ANNUAL GENERAL MEETING
CHAIRMANS ADDRESS DEAN BROWN, CHAIRMAN
2:00PM, 26 JUNE 2013 CROWNE PLAZA HOTEL, ADELAIDE
The Hon. Dean Brown, AO, Non-Executive Chairman
- Former Premier and Minister of the South Australian Government and Member of the South Australian Parliament
- Director of Mission Australia, Scantech and Foodbank SA, Chairman of the Playford Memorial Trust and a member of several advisory boards
- Previously a Senior Agricultural Scientist for the SA Government and The Premiers Special Advisor on Drought

John Gooding, Non-Executive Director
- Mining Engineer with over 30 years' experience in the resources industry, especially in gold and base metal mining
- Has held executive management positions with Normandy Mining, MIM, Xstrata (CEO Xstrata Copper Australia), Ok Tedi Mining and Roche Mining
- Formerly a Director of the Queensland Resource Council and a number of other resources industry companies
- Currently the Managing Director and Chief Executive Officer at Highlands Pacific Limited

John Quirke, Non-Executive Director
- Former Federal Senator for Playford and Deputy Chief Whip
- John has extensive State and Federal committee experience and is a member of numerous legislative committees in mining and economics and an active corporate advisor and lobbyist
- Chairman of Hillgrove Remuneration Committee

Douglas Snedden, Non-Executive Director
- 30 years’ experience in finance, audit, strategic management and outsourcing and now as a company director
- Distinguished career at Accenture (formerly Andersen Consulting) in Australia, United Kingdom, South Africa, USA and throughout the Asia Pacific region; retiring as Managing Director of Accenture’s Australian business in 2008
- Doug is a Director of Transfield Services, UXC, Black Dog Institute and Chairman of Odyssey House, amongst others
- Chairman of Hillgrove Audit Committee

Edwin Zemancheff, Non-Executive Director
- Previously a partner at global law firm Baker & McKenzie with 25 years experience in commercial and land use law
- Edwin has held a number of directorships, including Fortius Funds Management,
- He has also been Chairman of NSW Rugby Union and Waratah Rugby
EXECUTIVE BOARD MEMBER

Greg Hall, Managing Director & Chief Executive Officer
- Appointed Managing Director and CEO in February 2013
- Greg trained as a mining engineer and has extensive experience across a number of mining sectors
- Mining Manager at Olympic Dam and nickel mines in WA, before moving to the ERA Ranger uranium mine
- Greg then joined Rio and Comalco, where he acquired significant international marketing experience before taking on the start-up of Toro Energy, of which he remains a Non-Executive Director
- Greg is also on the School of Civil, Environmental and Mining Engineering Advisory Committee for Adelaide University

CFO and COMPANY SECRETARY

Russell Middleton, Chief Financial Officer & previous Company Secretary
- Appointed CFO in January 2008, with 25 years experience in the resources industry
- Russell has held senior management positions in accounting, commercial and planning roles
- Significant experience with mine project evaluations and construction of new mines, including a number of roles at BHP
- Commercial Manager for the construction, development and production of a major underground mine
- More recently has been Chief Financial Officer for contracting and services companies in the mining sector
- Interim Chief Executive Officer for Hillgrove from July 2012 to February 2013

COMPANY SECRETARY

Shanthi Smith, Group Finance Manager and Company Secretary
- Shanthi started her career in Big 4 chartered accountancy before moving into the commercial arena where she has over 15 years’ experience across a diverse range of roles and industries
- She has held various senior management positions in finance, commercial and planning roles, most recently at Caltex Australia and the London Organising Committee of the 2012 Olympic Games
- Appointed Company Secretary in August 2012, she was also Acting Chief Financial Officer from then to February 2013
Crusher circuit at left, crushed ore stockpile and processing plant at right, with the beginnings of the Emily Star pit in the background
### Results for the Year Ended (A$M)

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue and other income</td>
<td>116.6</td>
<td>14.7</td>
<td>9.0</td>
<td>98.2</td>
<td>46.8</td>
</tr>
<tr>
<td>Profit/(loss) after tax</td>
<td>(11.8)</td>
<td>(8.5)</td>
<td>(14.2)</td>
<td>55.6</td>
<td>11.1</td>
</tr>
<tr>
<td>Earnings per share – diluted (cents)</td>
<td>(1.2)</td>
<td>(1.0)</td>
<td>(2.5)</td>
<td>12.7</td>
<td>3.4</td>
</tr>
</tbody>
</table>

- **2010** - result reflects sale of ESG investment
- **2011** - development and construction of Kanmantoo with debt drawdown
- **2012** - transition year with two months of production and construction of mine site
- **2013** - reflects first full year of production plus proceeds from capital raising

Refer to 2013 Annual Report for further detail
| Resolution 1 | Adoption of the Remuneration Report in the 2013 Annual Report |
| Resolution 2 | Re-election of The Hon. Dean Craig Brown, AO as Director of the Company |
| Resolution 3 | Election of Gregory Campbell Hall as Managing Director of the Company |
| Resolution 4 | Approval of issue of 7,000,000 Performance Rights as LTI’s to Managing Director |
| Resolution 5 | Re-approval of Company’s OPR Plan ratified on the 3 December 2010 |
| Resolution 6 | Approval of General Employee Share Plan and share issues under GESP to Employees |
| Resolution 7 | Cancellation of issue of 27,777,777 Options at $0.270 to Macquarie Bank Limited |
| Resolution 8 | Ratify issue of 50,000,000 Options at $0.135 to Macquarie Bank Limited |
HILLGROVE
RESOURCES

ANNUAL GENERAL MEETING
GREG HALL CEO & MANAGING DIRECTOR
26 JUNE 2013 CROWNE PLAZA ADELAIDE
- Production and cash flow in Australia
  - Kanmantoo Copper Mine (100% owned), South Australia

- Rim-of-Fire exploration assets in Indonesia
  - Sumba gold project (80% owned)
  - Bird’s Head copper/gold project (80% beneficial interest via JVA)
New primary crusher circuit replacement at Kanmantoo has been successfully completed with all underperforming elements replaced and throughput now achieving 2.8Mtpa

Record quarter in the Kanmantoo operation for a number of metrics, including:
- mill throughput; and
- tonnes of ore mined

Strong hedge book remains in place, providing certainty for cash flows and revenues over future periods

A number of potential funding parties showed interest in Bird’s Head and Sumba assets, with two site tours conducted. Decision taken to wind down activities at both projects
CORPORATE SNAPSHOT
- ASX listed: HGO
- Shares on issue: 1,022.8 million
- Share price: AUD0.060*
- Market capitalisation: AUD61.4 million*
- Cash and cash equivalents: AUD16.8 million
- Debt AUD49.3 million
- EV AUD93.9 million
- 47% Institutional shareholders
- Top 20 shareholders own ~51%

* Numbers are quarterly as at 30 April except these are at 21 June 2013
Hillgrove restructured and revised finance agreements in April 2013 in order to better match cash flows. Key details are as follows:

**Hillgrove Copper**
- Project Loan Facility ($30 million)
  - First principal repayment to commence on 31 October 2013
  - Completion test replaced, allowing project to make quarterly distributions to parent entity from Q3 2013, subject to minimum production and cost metrics
- Gold Loan (5,843 ounces remaining)
  - Terms remain unchanged
- Performance Bond and Guarantee Facility ($20 million)
  - Facility remains in place

**Hillgrove Resources**
- Mezzanine Loan Facility ($10 million)
  - Two year extension, to be repaid by July 2015
KANMANTOO COPPER MINE
- 100%-owned by Hillgrove
- 55km from Adelaide, South Australia
- Mining Lease is within 500km² Exploration License, and relatively unexplored
- Exploration potential considered high
- The project enjoys commensurate capital cost advantages
  - Close to power (National Grid)
  - Recycled water pipeline
  - 3km from main highway
  - 90km to export port
- Attractive employment costs compared to remote fly-in/fly-out mine operations
- Quality of life attracts mature, experienced workforce
Total Recordable Injury Frequency Rate: May 2012 - Apr 2013

- Monthly TRIFR
- YTD - TRIFR
New primary crusher installation was completed successfully in March and commissioned by early April with throughput reaching targeted 2.8Mtpa.

3,590t of copper was produced during the quarter, in line with previous quarter, and while key improvement tasks were completed.

Ancillary crushing equipment has been removed from ROM, which directly leads to lower unit costs and a substantial increase to mill throughput.

Mining dilution and Run of Mine (ROM) mill feed in line with resource estimation, resulting in a ROM grade of 0.67% Cu.

With mill performance better than expected, blended feed to the mill (direct from pit and lower grade stockpiles) was used to ensure continuity of feed and rapid movement to LOM Plan, resulting in a mill feed grade of 0.57% Cu.

New LOM plan continues to see Kavanagh bench turnover prioritised in the next quarter to achieve consistent mill feed through access to benches with higher ore tonnes.
The second hand primary crusher circuit installed in 2011 continued to constrain performance.

A decision was made to replace it with work completed in April 2013.
All underperforming elements were successfully replaced, including the primary crusher, to achieve increased throughput up from 2.4Mtpa to 2.8Mtpa.

The new system also allows a more consistent product size into the mill, resulting in increased throughput in the mill and plant.

Now the processing plant and new crusher are working well, we are in discussions with our mining contractor in regard to lifting mining performance across the board.
Ancillary crushing equipment has been removed from ROM and direct tipping is underway again with minimal rehandling which will lead directly to lower unit costs and a substantial increase to mill throughput.

Exact has reduced their equipment requirements and the Lipmann Mobile crusher and stacker will be sold.
Record quarter for a number of metrics, including:
- mill throughput
- ore mined tonnes

Benefits of new crusher installation only partially realised in the quarter

Mining dilution and mill feed in line with Resource estimation

Lower recoveries in quarter are a result of lower feed grades

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**HILLGROVE ANNUAL GENERAL MEETING**

**PRODUCTION OUTPUT**

<table>
<thead>
<tr>
<th>Period</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>Q4 13</th>
<th>Q1 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore to ROM from Pit (kt)</td>
<td>495</td>
<td>2,221</td>
<td>639</td>
<td>689</td>
</tr>
<tr>
<td>Ore to / (from) long term stockpiles (kt)</td>
<td>1,267</td>
<td>849</td>
<td>98</td>
<td>(137)</td>
</tr>
<tr>
<td>Mined Waste (kt)</td>
<td>7,446</td>
<td>11,777</td>
<td>3,650</td>
<td>2,728</td>
</tr>
<tr>
<td>Total Tonnes Mined (kt)</td>
<td>9,208</td>
<td>14,847</td>
<td>4,387</td>
<td>3,417</td>
</tr>
<tr>
<td>Mining Grade to ROM (%)</td>
<td>0.75</td>
<td>0.76</td>
<td>0.70</td>
<td>0.67</td>
</tr>
<tr>
<td>Ore Milled (kt)</td>
<td>331</td>
<td>2,303</td>
<td>648</td>
<td>708</td>
</tr>
<tr>
<td>Milled Grade (%)</td>
<td>0.56</td>
<td>0.66</td>
<td>0.62</td>
<td>0.57</td>
</tr>
<tr>
<td>Au (g/t)</td>
<td>0.11</td>
<td>0.16</td>
<td>0.20</td>
<td>0.18</td>
</tr>
<tr>
<td>Ag (g/t)</td>
<td>2.22</td>
<td>2.96</td>
<td>2.50</td>
<td>3.21</td>
</tr>
<tr>
<td>Recovery Cu (%)</td>
<td>69.6</td>
<td>89.9</td>
<td>90.1</td>
<td>89.1</td>
</tr>
<tr>
<td>Au (%)</td>
<td>67.5</td>
<td>54.7</td>
<td>53.0</td>
<td>54.0</td>
</tr>
<tr>
<td>Ag (%)</td>
<td>46.6</td>
<td>55.4</td>
<td>62.5</td>
<td>38.7</td>
</tr>
<tr>
<td>Cu Concentrate Produced Tonnes</td>
<td>4,774</td>
<td>56,431</td>
<td>15,827</td>
<td>15,510</td>
</tr>
<tr>
<td>Concentrate Grade Cu (%)</td>
<td>30.2</td>
<td>24.4</td>
<td>22.7</td>
<td>23.1</td>
</tr>
<tr>
<td>Au (g/t)</td>
<td>6.0</td>
<td>3.6</td>
<td>4.4</td>
<td>4.5</td>
</tr>
<tr>
<td>Ag (g/t)</td>
<td>79.9</td>
<td>67.0</td>
<td>64.0</td>
<td>56.8</td>
</tr>
<tr>
<td>Contained Metal In Concentrate Cu (t)</td>
<td>1,481</td>
<td>13,744</td>
<td>3,595</td>
<td>3,590</td>
</tr>
<tr>
<td>Au (oz)</td>
<td>816</td>
<td>6,570</td>
<td>2,226</td>
<td>2,237</td>
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<tr>
<td>Ag (oz)</td>
<td>12,194</td>
<td>121,656</td>
<td>32,576</td>
<td>28,304</td>
</tr>
<tr>
<td>Total Concentrate Sold Dry metric t</td>
<td>4,263</td>
<td>56,526</td>
<td>16,182</td>
<td>16,184</td>
</tr>
</tbody>
</table>

* All references to quarters in this presentation relate to Hillgrove financial year quarters. Hillgrove FY14 is 1 February 2013 to 31 January 2014.
Steady and consistent increase in the primary ore material to the ROM, transition towards feed from the Kavanagh pit
Record plant performance each quarter has not as yet translated into higher copper production as a result of lower feed grades…
... as a result of a conscious management decision to move to a new life of mine plan
This new life of mine plan and previous capital investment in mining waste allows us to focus on mining ore and reduce strip ratios.
A large portion of strip waste generated in the first half of the year was used to extend the height of the Tailings Storage Facility (TSF) which must be raised on a regular basis to maintain capacity.
Remaining original 1976 pit

May month end – pit mining surface
KAVANAGH V20 DESIGN

EOM April 2013 Survey

Uncertainty around 1970's final pit surface

Grid 100m x 100m
During the Second Quarter, we will be accessing benches with increasing ore tonnes and grade.

Since the implementation of the new LOM plan in November 2012, performance has resulted in mining being approximately one month behind plan.
- New LOM planning with long-term pit optimisation provides a reasonable basis for indicative future planning and likely extension of mine life to 2023
- Estimated period of operation initially increasing from 6.5 to 10 years
- New plan contains total LOM Production Target of 30-32Mt @ 0.7-0.8% Cu for approximately 190kt of recoverable copper
- Improved understanding of Resource and increased confidence about the mine production profile, pit design and future Exploration Targets near mine
- C1 cash costs of production was USD3.15/lb (average AUD/USD exchange rate of 1.035)

- C1 cost was impacted by additional activity on the ROM in the changeover to the new primary crusher system

- The cash cost is expected to be lower as a result of the depreciating AUD/USD, forecast lower costs, as well as forecast higher production going forward

<table>
<thead>
<tr>
<th>Period</th>
<th>FY 2013</th>
<th>Jan-13 QTR</th>
<th>Apr-13 QTR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Costs</td>
<td>120</td>
<td>155</td>
<td>191</td>
</tr>
<tr>
<td>Processing Costs</td>
<td>97</td>
<td>94</td>
<td>97</td>
</tr>
<tr>
<td>Other Direct Cash Costs</td>
<td>23</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>Total Onsite Costs</td>
<td>240</td>
<td>268</td>
<td>312</td>
</tr>
<tr>
<td>Transport &amp; Shipping</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Treatment, Refining and Smelter Charges</td>
<td>36</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>Total Offsite Costs</td>
<td>54</td>
<td>55</td>
<td>57</td>
</tr>
<tr>
<td>Precious Metals Credits</td>
<td>(46)</td>
<td>(49)</td>
<td>(54)</td>
</tr>
<tr>
<td>Total Direct Operating Costs (C1 Cash Costs)</td>
<td>248</td>
<td>274</td>
<td>315</td>
</tr>
<tr>
<td>Royalties</td>
<td>5</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>96</td>
<td>30</td>
<td>122</td>
</tr>
<tr>
<td>TOTAL</td>
<td>349</td>
<td>310</td>
<td>442</td>
</tr>
</tbody>
</table>
- Strong hedge book provides certainty for cashflows and revenue in future periods

- Approximately 41,000 tonnes of copper swaps

- Approximately 70% of forecast copper production hedged up until June 2015 at an average price circa AUD7,950/tonne
SENSITIVITIES TO REVENUE

- AUD/USD  +/- 5%  AUD 2.8 million
- Copper Price  +/- 10%  AUD 4.5 million
- Gold Price  +/- 10%  AUD 0.8 million

GUIDANCE FOR FY2014

Production

- Concentrate  75,000 – 80,000 dry metric tonnes
- Copper  18,000 – 20,000 tonnes
- Gold  5,000 – 6,000 ounces

Costs

- C1 Costs  USD 2.25 – 2.50 per pound (at AUD/USD of 1.00)

Processing Grade Outlook

- Average  0.75%
INDONESIA
Hillgrove has an 80% beneficial interest in PT Akram through a JV Agreement

Moving to a corporatised ownership structure – PMA conversion in progress

IUP rights granted to March 2017 cover almost 1,000km²

Hillgrove responsible for exploration & development activities to Decision to Mine

Successful drilling campaign confirms widespread molybdenum mineralisation and elevated copper values consistent with near-porphyry environment
Hillgrove has an 80% direct shareholding in PT Fathi Resources through Singapore holding structures, which has been converted to PMA status.

- IUP rights granted to December 2016 cover ~1,000km² – reducing to 750km²
- Hillgrove responsible for exploration and development activities and sole funding up to Decision to Mine
- Ex-BHP project: Extensive database of previous exploration results has delineated numerous targets
- Island arc setting
- Principal targets of low sulphidation epithermal gold mineralisation throughout
- Successful drilling campaign has confirmed south coast potential for porphyry copper-gold targets
Hillgrove has taken the decision to wind down the exploration activity at Bird’s Head and Sumba:

- majors reviewing greenfield exploration activities
- no recognition of value of these assets by Hillgrove investors

Based on the above, expenditure will be reduced to a minimum until cycle turns and work on these assets are recognised

Hillgrove will continue to search for funding partners in order to progress exploration at both sites

Confidence in both assets remains, with drilling targets identified and ready to go
SUMMARY
Revenue for the latest quarter was AUD29.6M at an average realised price for copper of USD3.62/lb

Revised finance arrangements completed with new LOM plan in place

Kanmantoo is tracking as forecast through crusher changeover and remains set to meet guidance for FY14

Positive cash generation in FY14, with copper price certainty as a result of strong copper hedge book

New Resource and Reserve on track
For further information please contact:

- Greg Hall, CEO and Managing Director
  or
  Russell Middleton, Chief Financial Officer

- Suite 1709 Australia Square
  Level 17, 264 George Street
  Sydney NSW 2000

- E: info@hillgroveresources.com.au

- T: 61 2 8247 9300
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All currency referred to is Australian Dollars (AUD) unless otherwise indicated.

Hillgrove has a 31 January Year End, therefore quarter references are Q1 February-April, Q2 May-July, Q3 August-October and Q4 November-January.
The information in this release that relates to Exploration Results and Exploration Targets for the Kanmantoo Copper Mine is based upon information compiled by Mr Steven McClare, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McClare 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 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)’.

The information in this report that relates to Indonesian Exploration Results and Exploration Targets is based on information compiled by Mr Adam Freeman, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Freeman is the Geology Manager for Hillgrove Resources and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)’.

The Competent Persons have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Information that relates to Mineral Resources and Ore Reserves is based on previously released reports:

• 2012 Resource Statement by AMC Consultants Pty Ltd compiled by Mr Aaron Meakin as released to the ASX on 31 May 2012;
• 2010 Ore Reserve estimates by Mining and Cost Engineering Pty Ltd compiled by Mr Geoff Davidson as released to the ASX on 4 May 2010.

Hillgrove Resources Limited confirms in this document that it is not aware of any new information or data that materially affects the information included in the previously released reports. In the case of estimates of Mineral Resources or Ore Reserves, the company confirms that all material assumptions and technical parameters underpinning the estimates in the previously released reports continue to apply and have not materially changed.