

HILLGROVE RESOURCES LIMITED

CONTINUOUS DISCLOSURE POLICY

Overview

As a listed public company, Hillgrove is required to disclose price sensitive information to the market immediately it becomes known so as to ensure that the trading in the Company's shares takes place in an efficient, fair and competitive environment. Hillgrove seeks to manage investor expectations effectively so that there is sufficient information in the market for all parties who have a legitimate interest in Hillgrove securities to form a true and fair view on the value of Hillgrove's securities.

Disclosure of Relevant Information to the Market

"Price sensitive information" is defined as any information that a reasonable person would assume would have a material effect on the company's share price. Examples may include profit announcements, significant acquisitions or disposals of business units, significant variations to forecasts or sales volumes, the destruction or damage of a manufacturing or distribution facility, and the appointment or resignation of directors or key executives. This list is not exhaustive. Any such information that is price sensitive must be disclosed to the Australian Stock Exchange immediately it becomes known as required by the Corporations Act and the ASX Listing Rules.

Reporting of Relevant Information

Any director, executive or employee who becomes aware of any information that is not in the public domain and could be considered to be price sensitive **must immediately** contact the Company Secretary who will then discuss with the Managing Director as to whether such information should be disclosed.

Exceptions to the Disclosure Principle

Hillgrove may not disclose "price sensitive information" where it would be in the best interests of the Company not to do so such as the following exceptions as set out in ASX Listing Rule 3.1A:

- it would be a breach of the law to disclose that information;
- the information concerns an incomplete proposal or negotiation;
- the information contains matters of supposition or is insufficiently definite to warrant disclosure;
- the information is generated for the internal management purposes of the entity; and
- the information is a trade secret.

Persons with the Authority to Disclose Information to the Market

The directors and officers of the company with the authority to publicly disclose information are the Chairman, the Managing Director and the Company Secretary.

Market Speculation

Hillgrove will not comment on market speculation or rumours unless:

- formerly requested to do so by the ASX in accordance with the ASX Listing Rules; and
- it is in the best interests of Hillgrove's shareholders for Hillgrove to correct information in the market place that is false or misleading or to confirm correct information that has not been the subject of a public announcement by Hillgrove.

Incorrect Information

If information that Hillgrove has disclosed to the market is materially incorrect then it will immediately upon discovery of the incorrect information, make an announcement to the ASX to correct that information.

Announcement Practice

Price sensitive information will only be disclosed by way of an announcement to the ASX before it can be disclosed by way of an analyst briefing or other stakeholder meeting. To ensure that each shareholder has equal access to all material information released by the company, Hillgrove will ensure that all such announcements are released to ASX and (following receipt of ASX confirmation that the announcement has been released to the market) placed on the Company's website www.hillgroveresources.com.au. In the circumstances where analysts or financial institutions or major shareholders are briefed on aspects of Hillgrove's operations or financial results, the material used in the presentation will be simultaneously released to the ASX and is then posted on the company's website.

If material information is in any way inadvertently disclosed by the Company to an individual party, then such information will be formally disclosed to the ASX immediately.

Analysts Reports

Hillgrove may comment on Analysts Reports in the circumstances where such comments are confined to information that is in the public domain or information that is non material or not price sensitive.

In relation to earnings estimates Hillgrove may provide comments limited to the reasonableness of earning forecasts or market ranges where such comment is warranted so as to not create a false market in Hillgrove's securities.

Change in Forecast

If there is a material change in the Company's previously advised forecast of results, then immediately such information becomes known Hillgrove will issue an ASX Announcement.

Website

Hillgrove's website www.hillgroveresources.com.au includes the following information:

- Annual Reports
- Results Information

- Corporate Governance Information
- Key ASX Announcements
- Contact Details
- Relevant Policies

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Adopted by the Board on 31 January 2005