward income tax losses ⁽³⁾	A\$M	270
Franking credits	A\$M	17.6

Note (1): Share price at close 15 February 2024

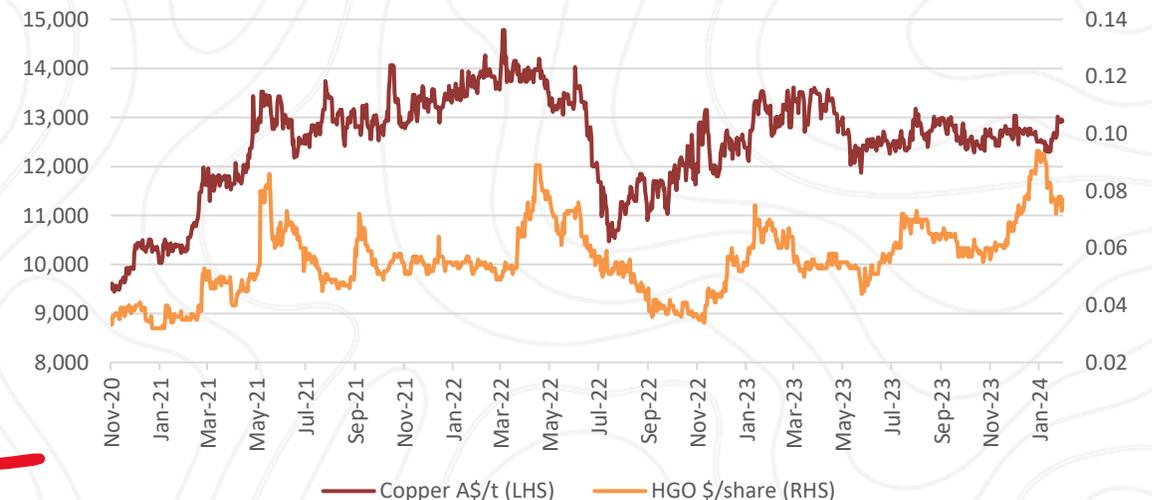
Note (2): Net cash at 31 December 2023 (unaudited)

Note (3): At 31 December 2023 (unaudited)

Investment Highlights

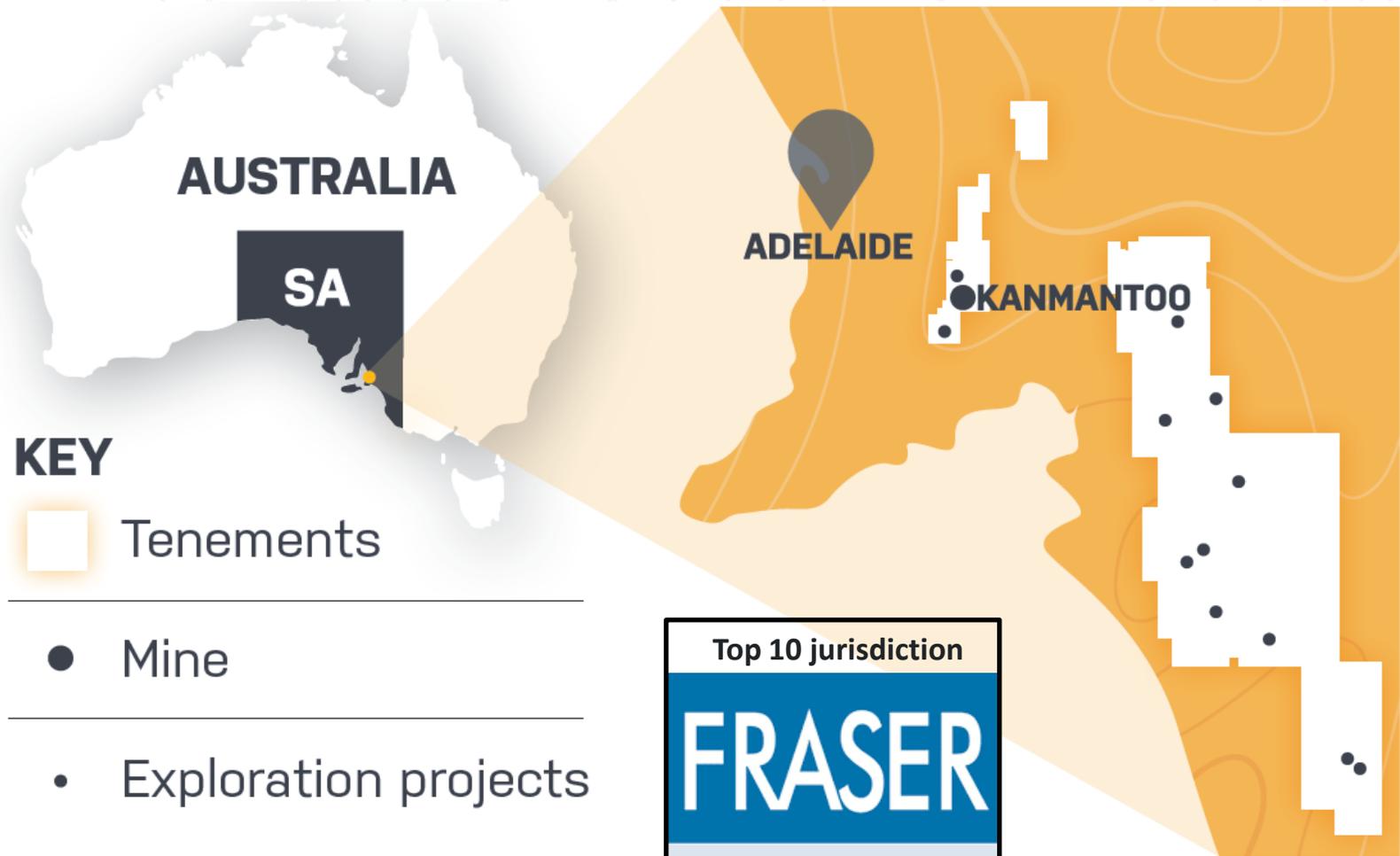
- ✓ One of the only copper producers on the ASX
- ✓ Multiple opportunities to increase resource base, annual production and mine life through lower cost underground drilling
- ✓ Spare processing capacity to increase copper production without additional processing capital
- ✓ Highly leveraged to current and forecast copper price strength

Share Price – 3 years



TIER 1 JURISDICTION

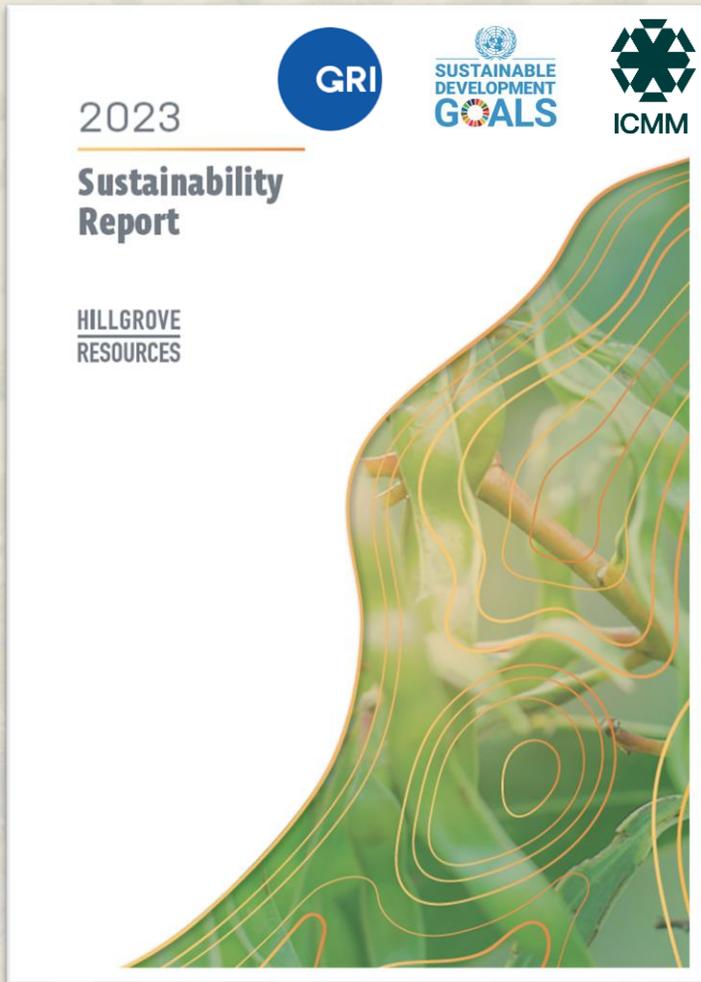
- ✓ 55km from Adelaide
- ✓ Access to market via Port Adelaide, only 70km from site where mine receives 95% of proceeds.
- ✓ Local workforce
- ✓ Supportive government that understands value that Resources sector provides to the State's economy. State again recognised as a Top 10 jurisdiction for Mining Investment Attractiveness.



DELIVERING BENEFIT TO LOCAL COMMUNITY

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✓ Community support built over 20 years of genuine engagement



EXISTING INFRASTRUCTURE

- ✓ 3.6Mtpa processing plant.
- ✓ TSF with sufficient capacity for Stage 1 mine plan plus a further 3Mt.
- ✓ 360m deep pit enabling fast low-cost access to mineral lodes.
- ✓ Combined infrastructure at Kanmantoo cost >\$200m in ~2010.



TWO STAGE STRATEGY - 1. GENERATE CASH, 2. GROW

STAGE 1

- ✓ Maintain infrastructure in operational state to keep capital hurdle for underground low.
- ✓ This resulted in underground being one of the lowest capital intensive copper development projects in the world.
- ✓ Maintaining the plant ready for restart requires high C&M costs so strategy was to spend just enough on drilling to develop a mine plan sufficiently robust to finance and return to cash generation ASAP.

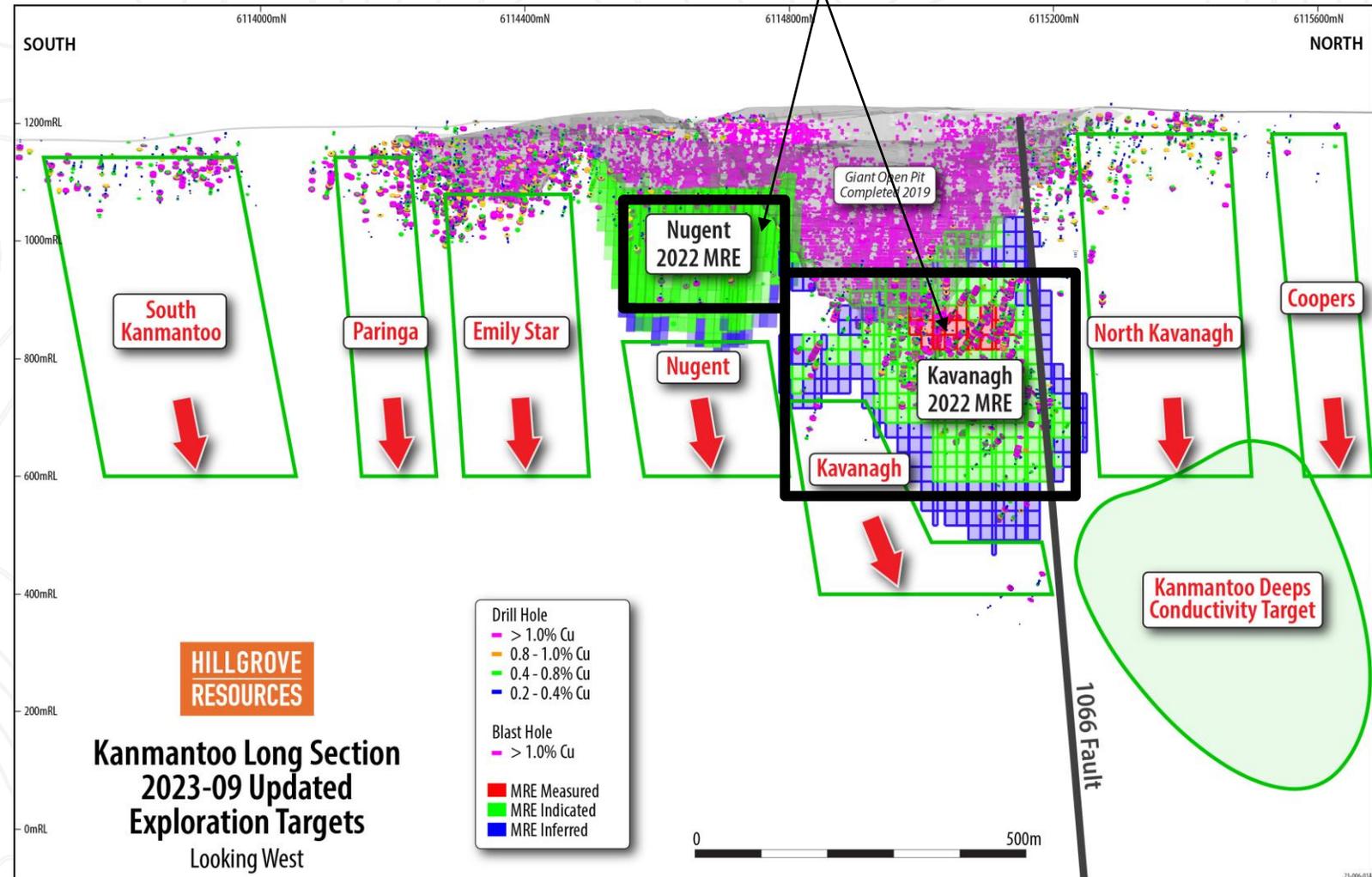


TWO STAGE STRATEGY - 1. GENERATE CASH, 2. GROW

STAGE 2

- ✓ Focus on returning to cash generation quickly limited drilling to only 2 mineral lodes, Kavanagh and Nugent.
- ✓ These areas remain open at depth and along strike.
- ✓ There are a further 7 areas which were drilled and/or partially mined as part of open pit.
- ✓ Focus now turns to expanding mine life and annual throughput by converting these areas.

Current Mine Plan



STAGE 1 MINE PLAN

AISC **A\$8,051**

Copper Production **44kt**

Gold Production **11koz**

Time to First Production **7 Months**

Pre-production Capital **A\$25m**

Mine Life **4 Years**

	JORC 2012	Tonnage	Cu	Au	Cu Metal
Deposits	Classification	(kt)	(%)	(g/t)	(kt)
Kavanagh 2022 (0.6% Cu COG)	Measured	780	1.28	0.1	9.9
	Indicated	3,640	1.03	0.06	38
	Inferred	1,300	1	0.1	10
	Sub-Total	5,750	1.1	0.1	61
Nugent 2022 (0.7% Cu COG)	Indicated	865	1.19	0.64	10.3
	Inferred	400	1.1	0.3	5
	Sub-Total	1,270	1.18	0.54	15
Totals	Measured	780	1.28	0.1	9.9
	Indicated	4,505	1.06	0.2	48
	Inferred	1,700	1	0.1	15
	Total	6,985	1.08	0.16	75.9

Note: Due to appropriate rounding, numbers may not sum.

The mine plan and associated economics is based on the Economic Assessment released to the ASX on 27 February 2023. It does not include an update to the Nugent Resource model reported to the ASX 26 July 2022 which increased the total copper metal from 8.7kt to 15kt as reported in the table above. It also does not include drilling during 2023 and the identification of a fault in Kavanagh which truncates mineralisation to the north, both of which are expected to result in a material change to the Mineral Resource Estimate and project economics in the Economic Assessment. 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 74% Measured and Indicated Resources, and 26% Inferred Resources. 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.

UNDERGROUND PRODUCTION RAMPING UP

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- ✓ All people & plant on site.
- ✓ Underground development in line with planned schedule and costs.
- ✓ Major projects completed on time and budget (ventilation, electricity, dewatering system).
- ✓ Production profile ramps up as additional work areas open and multiple stopes are mined concurrently.



PROCESSING PLANT COMMISSIONED

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- ✓ 3.6Mtpa processing plant commissioned in Q1-24.
- ✓ Large inventory of critical spares on site mitigates risk of extended downtime.
- ✓ Long term electricity contract locks in low-cost power until 2027.



FIRST COPPER PRODUCTION

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- ✓ Copper sales in Q1-24 return business to cash generation.
- ✓ 16kt hedging facility available. Currently 3kt hedged at average realised price of \$12,500/ tonne.
- ✓ Copper production profile ramps up as the underground develops.



STAGE 2 - GROWING LIFE & COPPER PRODUCTION

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✓ Mine life limited by drilling density.

✓ Exploration Target

60 - 100 Mt

0.9 - 1.2% Cu

0.1 - 0.2g/t Au

Refer ASX Announcement 11 October 2023. 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.



>100% EXPLORATION STRIKE RATE

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- ✓ Mineralisation continuity down dip has resulted in high strike rate since 2019:

139 holes

163 intersections Cu-Au

- ✓ Drilling has resulted in >600% increase in Mineral Resource Estimate (MRE)

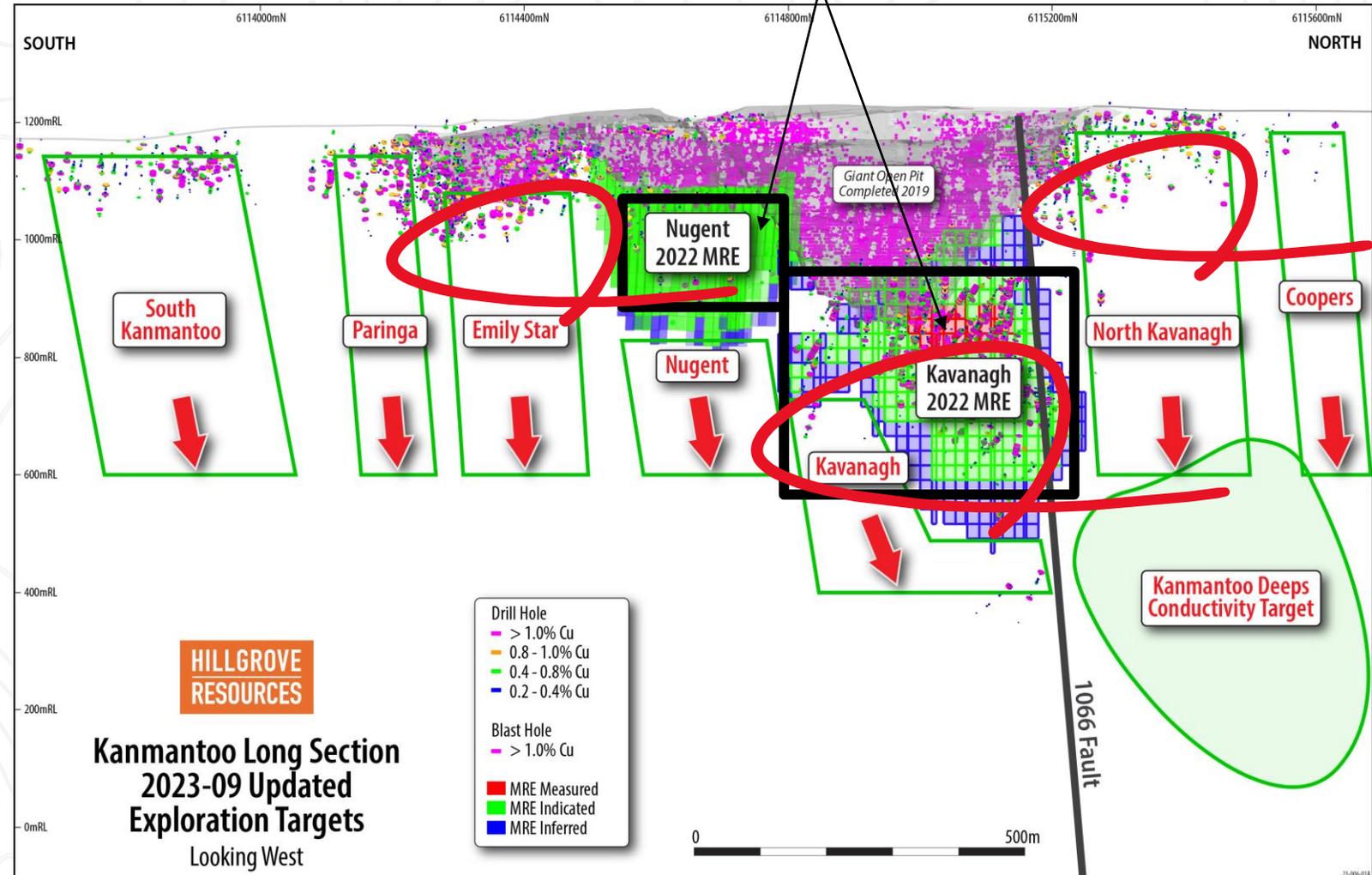
- ✓ >25,000 assays from drilling not yet in the MRE (increasing from 16,481 assays to over 41,500 assays)



MINERAL RESOURCE ESTIMATE BEING UPDATED

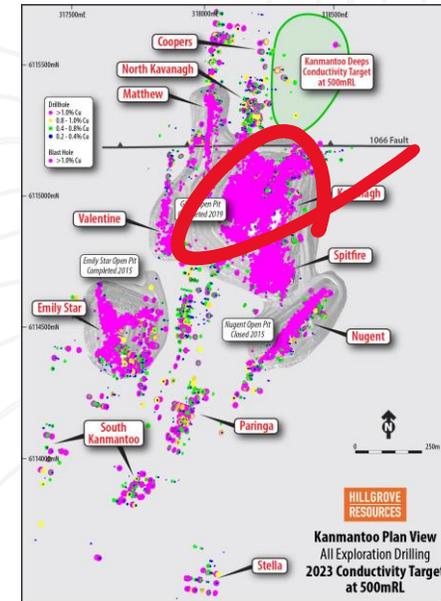
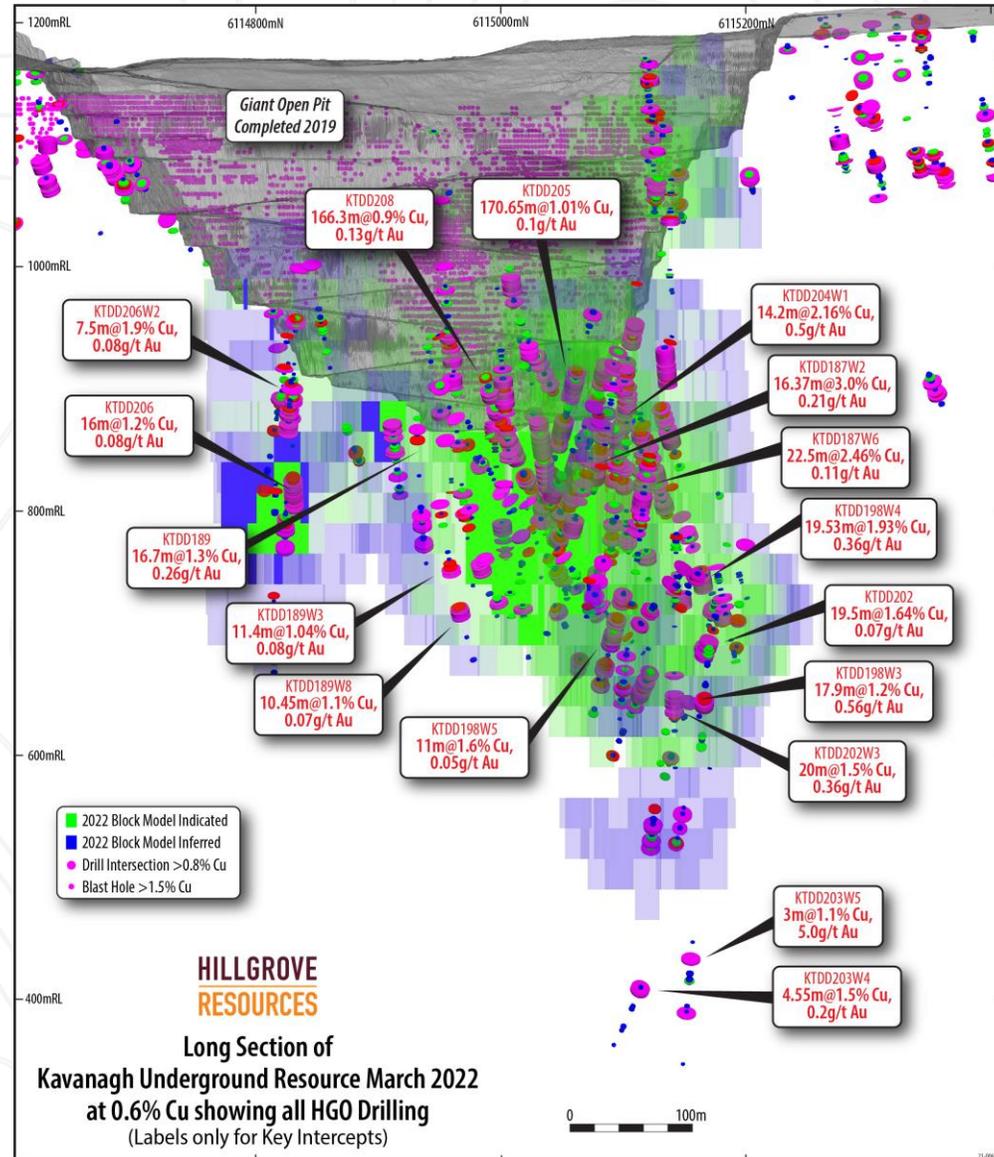
- ✓ Update to include maiden MRE for Emily Star & North Kavanagh, and update existing Kavanagh MRE.
- ✓ Total MRE expected to increase.
- ✓ Drilling identified a fault that truncates Kavanagh mineralisation to the north and is expected to reduce the MRE in this area.
- ✓ Spitfire will partly offset, but net reduction to Kavanagh MRE expected which may materially impact planned mining inventory.
- ✓ Reviewing Emily Star and North Kavanagh as additional work areas.

Current Mine Plan



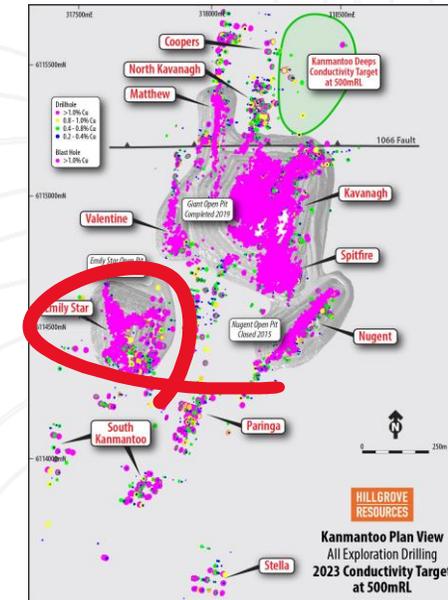
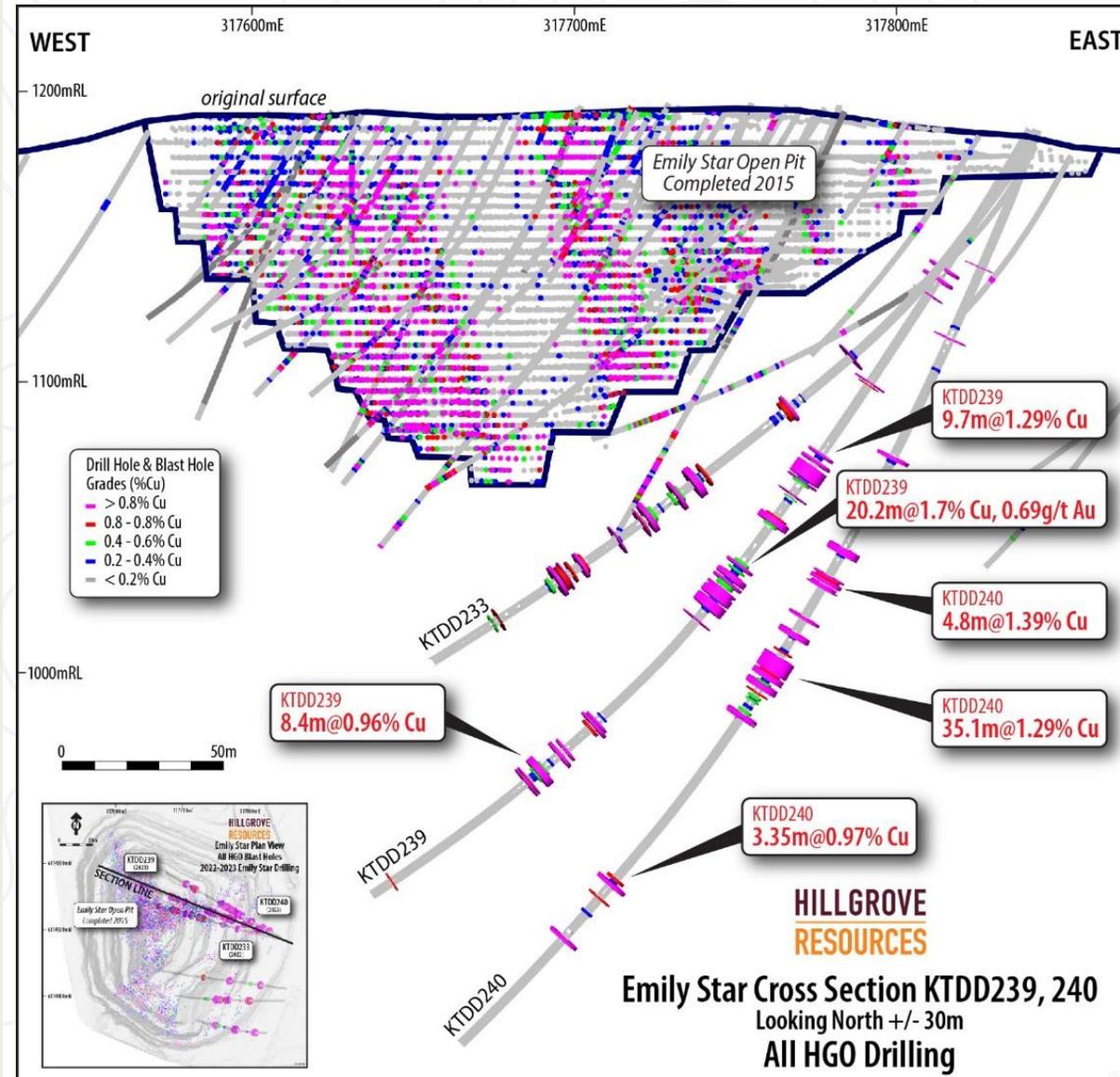
MINE EXTENSION - KAVANAGH

- ✓ Mine plan limited by drilling.
- ✓ Deepest holes more than 200m below the extent of the current mine plan highlight that mineralisation is continuing at depth (800m below surface and open).
- ✓ Recent Kavanagh holes include:
 - 36.6m @ 3.35% Cu
from 43m downhole (23KVUG064).
 - 40m @ 1.27% Cu
from 43m downhole (23KVUG072).
 - 33.23m @ 1.46% Cu
from 42m downhole (23KVUG083).



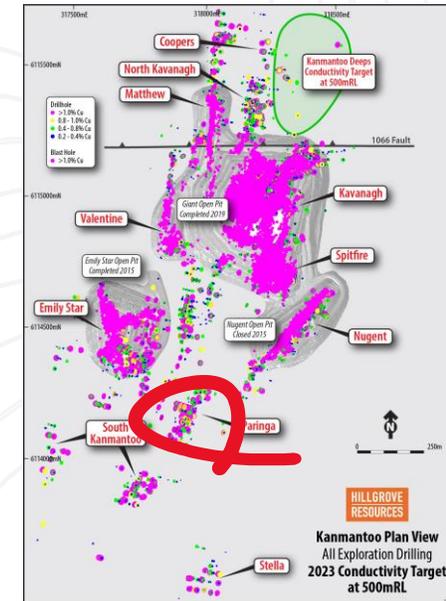
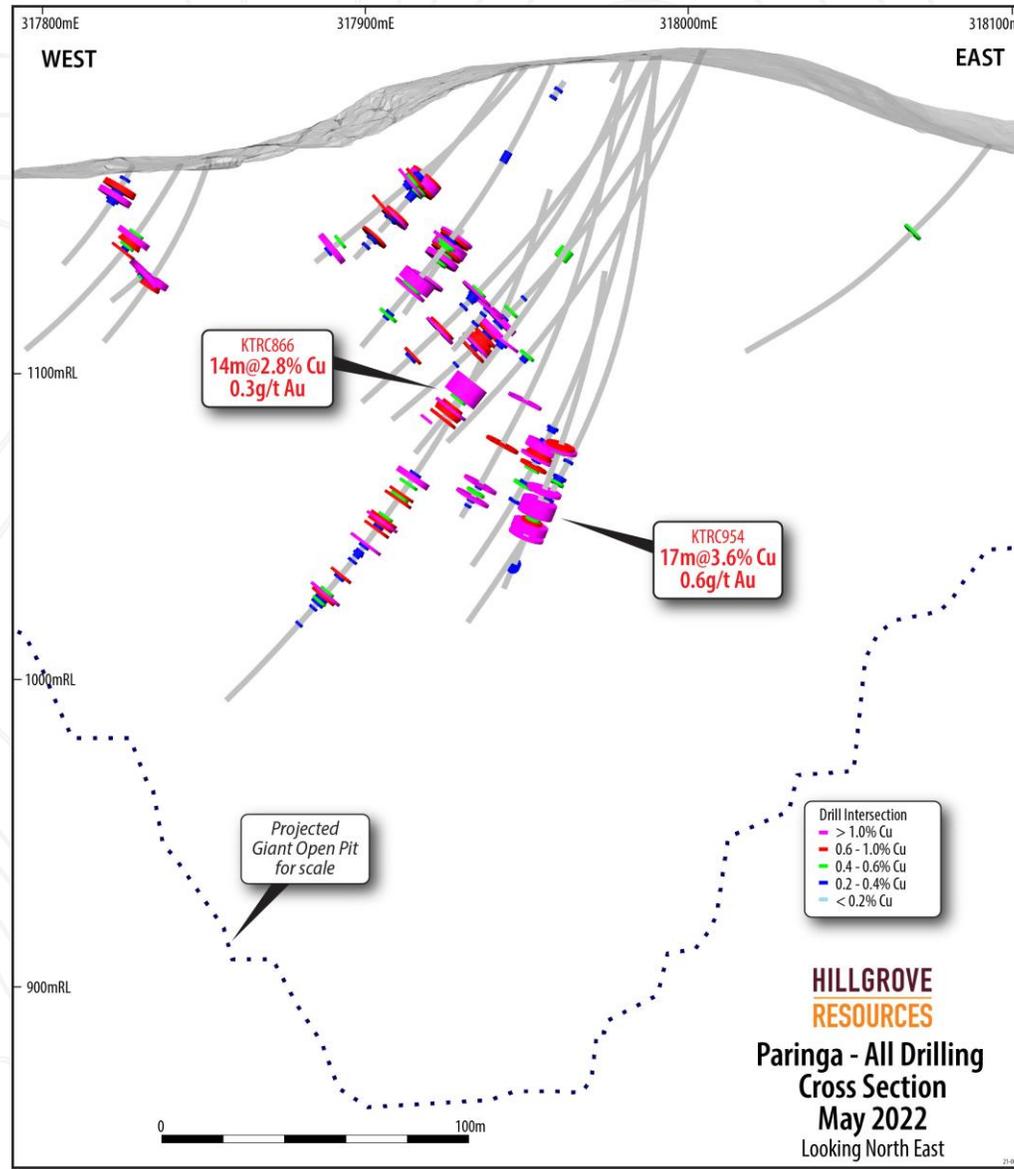
MINE EXTENSION - EMILY STAR

- ✓ Mineralisation continues through base off the open pit.
- ✓ 71.7m @ 0.89% Cu from 132.7m downhole (KTDD239)
- ✓ 68.7m @ 0.9% Cu from 158.6m downhole (KTDD240), including;
- ✓ 35m @ 1.29% Cu from 192.2m downhole
- ✓ Emily Star sits within 300m of the portal, providing opportunity to develop a separate work area.
- ✓ Maiden MRE being developed.



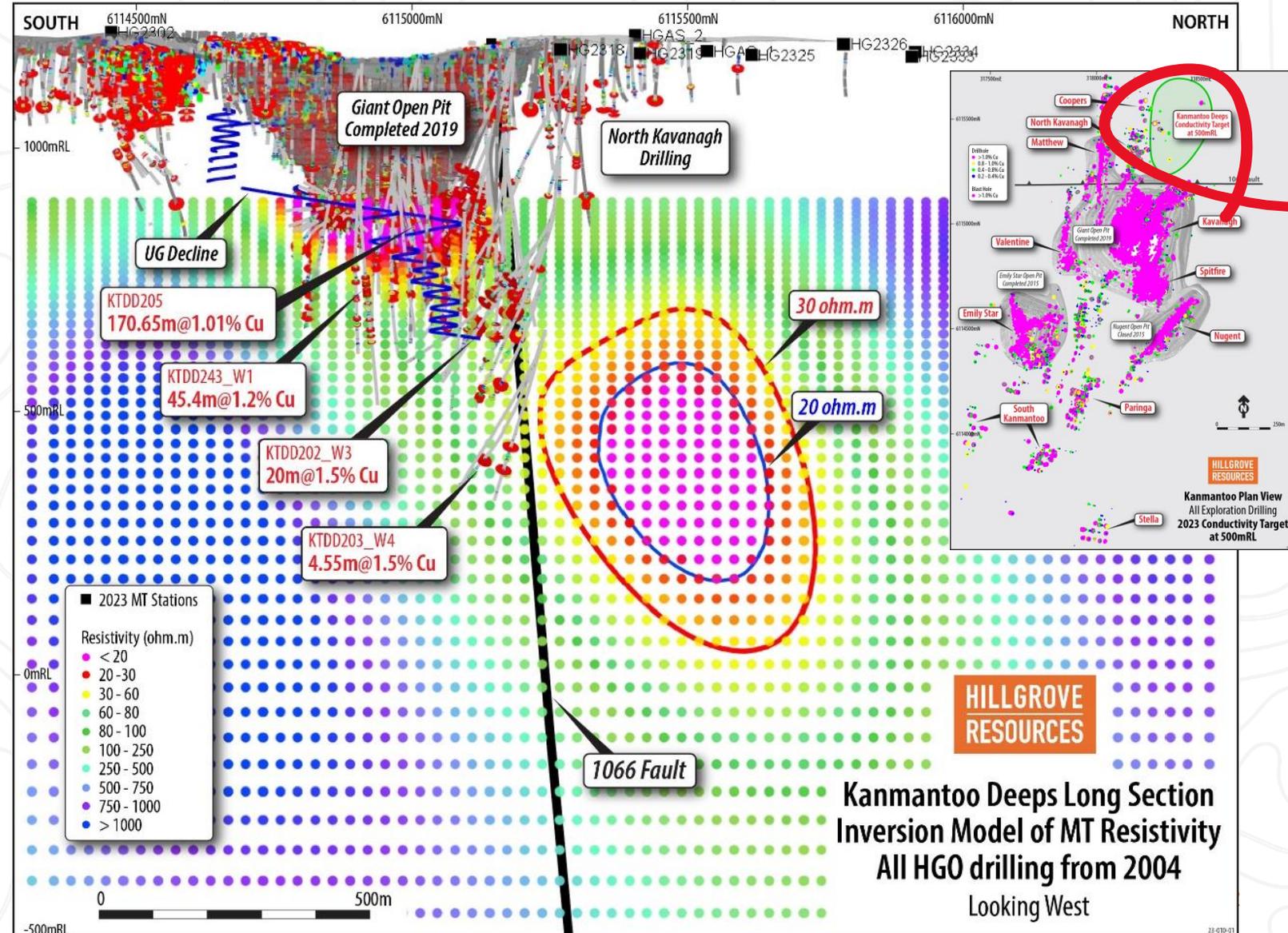
MINE EXTENSION - PARINGA

- ✓ 17m @ 3.6% Cu, 0.6g/t Au from 144m downhole (KTRC954)
- ✓ 14m @ 2.8% Cu, 0.3g/t Au from 123m downhole (KTRC866);
- ✓ Mineralisation occurring over 100m down dip and still open.
- ✓ Immediately adjacent to Emily Star with potential to share underground development infrastructure.



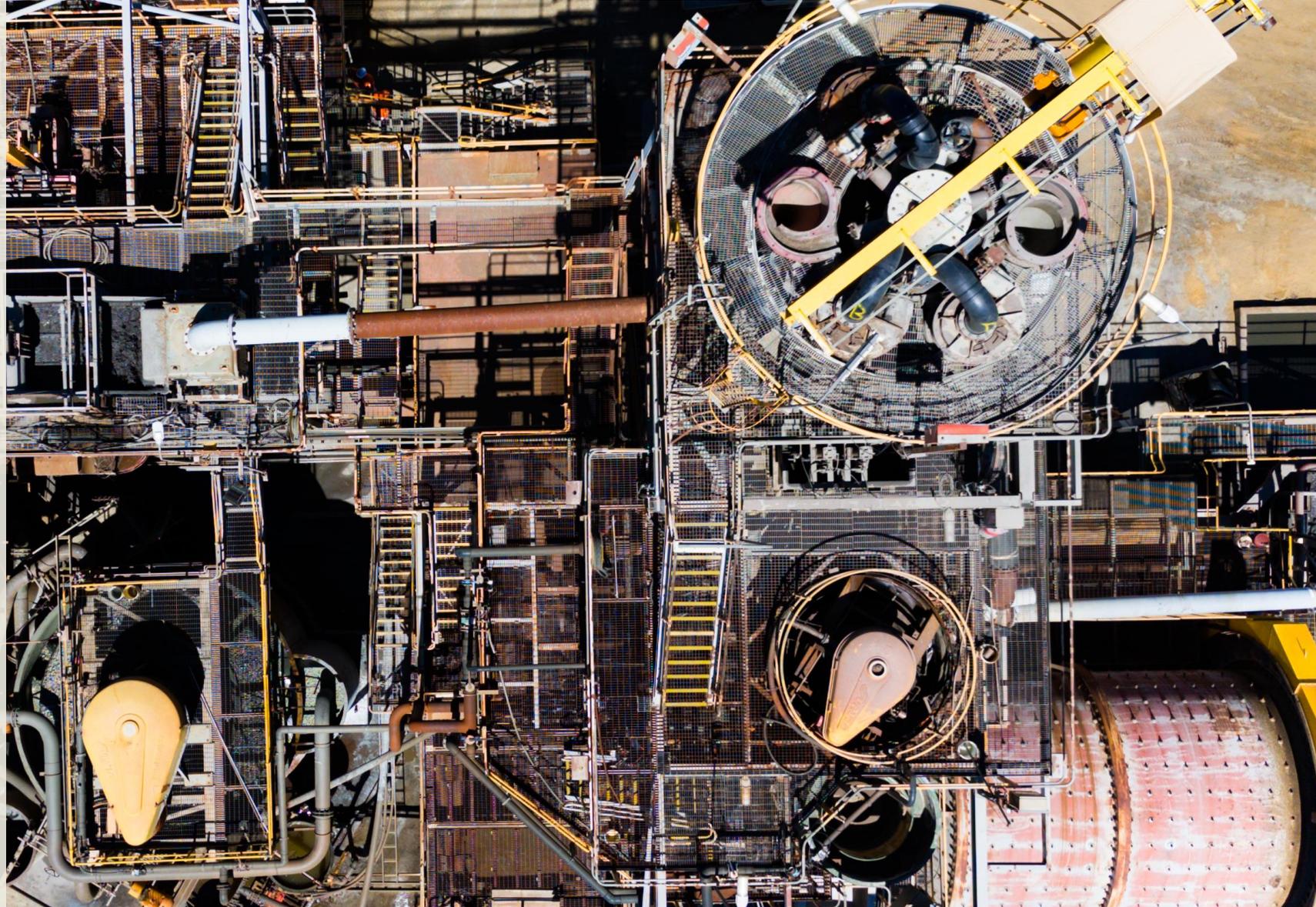
GAME CHANGER - KANMANTOO DEEPS

- ✓ Large low resistivity (high conductivity) anomaly coincident with magnetic and gravity highs.
- ✓ Very similar geophysical signature to the main Kanmantoo zone.
- ✓ Potential extension of the Kanmantoo mineral system that has been offset down fault.
- ✓ Within 400m of the underground decline that is being developed.



SPARE CAPACITY TO RAMP UP COPPER PRODUCTION...

- ✓ 3.6Mtpa processing plant only ~40% utilised.
- ✓ Mineralised zones generally characterised by high grade core with lower grade halo.
- ✓ As price moves up, Hillgrove can quickly respond by widening stopes to present more ore to the process plant that has ample capacity to quickly convert to copper and cash.
- ✓ Highly leveraged to copper price.



...AND CONVERT EXPLORATION SUCCESS

- ✓ Latent capacity enables Hillgrove to convert exploration success to copper with no processing capex.
- ✓ Increase in annual copper production reduces AISC.
- ✓ Majority of operational costs are fixed in nature so any additional copper is high margin and has outsized impact to cash flow.
- ✓ Plant capacity > 30ktpa.



FIRST COPPER PRODUCTION IS JUST THE BEGINNING

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- ✓ Transitioning from Explorer to Producer on schedule and in line with costs demonstrates Hillgrove's capability to deliver.
- ✓ Kanmantoo is limited by the extent of drilling with all on-lease mineral zones remaining open down dip and along strike.
- ✓ Next Steps: increasing mine life and annual throughput.

Appendix

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REFERENCES

All exploration drill results, exploration information and Mineral Resource Estimates have previously been reported to the ASX by Competent Person at the time. The results reported herein are reported in the form and context of the original ASX releases. Refer <http://www.hillgroveresources.com.au/announcements>

- 20 Jun 2019 Drilling of Kanmantoo Cu-Au Deeps to Commence
- 27 Sep 2019 Kanmantoo South Hub Cu-Au Growth Opportunity
- 10 Oct 2019 Excellent Drill Results from Kanmantoo Cu-Au Deposit
- 31 Oct 2019 Maiden Kavanagh Underground Mineral Resource Estimate
- 5 Nov 2019 Additional Information to Maiden Kavanagh Underground
- 2 Jun 2020 Underground Drilling Program Recommences
- 11 Aug 2020 Excellent Gold Recoveries from Kanmantoo
- 3 Sep 2020 Drilling Expands Cu-Au Footprint at Kanmantoo Underground
- 7 Dec 2020 Updated Kanmantoo Underground Mineral Resource Estimates
- 3 May 2021 Drilling Confirms Down-Dip Cu-Au Mineralisation at Kanmantoo
- 6 May 2021 Hillgrove Hits 170m of Copper Mineralisation at Kanmantoo
- 24 May 2021 Hillgrove Awarded Two Exploration Grants by SA Government
- 26 Aug 2021 New Gold Discovery Confirmed at Stella
- 1 Sep 2021 Hillgrove Hits 166m of Copper Mineralisation at Kanmantoo
- 21 Mar 2022 Multiple High-Grade Intersections within a Broader +100 metre Zone of Copper Mineralisation
- 28 Apr 2022 First Underground Drilling Platform Established
- 6 May 2022 Nugent Copper Gold Zone Delivers Excellent Results – Amended
- 11 May 2022 Updated Kavanagh Mineral Resource Estimate
- 26 Jul 2022 Updated Nugent Mineral Resource Estimate
- 8 Aug 2022 Spitfire Drilling Results
- 27 Feb 2023 Updated Economic Assessment Expands Mine Life
- 2 Mar 2023 \$39m Institutional Placement and SPP for Kanmantoo Restart
- 14 Mar 2023 Mine Extension Drilling to Commence at Kanmantoo
- 17 Mar 2023 Works for Kanmantoo Copper Mine Restart Now Underway
- 23 Mar 2023 Kanmantoo Exploration Target Update
- 19 Jun 2023 Kanmantoo Positive Investment Decision
- 3 Jul 2023 Emily Star Drilling Results
- 28 Aug 2023 Step Out Hole at Kavanagh Hits 45.4m @ 1.2% Cu
- 11 Oct 2023 Kanmantoo Deeps Exploration Target Update – Restated
- 13 Nov 2023 Kanmantoo Underground Confirmation Drilling Results
- 12 Feb 2024 Copper Production Commences at Kanmantoo Mine
- 19 Feb 2024 Hillgrove Receives First Cash from Copper Production