



DIVIDEND POLICY



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1. OBJECTIVES

Hillgrove Resources Limited (HGO) has a key objective to create value from its assets and deliver shareholder value through the return of capital through dividends. HGO's capacity to pay dividends must be balanced with the financial performance and required capital expenditures of the Company. The payment of ordinary dividends needs to be sustainable.

2. PRINCIPLES

HGO achieves its objectives by considering the following when determining the appropriate dividend payment:

- Hillgrove's development profile;
- Available cash flow and funding requirements;
- Long term profitability;
- Appropriate capital structure; and
- Franking credit balance.

3. APPLICATION

HGO will aim to maintain a minimum dividend payment payout ratio of 40% of net profit excluding non-recurring items.

The declaration and payment of dividends will be subject to the satisfaction of the test set out in section 254T of the Corporations Act 2001 and in accordance with the Constitution.

The Board of Directors reserves the discretion to determine whether or not a dividend is payable and the amount of any dividend payment.

**This Dividend Policy was approved by
the Hillgrove Resources Limited Board of Directors on 24 June 2014.**