

Monday, 26 February 2024

## \$10 MILLION PLACEMENT TO FUND MINE EXTENSION DRILLING

### KEY HIGHLIGHTS

- After the production of first copper earlier this month following the recommissioning of the Kanmantoo Copper Mine, Hillgrove is now focused on ramping up production and extending the mine life.
- Firm commitments secured for a \$10.0 million Placement to grow the Resource and mining inventory at Kanmantoo, with funds used as follows:
  - Mine extension drilling down dip of existing lodes;
  - Drilling of other deposits within the mining lease;
  - Drill testing the significant Kanmantoo Deeps target; and
  - General working capital purposes.
- Major shareholder Freepoint Metals & Concentrates LLC ("**Freepoint**") will subscribe for their pro-rata share in the Placement, equating to circa \$2.0m.
- Recent positive drilling results highlight the significant growth opportunity at Kanmantoo, including<sup>1</sup>:
  - 36.6m @ 3.35% Cu from 43m downhole in East Kavanagh (23KVUG064)
  - 45.4m @ 1.19% Cu and 0.12g/t Au from Spitfire from 428.5m downhole (KTD243\_W1)
  - 40m @ 1.27% Cu from 43m downhole in Central Kavanagh (23KVUG072)
  - 33.23m @ 1.46% Cu from 42m downhole in East Kavanagh (23KVUG083)

Hillgrove Resources Limited (ABN 73 004 297 116) (ASX:HGO) ("**Hillgrove**", "**the Company**") is pleased to announce that it has successfully completed a \$10.0 million capital raising via a two tranche placement of new fully paid ordinary shares in Hillgrove ("**New Shares**") to institutional and sophisticated investors ("**Placement**"). The Company's major shareholder Freepoint will subscribe for its pro-rata share in the Placement, equating to \$2.0m. Commenting on the Placement, Hillgrove CEO and Managing Director, Lachlan Wallace said:

*"Following the commencement of copper production from the Kanmantoo underground, we are seeking to accelerate exploration at a number of our exciting targets with a view to both grow mine life and increase the annual throughput. This can have a material impact on the value of the Company and we want to push this ahead as quickly as possible. The \$10.0m Placement facilitates this exploration growth and also provides working capital support to ramp up the underground mining to the planned steady state production rate.*

*We have seen extraordinary success in our exploration efforts with 139 holes drilled for 163 significant intercepts of copper and gold. Kanmantoo is a predictable and structurally controlled system and as we drill more, we find more copper. We look forward to accelerating the drilling, with a view to growing the Resource and mine life, and increasing annual copper production."*

<sup>1</sup> ASX Announcements of 28 August 2023 and 13 November 2023

**CAPITAL RAISING TERMS**Tranche 1 Placement

The Tranche 1 Placement will involve the issue of 133,376,994 New Shares at an issue price of \$0.060 per share, raising \$8.0 million (before costs). The issue is pursuant to the Company's available placement capacity under ASX Listing Rules 7.1.

Tranche 2 Placement

The Company has entered into a binding Commitment Letter with Freepoint for the issue of Shares under the Tranche 2 Placement. The Commitment Letter is subject to approval by the Foreign Investment Review Board under the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*. The Tranche 2 Placement will involve the issue of 33,289,673 New Shares to Freepoint at an issue price of \$0.060 per share, raising \$2.0 million (before costs). The issue is pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 and does not require shareholder approval. If FIRB approval is not obtained, the Tranche 2 Placement will not proceed.

Canaccord Genuity acted as the Sole Lead Manager for the Placement.

**INDICATIVE TIMETABLE**

The indicative timetable of the Placement is detailed below:

**INDICATIVE TIMETABLE INFORMATION****PLACEMENT**

Settlement of Tranche 1 Placement Shares	Thursday, 29 February 2024
Allotment of new shares under Tranche 1 Placement	Friday, 1 March 2024
Settlement of Tranche 2 Placement Shares	As soon as possible after FIRB approval <sup>2</sup>
Allotment of new shares under Tranche 2 Placement	The next business day following the Settlement of Tranche 2 Placement Shares

Note – the timetable is indicative only and subject to change. The commencement and quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Hillgrove reserves the right to amend this timetable at any time – unless otherwise specified, all times and dates refer to Sydney time.

**INVESTOR PRESENTATION**

Further details of the capital raising are outlined in the investor presentation appended below.

<sup>2</sup> The settlement date and the allotment date of the Tranche 2 Placement Shares will depend on the date of receipt of the FIRB approval.

Authorised for release by the Board of Hillgrove Resources Limited.

**For more information contact:**

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**HILLGROVE  
RESOURCES**

# AUSTRALIA'S NEWEST COPPER PRODUCER



**Lachlan Wallace**  
CEO & Managing Director  
February 2024

# IMPORTANT NOTICE & DISCLAIMER

## Summary information

This presentation contains summary information about Hillgrove Resources Limited (**Hillgrove** or the **Company**) and its activities as at the date of publication. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. The historical information in this presentation is, or is based on, information that has been released to the ASX. This Presentation should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au)

Any market and industry data that may be used in connection with this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of the Company, its representatives or advisers have independently verified that market or industry data provided by third parties or industry or general publications.

Statements made in this presentation are made only as at the date of this presentation. The information in this presentation remains subject to change without notice. The Company reserves the right to withdraw the offer or vary the timetable for the offer without notice.

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## Future performance

This presentation includes both information that is historical in character and information that consists of forward-looking statements. Forward-looking statements are not based on historical facts, but are based on current expectations of future results or events. This presentation contains or may contain certain "forward-looking statements" and comments about future events, that are based on Hillgrove management'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, estimates of future Mineral Resources and Ore Reserves.

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## **Future performance continued**

The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward-looking statements. Those risks and uncertainties include factors and risks specific to the industry in which Hillgrove operates, any applicable legal requirements, as well as matters such as general economic conditions. These factors include, but are not limited to 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.

While Hillgrove believes that the expectations reflected in the forward looking statements in this presentation are reasonable, neither Hillgrove nor its directors or any other person named in the presentation can assure you that such expectations will prove to be correct or that implied results will be achieved. These forward looking statements do not constitute any representation as to future performance and should not be relied upon as financial advice of any nature. Any forward looking statement contained in this document is qualified by this cautionary statement.

## **Mineral Resources and Ore Reserves Estimates**

The Economic Assessment discussed in this Presentation, 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 74% Measured and Indicated Resources, and 26% Inferred Resources. The Production Target included in the Economic Assessment relating to the project payback period of 9 months post the completion of pre-production works comprises 84% Measured and Indicated Resources, and 16% Inferred Resources.

As an Australian company with securities listed on the Australian Securities Exchange (ASX), Hillgrove is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**the JORC Code**) and that 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.

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## Mineral Resources and Ore Reserves Estimates continued

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 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.

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## Kanmantoo Underground Mineral Resource Estimate

Deposits	JORC 2012	Tonnage	Cu	Au	Cu Metal
	Classification	(kt)	(%)	(g/t)	(kt)
Kavanagh 2022 (0.6% Cu COG)	Measured	780	1.28	0.10	9.9
	Indicated	3,640	1.03	0.06	38
	Inferred	1,300	1.0	0.1	10
	Sub-Total	5,750	1.10	0.10	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

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## Competent Person's Statement

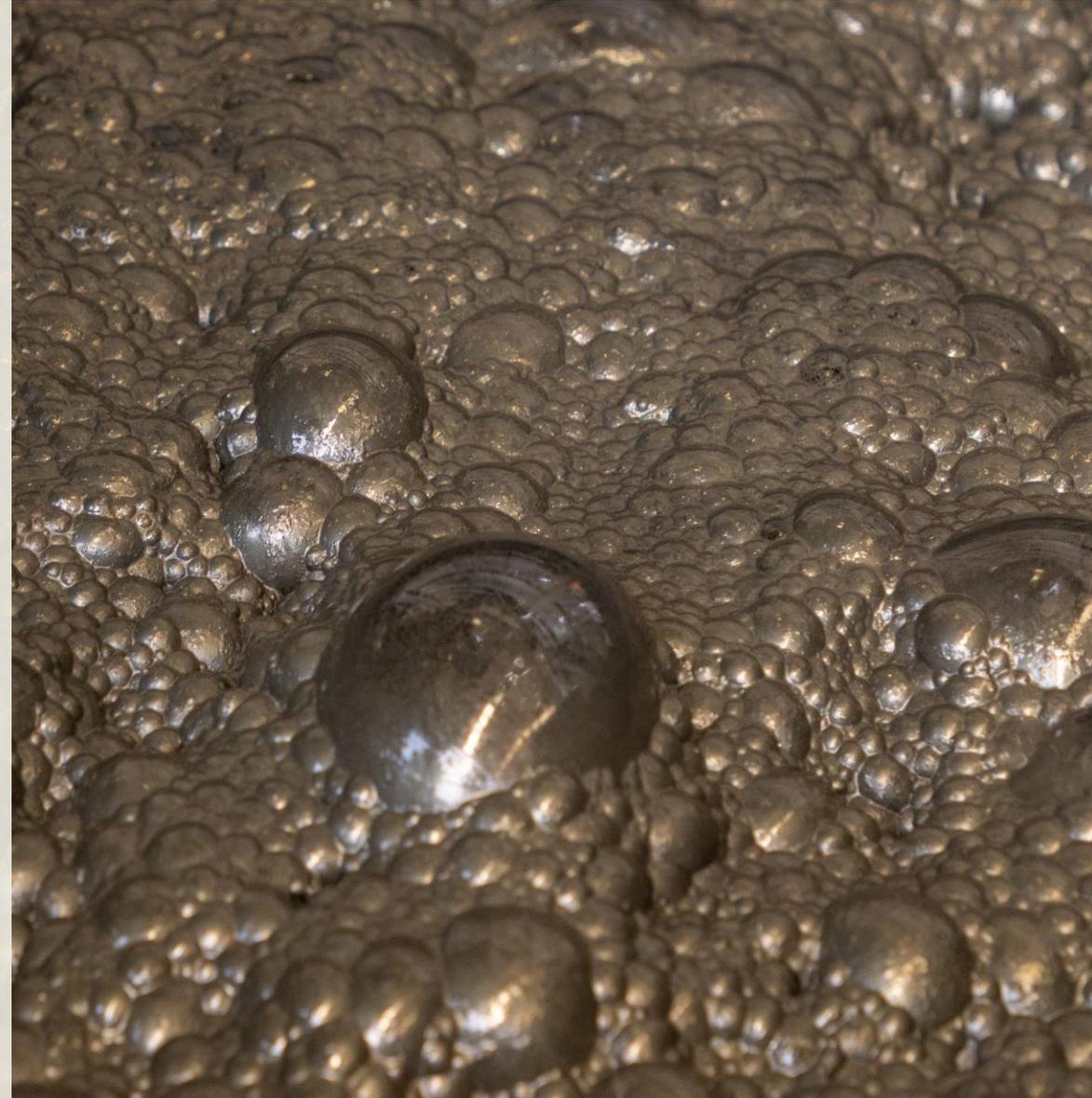
The information in this report that relates to Exploration Target and Exploration Results is based on and fairly represents information and supporting documentation compiled by Peter Rolley, a Competent Person, a full-time employee of Hillgrove Resources Limited, and a member of the Australian Institute 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](http://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.

# 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 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 2011 to 2020.
- Copper production from the underground commenced in 2024.
- Debt free.

### Market Statistics

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

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

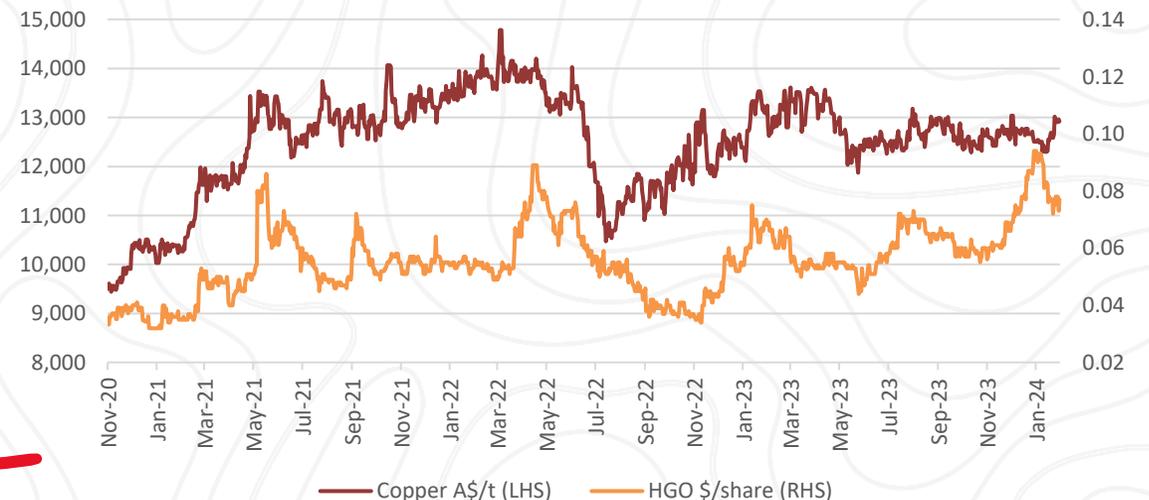
Note (2): Net cash at 31 December 2023 (unaudited)

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

### Investment Highlights

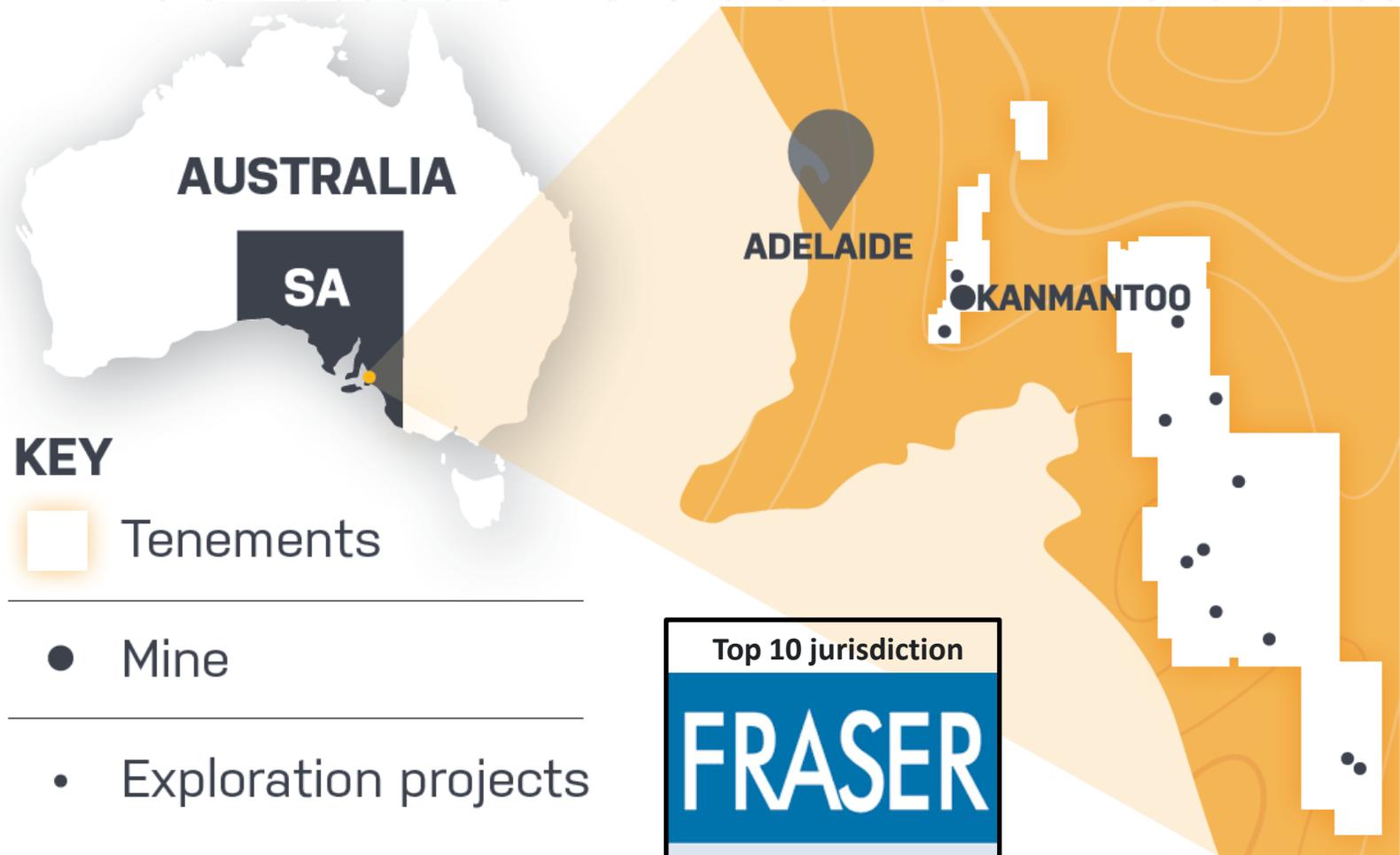
- ✓ One of the only copper producers on the ASX
- ✓ Multiple opportunities to increase resource base, annual production and mine life through lower cost underground drilling
- ✓ Spare processing capacity to increase copper production without additional processing capital
- ✓ Highly leveraged to copper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

### Share Price – 3 years



# TIER 1 JURISDICTION

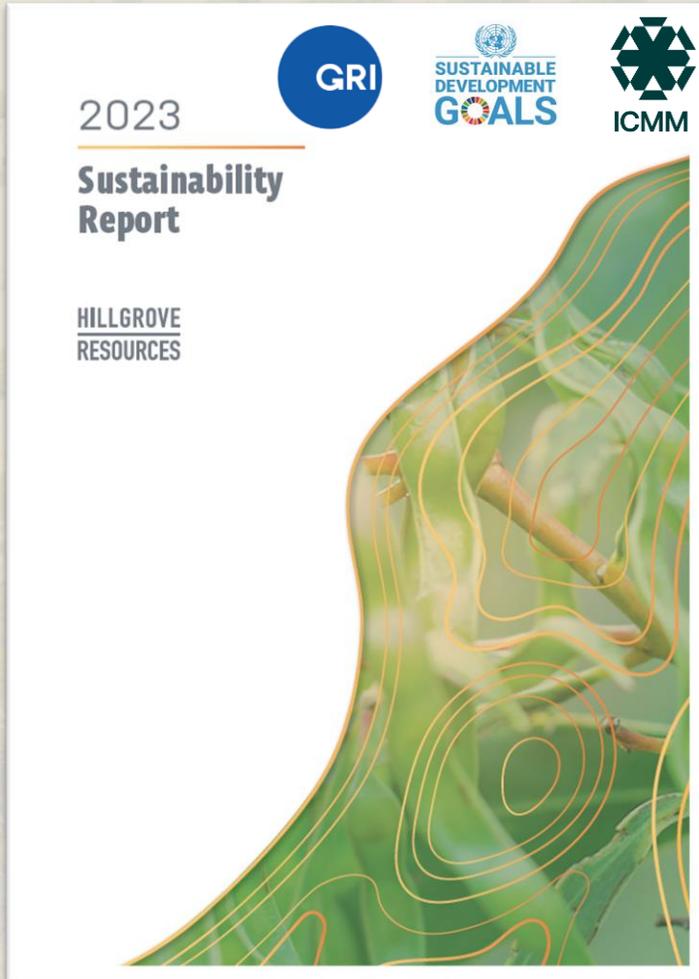
- ✓ 55km from Adelaide
- ✓ Access to market via Port Adelaide, only 70km from site where mine receives 95% of proceeds.
- ✓ Local workforce
- ✓ Supportive government that understands value that Resources sector provides to the State's economy. State again recognised as a Top 10 jurisdiction for Mining 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 over 7Mt permitted capacity, well above the Stage 1 mine plan ~4.5Mt.
- ✓ 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.

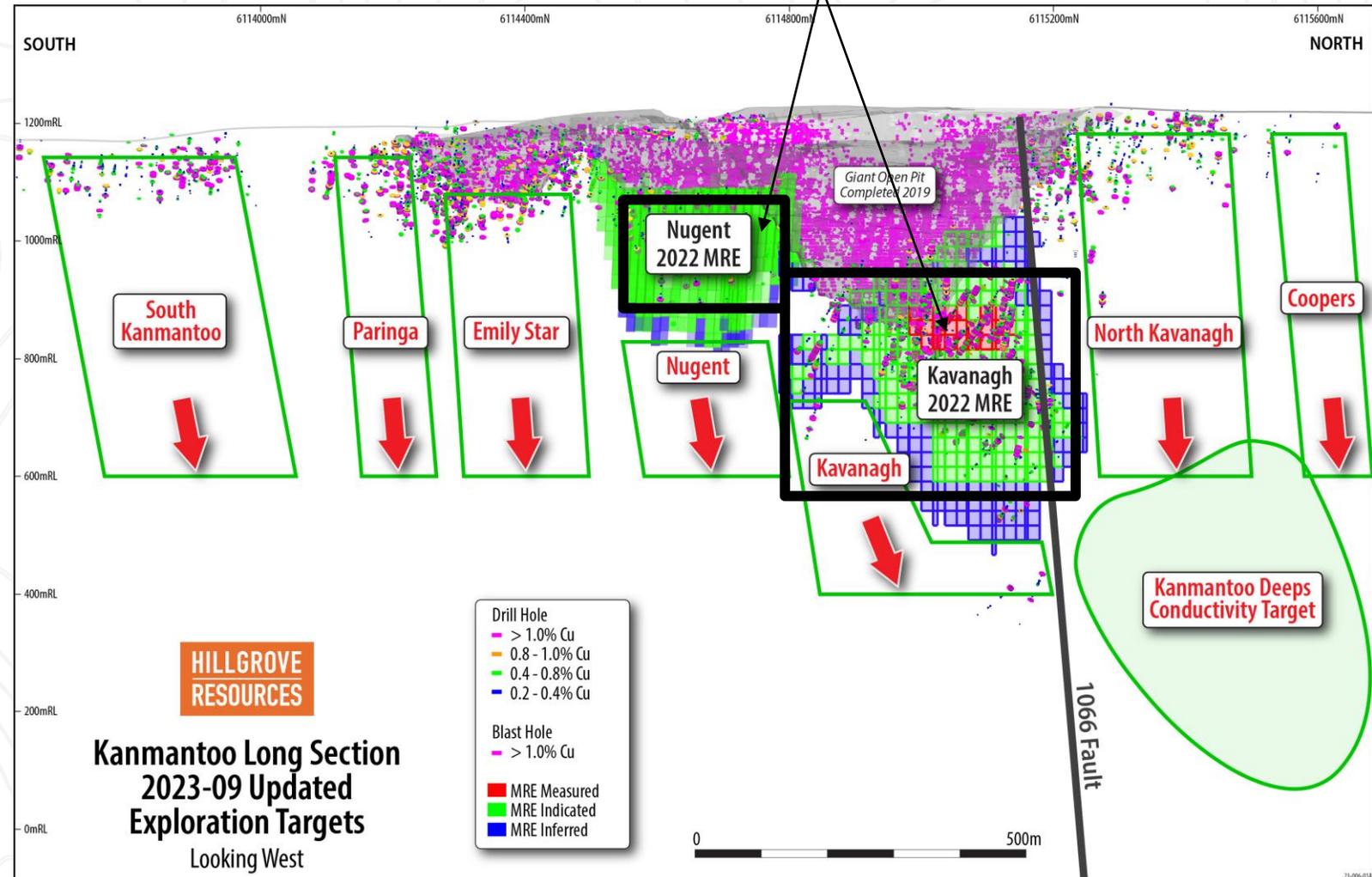


# TWO STAGE STRATEGY - 1. GENERATE CASH, 2. GROW

## 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
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<b>Kavanagh 2022</b> (0.6% Cu COG)	Measured	780	1.28	0.1	9.9
	Indicated	3,640	1.03	0.06	38
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	<b>Total</b>	<b>6,985</b>	<b>1.08</b>	<b>0.16</b>	<b>75.9</b>

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 (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)

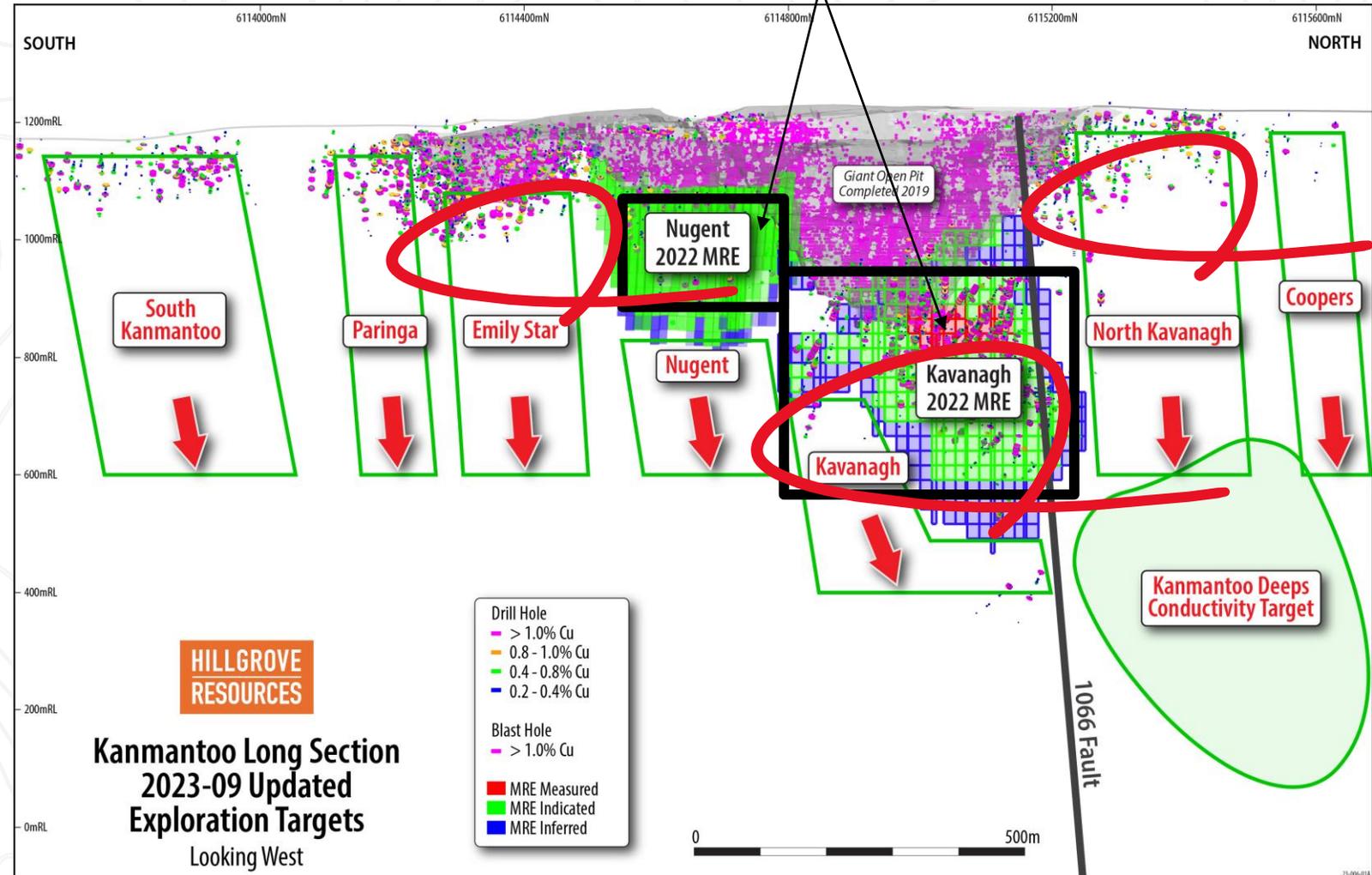
- ✓ >25,000 assays from drilling not yet in the MRE (increasing from 16,481 assays to over 41,500 assays)



# MINERAL RESOURCE ESTIMATE BEING UPDATED

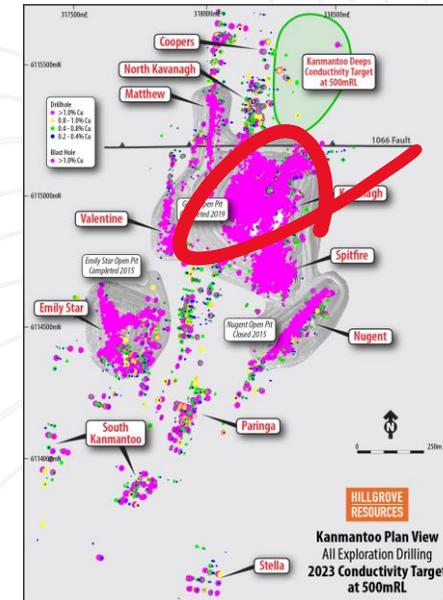
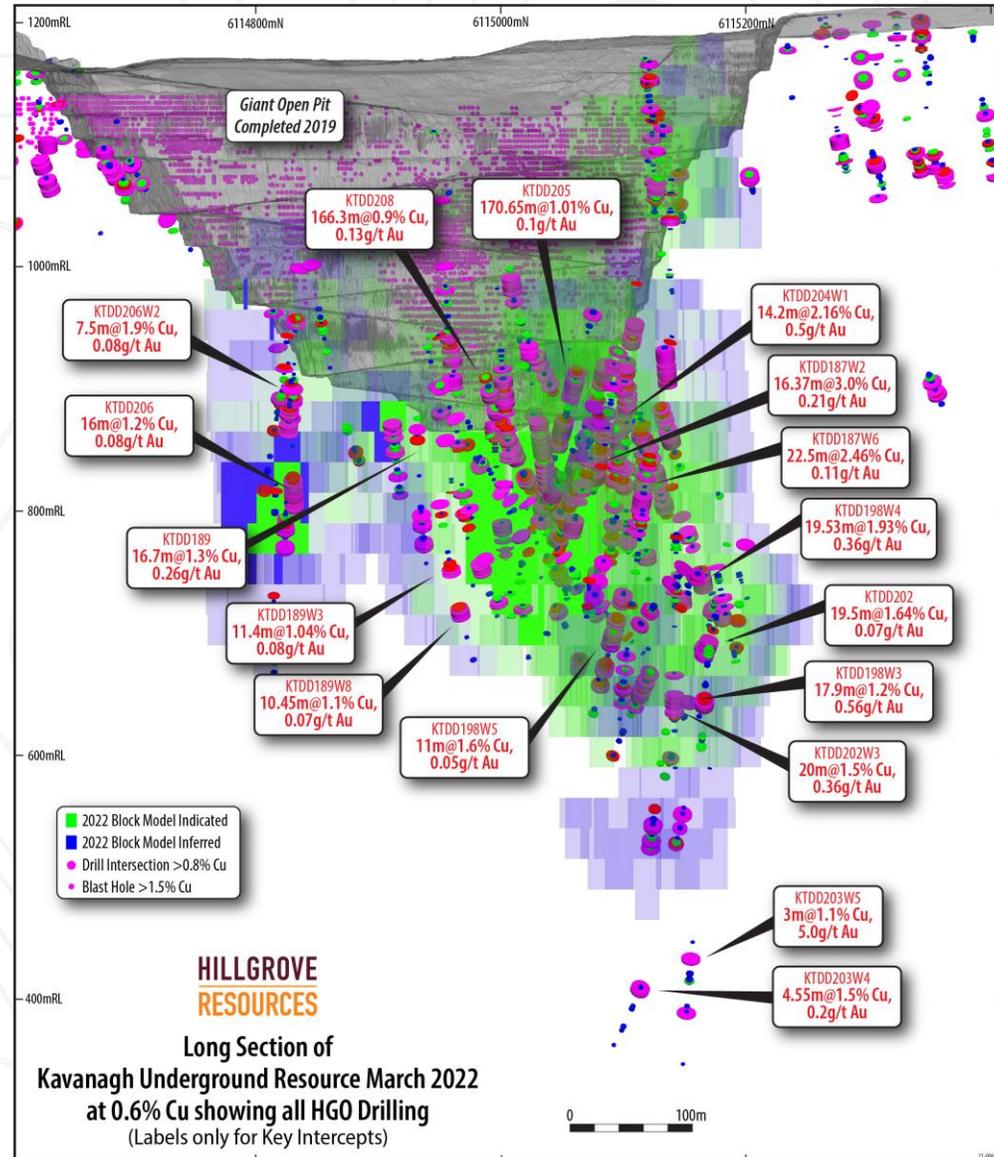
- ✓ Update to include maiden MRE for Emily Star & North Kavanagh, and update existing Kavanagh MRE.
- ✓ Total MRE expected to increase.
- ✓ Drilling identified a fault that truncates Kavanagh mineralisation to the north and is expected to reduce the MRE in this area.
- ✓ Spitfire will partly offset, 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



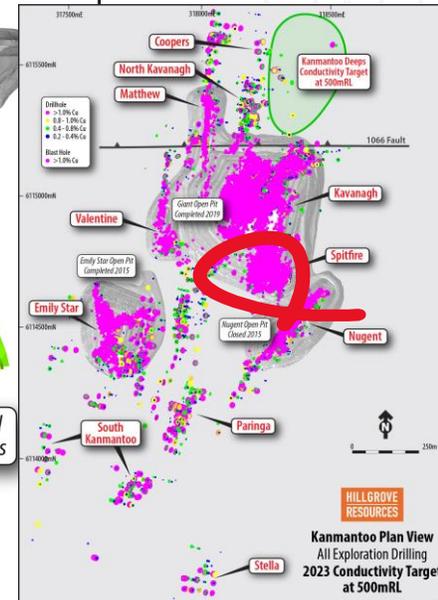
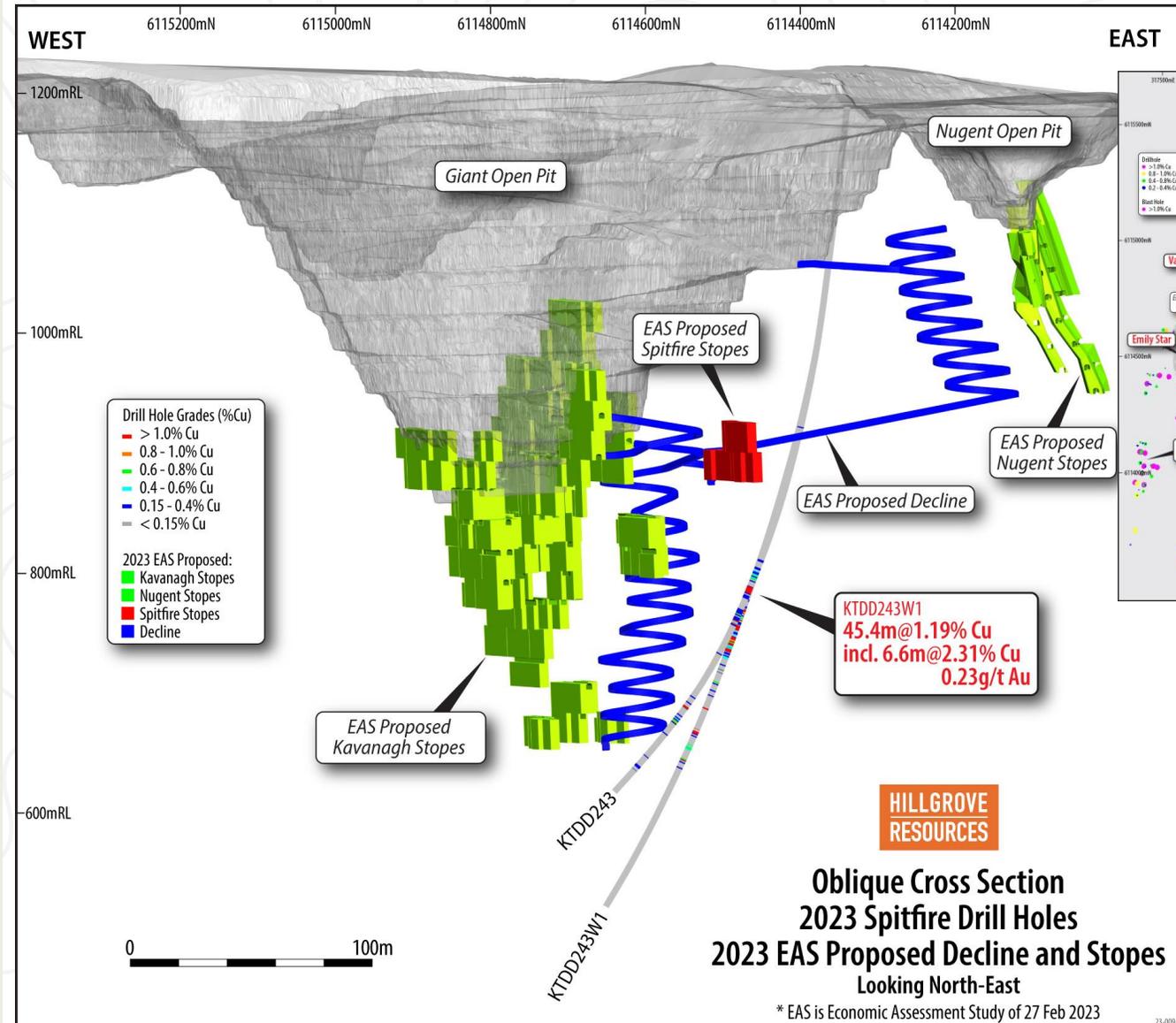
# MINE EXTENSION - KAVANAGH

- ✓ 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).



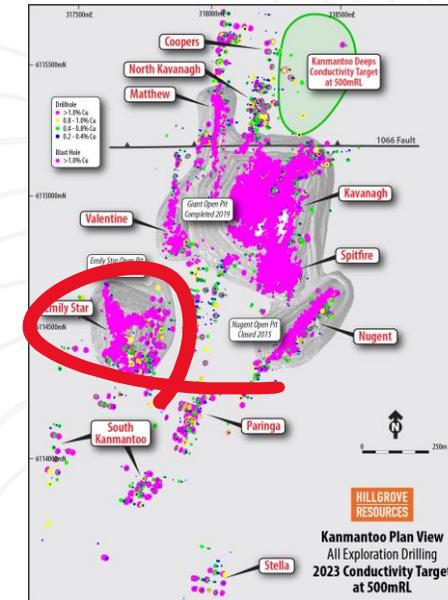
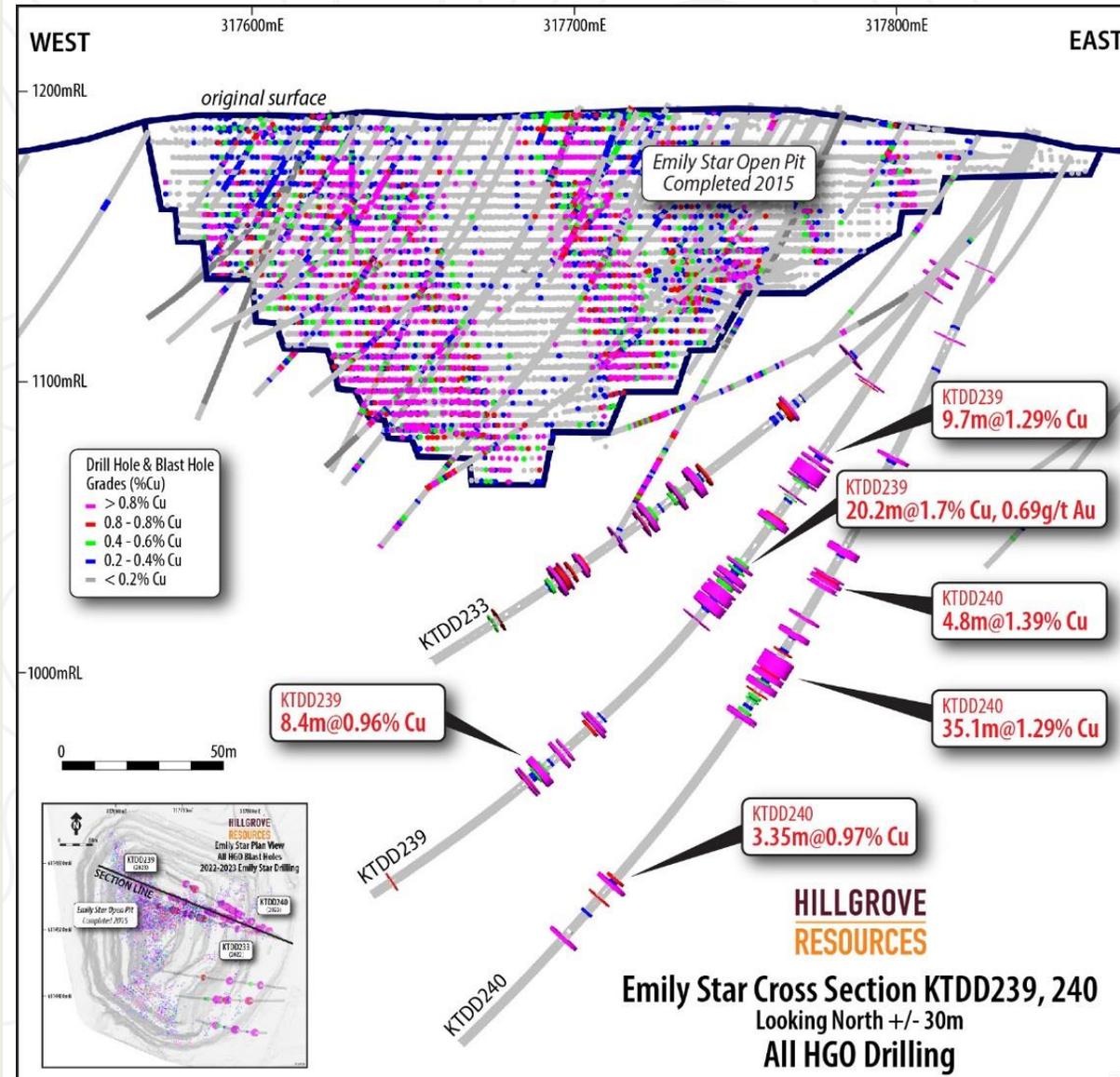
# MINE EXTENSION - SPITFIRE

- ✓ 45.4m @ 1.19% Cu, 0.12 g/t Au from 428.5m downhole (KTDD243\_W1).
- ✓ Nearest hole > 100m.
- ✓ Follow up drilling confirms Spitfire zone extending down dip and along strike.
- ✓ Spitfire being modelled in MRE update, however drill results to date have already warranted moving the decline further north to accommodate the growing Spitfire mineral lode.



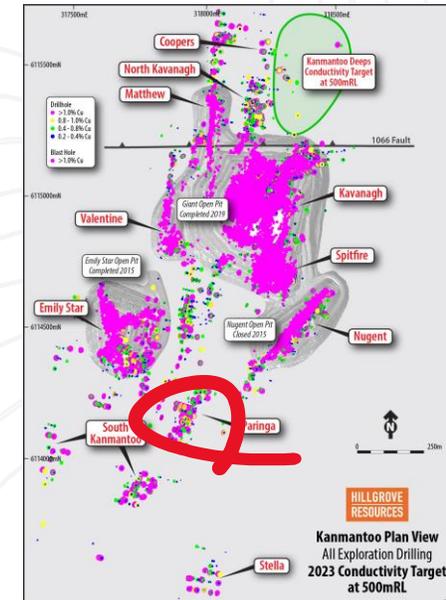
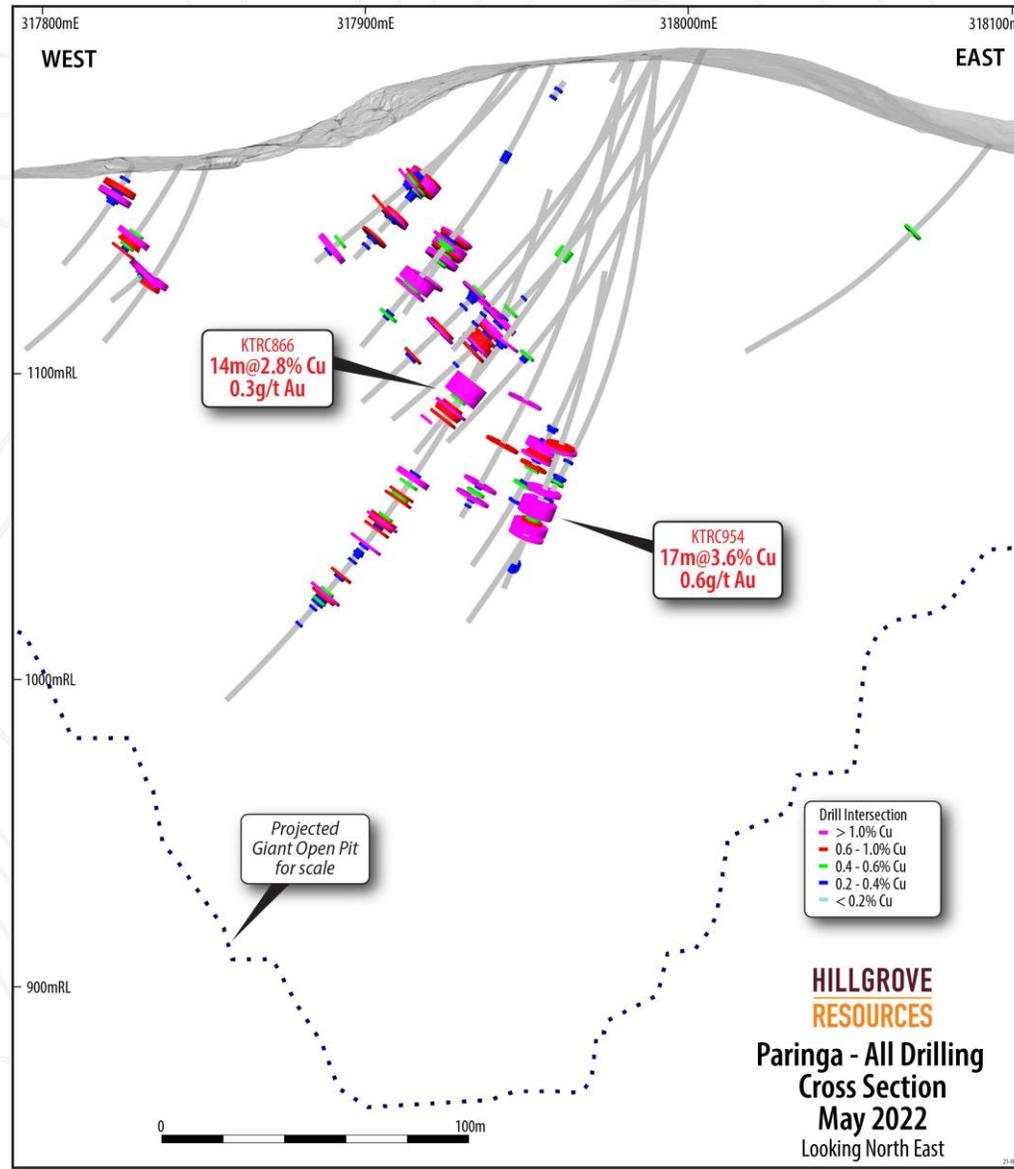
# MINE EXTENSION - EMILY STAR

- ✓ 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.



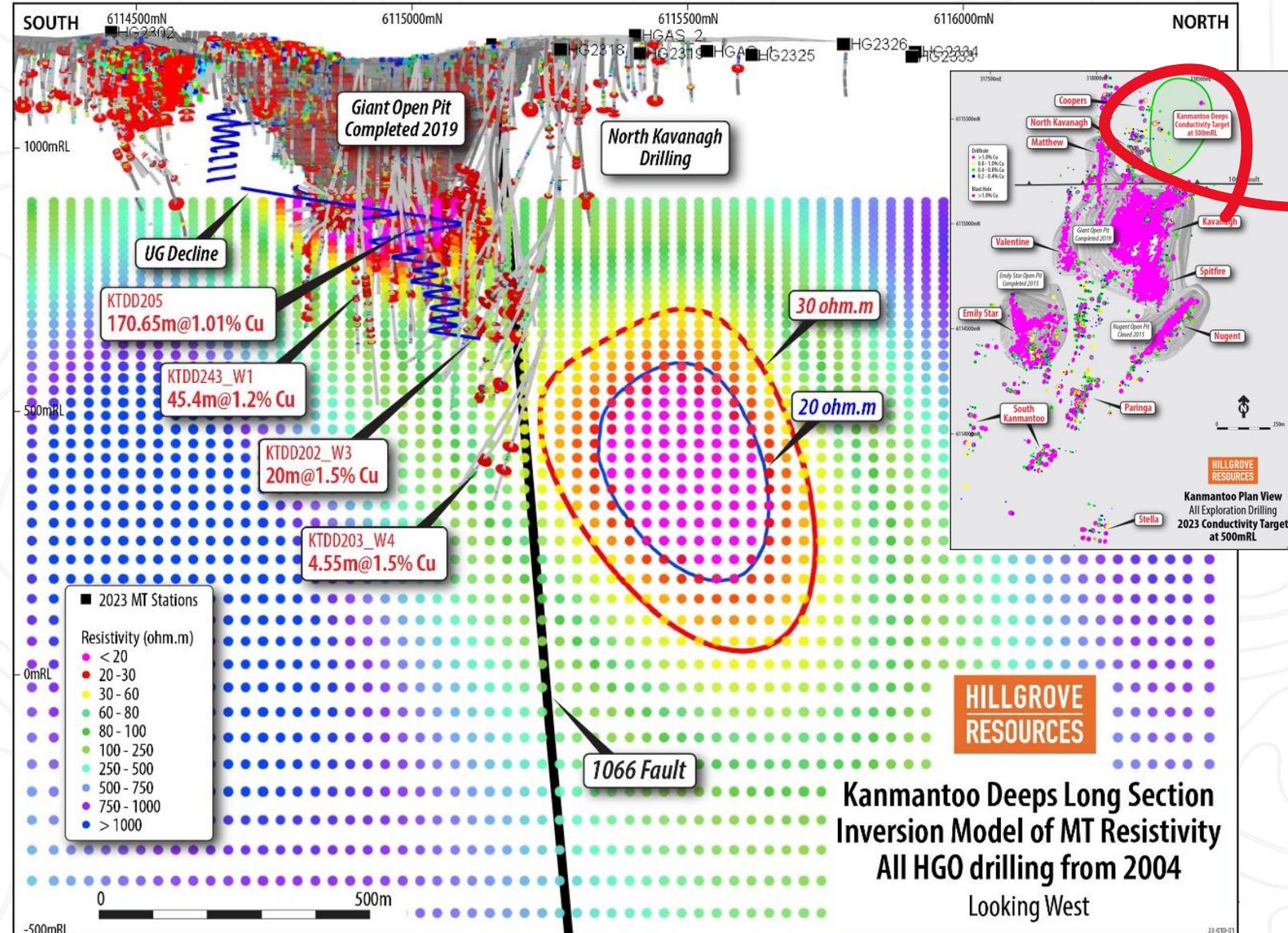
# MINE EXTENSION - PARINGA

- ✓ 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.



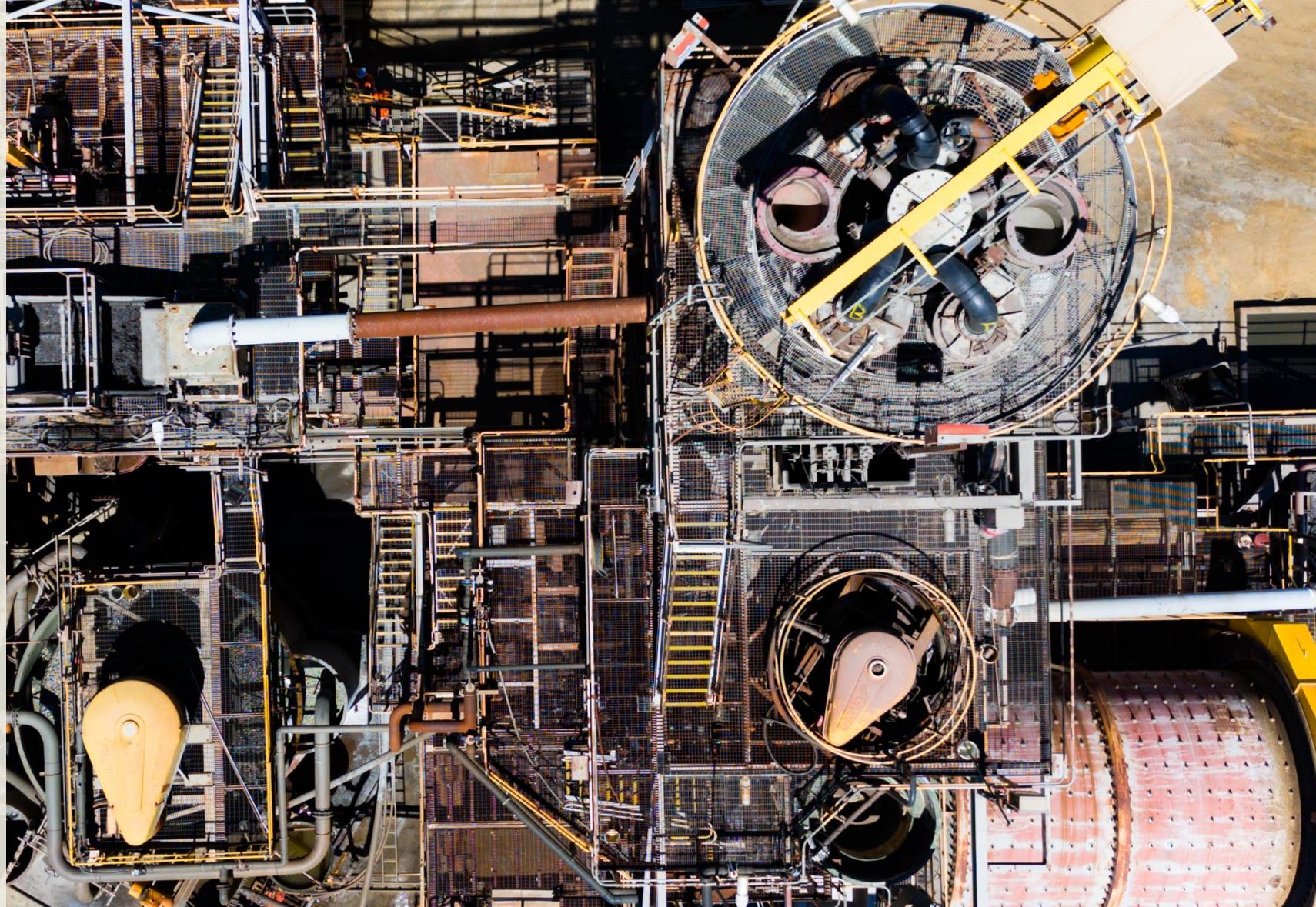
# GAME CHANGER - KANMANTOO DEEPS

- ✓ 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

HILLGROVE  
RESOURCES

- ✓ Latent capacity enables Hillgrove to convert exploration success to copper with no processing capex.
- ✓ Increase in annual copper production reduces AISC.
- ✓ Many operational costs are fixed in nature so any additional copper mined at incremental variable cost has significant impact to cash flow.
- ✓ Plant capacity > 30ktpa.



# FIRST COPPER PRODUCTION IS JUST THE BEGINNING

**HILLGROVE  
RESOURCES**



- ✓ 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

HILLGROVE  
RESOURCES



## INVESTMENT RISKS

Potential investors should be aware that there are risks associated with investing in Hillgrove. Certain risks are beyond the control of Hillgrove and its Directors and Management and may have a material impact on Hillgrove's future operating and financial performance, and/or the financial position of Hillgrove, its prospects and/or the value of the Shares. Some of the key risks associated with an investment in Hillgrove are described as follows.

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<b>Development risk</b>	<ul style="list-style-type: none"><li>• In the event that Hillgrove undertakes a development project, then that development could be delayed or unsuccessful for a number of reasons including extreme weather, unanticipated operational occurrences, failure to obtain necessary approvals, insufficient funds, a drop-in commodity price, supply chain failure, unavailability of appropriate labour, or an increase in costs. If one or more of these occurrences has a material impact, then Hillgrove's operational and financial performance may be negatively affected.</li></ul>
<b>Operational risk</b>	<ul style="list-style-type: none"><li>• Adverse weather conditions events, unforeseen increases in establishment costs, mechanical failures, human errors, industrial disputes or other unforeseen events, could lead to increased costs or delay to the Company's activities. The Company will mitigate this risk by, amongst other things, taking out appropriate insurance in line with industry practice.</li></ul>
<b>Price risk</b>	<ul style="list-style-type: none"><li>• Commodity prices (in particular prices for copper and gold), concentrate treatment and recovery charges, exchange rates and other economic variables, will have a material influence on the financial performance of the Company. It is impossible to predict future commodity prices with confidence and the factors which impact it include, but are not limited to, global political situations, military conflicts, technological changes, output controls and global consumption which are all outside the control of Hillgrove.</li></ul>
<b>Regulatory risk</b>	<ul style="list-style-type: none"><li>• The enactment of new legislation or adoption of new requirements of a governmental authority may restrict or affect Hillgrove's ability to:<ul style="list-style-type: none"><li>○ conduct mining activities and exploit the Kanmantoo Copper Gold Deposit (or any other project / resource) efficiently and effectively; or</li><li>○ sell product to particular consumers, which may affect the financial performance of the Company (e.g. the implementation of sanction laws preventing the sale of product to consumers in certain countries).</li></ul></li></ul>
<b>Community opposition risk</b>	<ul style="list-style-type: none"><li>• There is a risk that community disapproval may lead to direct action which impedes Hillgrove's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company.</li></ul>

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# INVESTMENT RISKS

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## Key person dependence

- The future success of the Company depends, to a significant extent, upon the continued services of the members of the management team of the Company. There can be no assurance that the Company will be able to retain or hire all personnel necessary for the development and operation of its business. The loss of senior managers could harm the Company's business and its future prospects.
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## General risk factors

- Prospective investors should also consider the following risks associated with investments in equity capital such as Hillgrove shares:
    - Investment risks, such as changes in the Company's own assessment of the economics of developing its assets or the market perception of the value of the Company's assets and shares;
    - Share market and liquidity risks involved in the listing and trading of shares on the ASX;
    - Economic, political and social factors, including activism and pandemics, and the effect on the market price of shares of movements in equities markets, commodity process, currency fluctuations and interest rates, and local and global political and economic conditions;
    - Epidemics and pandemics such as COVID-19;
    - Geo-political instability, including international hostilities and acts of terrorism;
    - Circumstances requiring Hillgrove to change its strategy;
    - The Australian economy deteriorating; and
    - Stock market sentiment fluctuations impacting on the Hillgrove share price.
  - 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 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 institutional placement or share purchase plan.
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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