

Tuesday 22 November 2016

AGREEMENT WITH DRILLING CONTRACTOR TO AMEND CONTRACT TERMS

The Board of Hillgrove Resources Limited (the Company), is pleased to advise the Company has reached agreement with Roc-Drill Pty Ltd (Roc-Drill) to amend the payment terms on its creditor balance of approximately \$4.5 million.

Under the agreement:

- the parties have agreed to a payment plan for weekly payments to be made by Hillgrove Copper to Roc-Drill during the period from now until 31 January 2017;
- Roc-Drill has agreed to defer payment of \$1.35 million of its outstanding creditor balance until 1 July 2017, when Hillgrove Copper will pay an amount based on a sliding scale copper price with less than the full amount payable below a copper price of A\$7,400 per tonne and more than the full amount payable above that price;
- the Company will issue 10,157,905 Shares to Roc-Drill (or its nominee) on or before 16 December 2016 in return for a \$1,015,790 debt for equity swap; and
- the Company will pay out the remaining balance in the normal course of business on agreed payment terms.

Commenting on the agreement reached with Roc-Drill, Hillgrove's CEO and Managing Director said "This agreement builds on the strong working relationship between Roc-Drill and Hillgrove and a strong mutual belief in the Kanmantoo Copper Mine."

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