



HILLGROVE
RESOURCES

Sydney Resources Round-up

A PIPELINE OF CU-AU DEVELOPMENT & EXPLORATION PROJECTS



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Competent Person's Statement

The information in this release that relates to Exploration Results is based on information compiled by Mr Peter Rolley, who is a Member of The Australian Institute of Geoscientists. Mr Rolley 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 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)’. Mr Rolley has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears. All exploration drill results, soil sampling images, and rock chip results 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 of , 23 November 2004, 14 December 2006, 25 June 2007, 24 July 2008, 1 December 2008, 12 April 2015, 25 May 2015, 18 Oct 2016, 25 May 2017, 20 Oct 2017, 25 October 2017, 31 January 2019, 29 April 2019



Hillgrove's priority strategic objective is to return value to shareholders in the form of fully franked dividends which will be achieved by:

- Maximising the value from the processing of the existing ore stockpiles¹
- Realising the potential \$31 million cash flow from pumped hydro project sale²

Hillgrove is also seeking to return value to shareholders by realising the value of:

- 3.5 Mtpa mill and associated infrastructure
- **Unlocking the value of the various development and exploration opportunities in the Kanmantoo Mine Area and nearby region**

This presentation will focus on the latter

(1) refer to ASX releases: AGM Presentation 30 April 2019 and
(2) Hillgrove Sells the Rights to Pumped Hydro Project 16 April 2019



Hillgrove Resources Ltd (ASX:HGO) holds, or has under application, ~6,100 sq. kms of exploration licences in South Australia.

The focus is on defining copper-gold mineralisation around the Kanmantoo Process Plant,

And thereby to optimise the value of the existing

- low cost Kanmantoo Mill,
- Tailings Facility,
- Community Relationships,
- Geologic data and knowledge

KEY TAKEAWAYS

- Key holding in mineralised Cu-Au Province



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- 1. KANMANTOO UG MINE – Stage 1**
 - 2. NUGENT UG PROJECT – Stage 2**
 - 3. KANMANTOO SOUTH UG HUB – Stage 3**
 - 4. EXPLORATION**

A pipeline of Cu-Au development & exploration projects



STAGE 1 – KAVANAGH DEEPS

- Utilising the Open Pit Haul Road as a quasi-decline in potential UG development
- Earliest to production
- Timing is Dependent on PHES execution

STAGE 2 – NUGENT DEEPS

- Significant copper and gold outside of PHES Footprint
- Second production centre and springboard to Stage 3

STAGE 3 – KANMANTOO SOUTH UG HUB

- Multiple drill intersections of high grade Cu-Au
- Within a 1 km long corridor for drill testing and evaluation

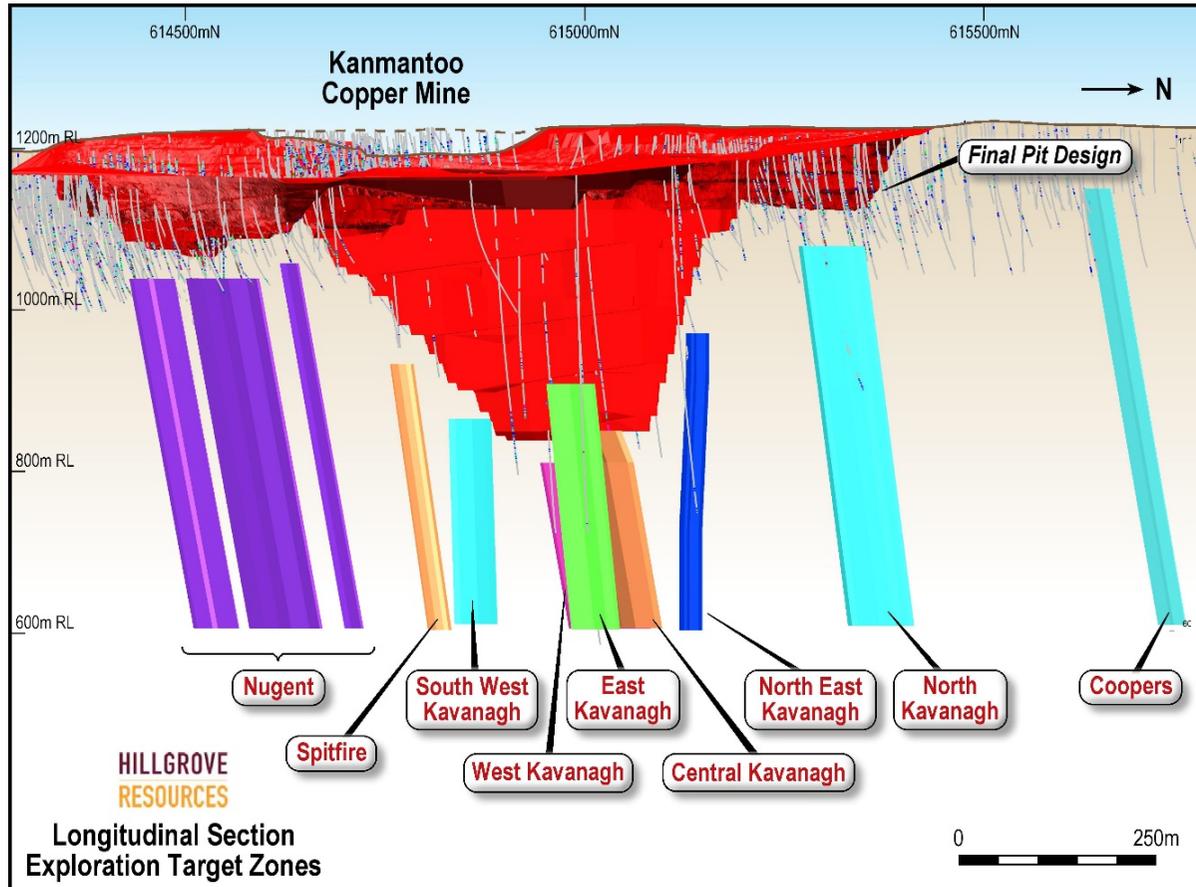
STAGE 4 – EXPLORATION NEAR AND FAR

- Significant copper and gold targets for drilling
- Some within 4 kms of existing processing plant
- Extensive copper endowment already evident



Realising value for shareholders through a pipeline of Cu-Au projects





HGO has demonstrated the extension of several high grade copper-gold zones beyond the final pit design e.g.

- 21m @ 2.0% Cu, 0.1g/t Au**
- 7m @ 2.7% Cu, 0.6g/t Au**
- 33m @ 2.1% Cu, 0.2g/t Au**
- 12m @ 2.2% Cu, 7.9g/t Au**

Resulting in an Exploration Target¹ of

**5-10Mt @ 1.7-2.2% Cu,
 0.4-1.0g/t Au**

To 200m below Pit

Note – lack of drilling at depth

KEY TAKEAWAYS

- Significant >1.5% Cu Equiv zones continue beyond open pit

¹ ASX:HGO announcement 25 May 2017. 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.



Kavanagh copper lodes have been the main stay of the open pit operation and drilling has demonstrated that these lodes continue for over 480m vertically and below the final pit design

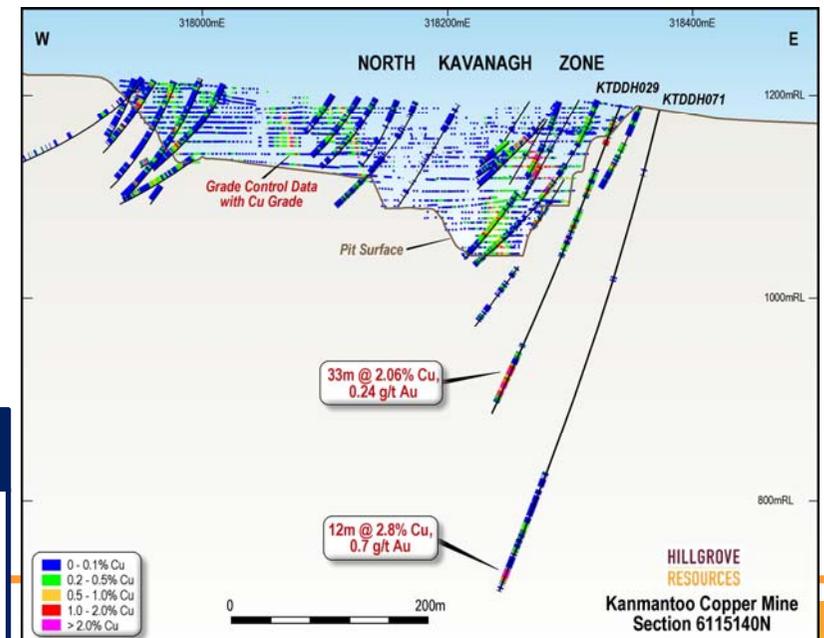
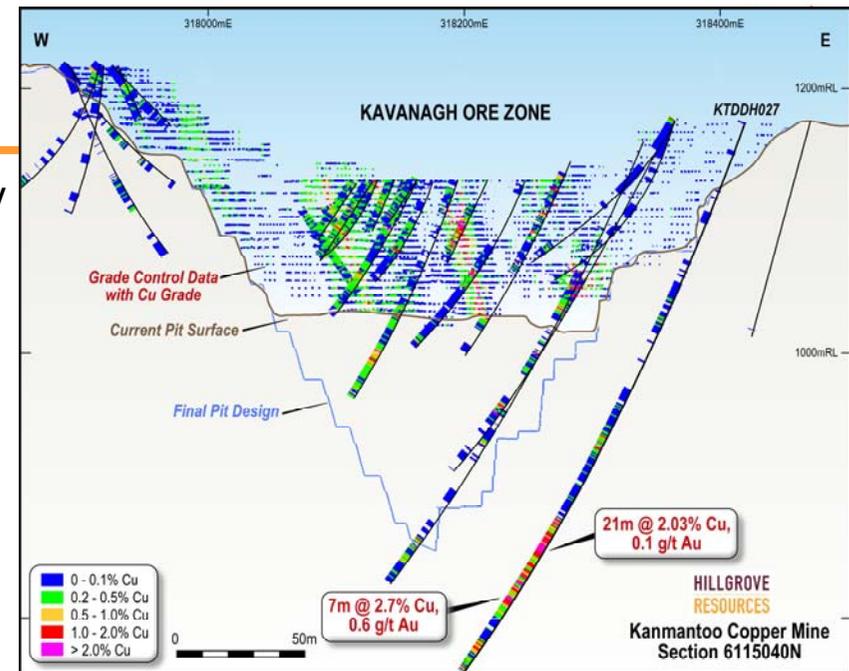
See cross sections through the open pit as examples of the depth continuity of the mineralisation

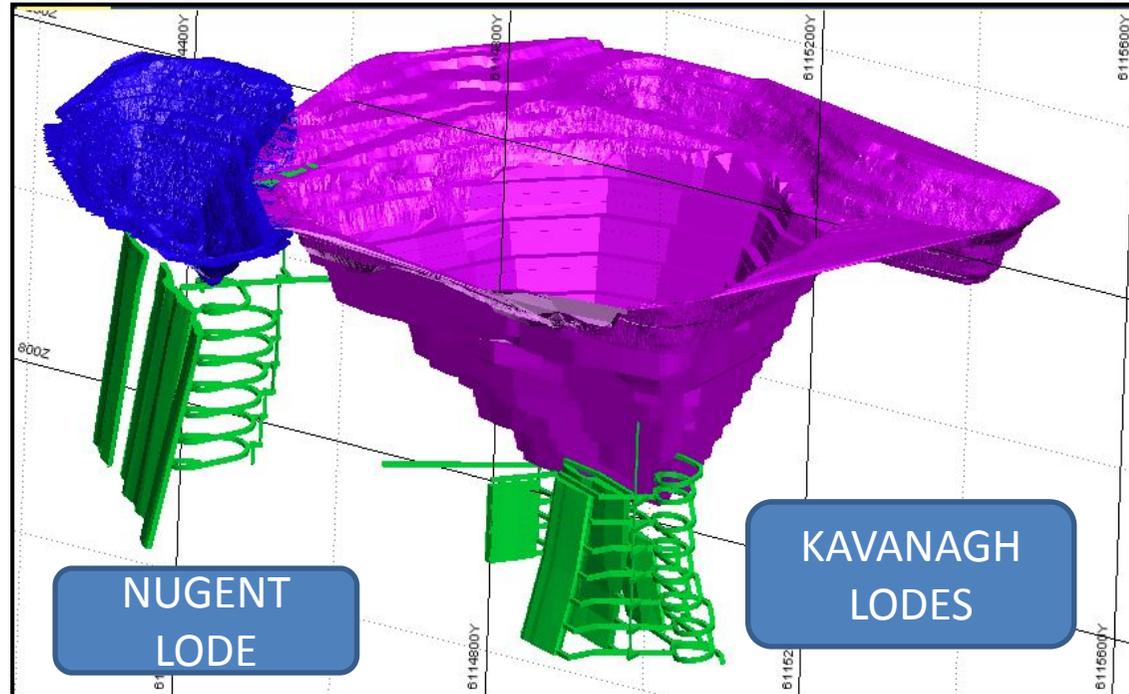
The Kavanagh Lode shown in the upper right figure is located 55m from the pit haul road.

This Kavanagh Lode has no drilling to the north, until the cross section shown lower right, ~140m to the north and no further drilling down-dip or along strike

KEY TAKEAWAYS

- Past drilling confirms Kavanagh UG targets and ready for confirmation drilling
- Subject to PHES Agreement





Development of the Kavanagh Lodes is subject to the PHES Agreement

Under the PHES agreement with AGL, HGO be able to exploit the Kavanagh copper lodes via an UG operation for a limited time¹.

Due to the Kavanagh Lodes close proximity to the open pit Haul Road, minimal capital will be required to develop the UG

Development of the UG will benefit from the existing low cost milling, Tailings Storage Facility and Mining Lease permits which remain separate from the PHES agreement.

¹ ASX:HGO announcement 19 April 2019

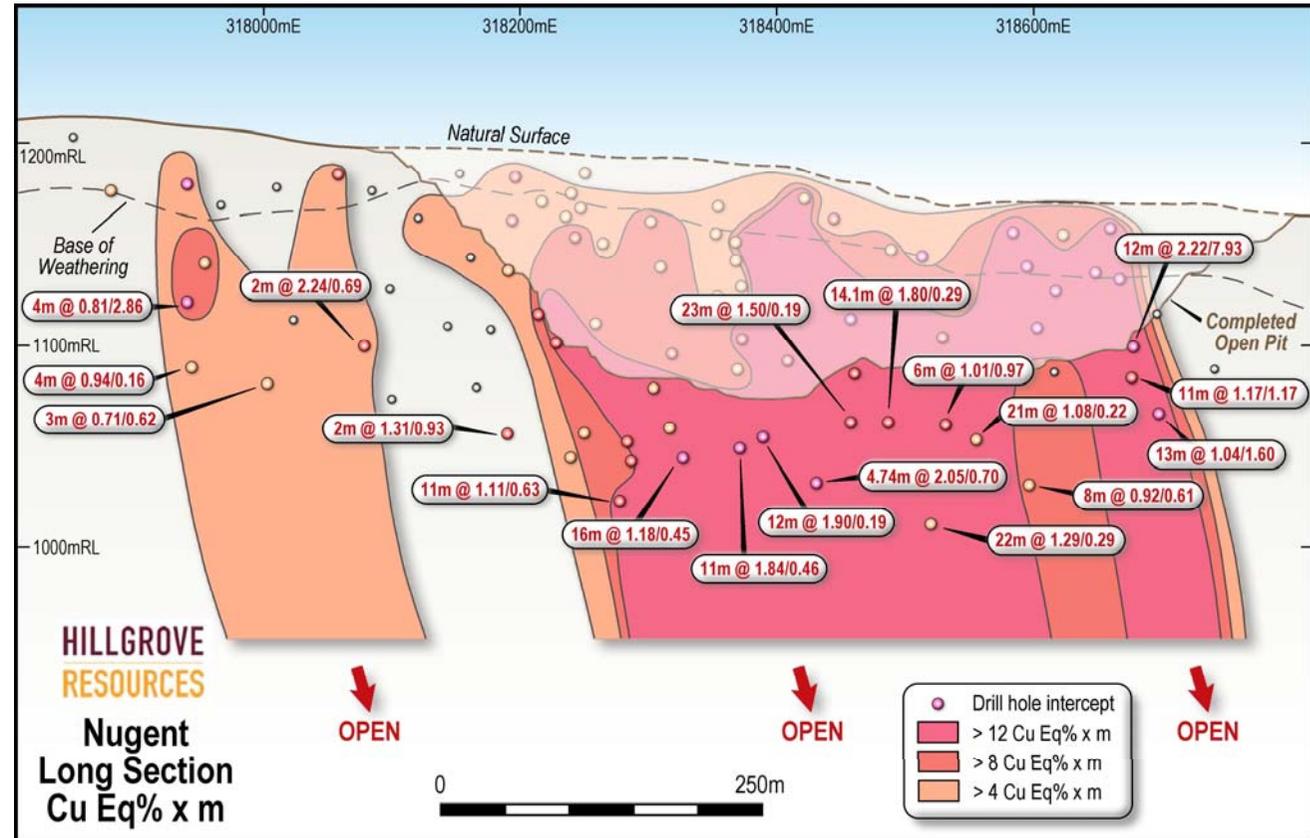
KEY TAKEAWAYS

- Mining of Kavanagh UG may be possible for a limited time as Stage 1 of the Kanmantoo UG Hub

Nugent Lode is over 300m long, and 2m to 23m wide. It is a quartz vein system with high Cu-Au

It is open to depth

Development of the Nugent Lode and extensions is NOT subject to any PHES Agreement



KEY TAKEAWAYS

- Investigating stand alone Nugent underground operation, as stage 2 of a Kanmantoo UG Cu-Au Hub

Exploration Target					
	DH Width Range (m)	Tonnage Range (Mt)	Grade Range Cu%	Grade Range Au g/t	Grade Range CuEq%
Coopers	6 - 10	0.1 - 0.3	1.5 - 2.0	0.4 - 0.8	1.8 - 2.5
North Kavanagh	6 - 10	0.1 - 0.7	1.5 - 2.0	0.4 - 0.8	1.8 - 2.5
North East Zone	12 - 33	0.4 - 0.7	2.0 - 2.5	0.4 - 0.8	2.2 - 3
East Kavanagh	10 - 24	0.4 - 0.8	2.0 - 2.5	0.05 - 0.2	2.0 - 2.6
Central Kavanagh	13 - 30	1.2 - 2.2	1.5 - 2.0	0.1 - 0.4	1.6 - 2.2
West Kavanagh	11 - 28	0.8 - 1.6	2.0 - 2.5	0.01 - 0.05	2.0 - 2.5
South West Kavanagh	7 - 22	0.8 - 1.0	1.8 - 2.2	0.1 - 0.4	1.8 - 2.4
Spitfire	16 - 37	0.4 - 0.7	1.5 - 2.0	1.5 - 3.0	2.5 - 4.0
Nugent	8 - 15	0.8 - 2.0	1.5 - 2.0	1.5 - 2.5	2.5 - 3.5
Totals	6 - 37	5 - 10	1.7 - 2.2	0.4 - 1.0	2.0 - 2.8

The Exploration Target for the Kavanagh Lodes is over 200m vertical metres

and for Nugent is over 450 vertical metres¹.

¹ ASX:HGO announcement 25 May 2017

KEY TAKEAWAYS

- The Kavanagh and Nugent UG Lodes are the most significant Exploration Targets for UG investigation



Kanmantoo is a copper-gold mine with a large number of structurally controlled Cu-Au ore zones

In the area outside of the PHES agreement there are a number of Cu-Au lodes that may be amenable to underground mining. In addition to Nugent there are;

Paringa

KTRC956 6m @ 3.4% Cu, 0.2g/t Au from 133m
KTDD129 7m @ 2.0% Cu, 0.1g/t Au from 74m

Emily Star

KTRC833 9m @ 2.4% Cu, 0.2g/t Au from 84m
KTRC794 7m @ 2.5% Cu, 0.2g/t Au from 95m

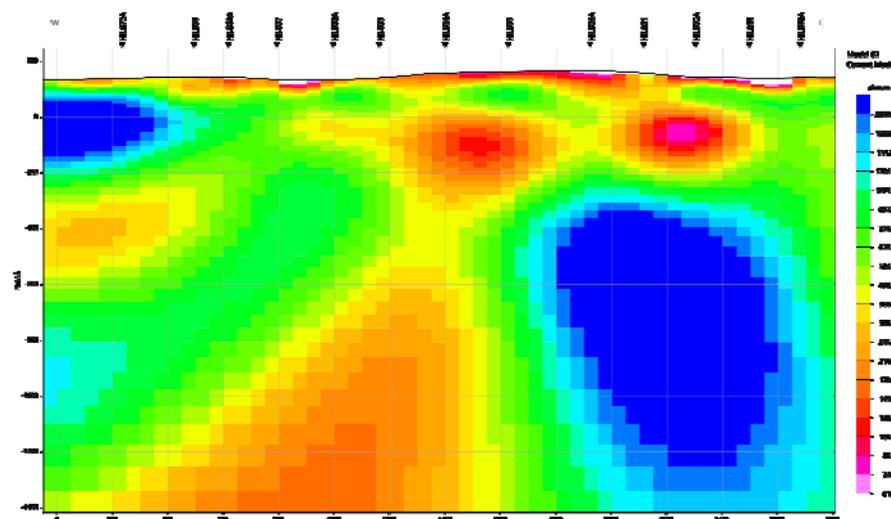
Wheal Fortune

KTRC742 5m @ 2.5% Cu, 0.8g/t Au from 13m

KEY TAKEAWAYS

- Continuous high grade Cu-Au zones are targets for Stage 3 UG mining evaluation





AMT/MT 2D section across Stella zone, coloured by conductivity (red = high conductivity)

This suggests a significant large conductive zone is present, which if mineralised presents a new large target for exploration

In 2019 HGO infilled the 2018 MT survey for which the data is still being processed.

Approx 300m north of the 2018 MT section line, Aberfoyle drilled one hole (KAN001) and intersected;

A 60m wide zone of chlorite-pyrrhotite-Fe-garnet altered sediments (128-170m downhole), within which,

- 3.6m @ 0.39% Cu, 2.43 g/t Au, from 156.4m downhole, including
 - 0.9m @ 9.28 g/t Au, 0.18% Cu from 156.4m downhole; and
- 6.56m @ 0.77% Cu, 0.84 g/t Au from 173m downhole

KEY TAKEAWAYS

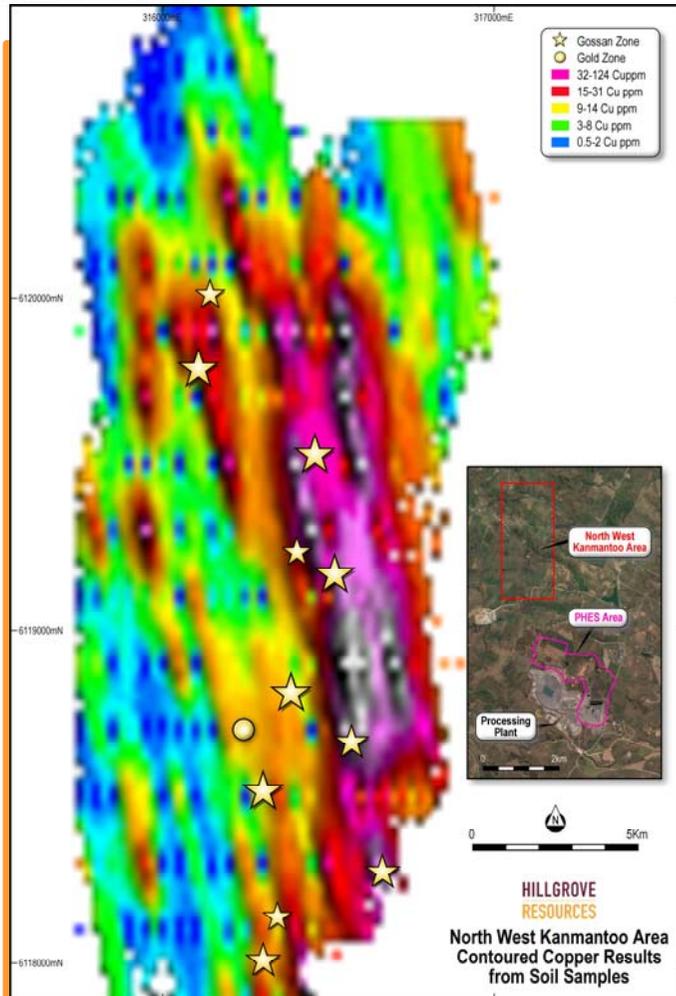
- Stella is a large conductivity zone, and is possibly a new style target at Kanmantoo for UG mining evaluation

1 ASX:HGO announcement 30 April 2019



HILLGROVE RESOURCES CU-AU ENDOWMENT NEAR MINE

KANMANTOO NORTH WEST – SIGNIFICANT COPPER AND GOLD ENDOWMENT



HGO mapping revealed a large area of high Fe and gossan alteration 4.5kms north-west of the Kanmantoo mine site.

This high Fe alteration is coincident with a strong magnetic anomaly evident in the State survey regional magnetics

HGO has completed stage 1 of a soil sampling survey.

The Copper soil anomaly is 2.3kms long¹
Rock chips have identified zones with High Au and Copper

Further work is in progress

KEY TAKEAWAYS

- New zones of high grade Cu-Au north west of Kanmantoo are targets for UG mining evaluation

¹ ASX:HGO announcement 29 April 2019





To Recap
Hillgrove does not only hold licences near to the Kanmantoo mine site

Hillgrove also holds, or has under application, ~6,100 sq. kms of exploration licences in South Australia with significant Cu-Au endowment and prospectivity

The objective is to transfer the geology knowledge from Kanmantoo to discover large magmatic Cu-Au deposits in the wider Cu-Au province



KEY TAKEAWAYS

- Key holding in mineralised Cu-Au Province



The Kanappa Cu-Au zone is 50kms from Kanmantoo

A series of diorites, pegmatites and aplites intrude into a sequence of schists and carbonates

Soil copper zone 4.4kms long

Geochem zoning from west to east
Cu-Zn => Cu-Bi => Cu-Au => Au

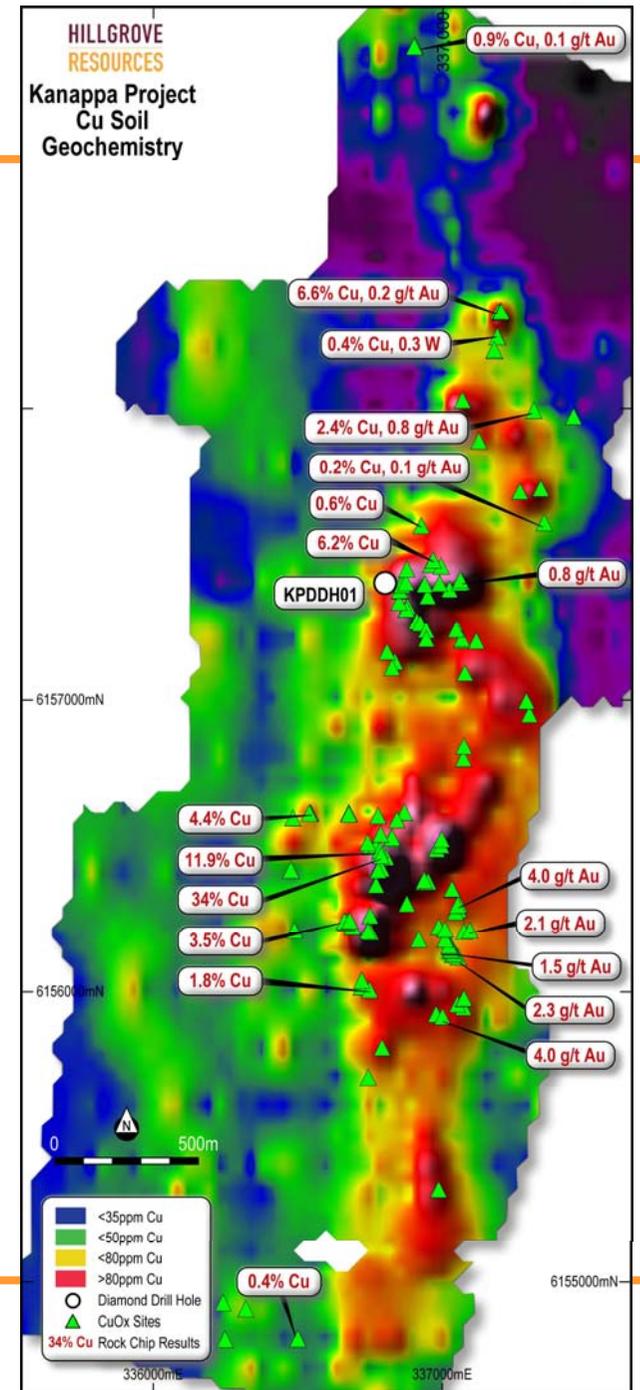
Peak rock chips of 34% Cu 4.0g/t Au (separate samples)

Petrology shows the alteration overprints both sediments and intrusives and is high Fe-Cu-W-Mo-Au-Zn

And is post deformation

KEY TAKEAWAYS

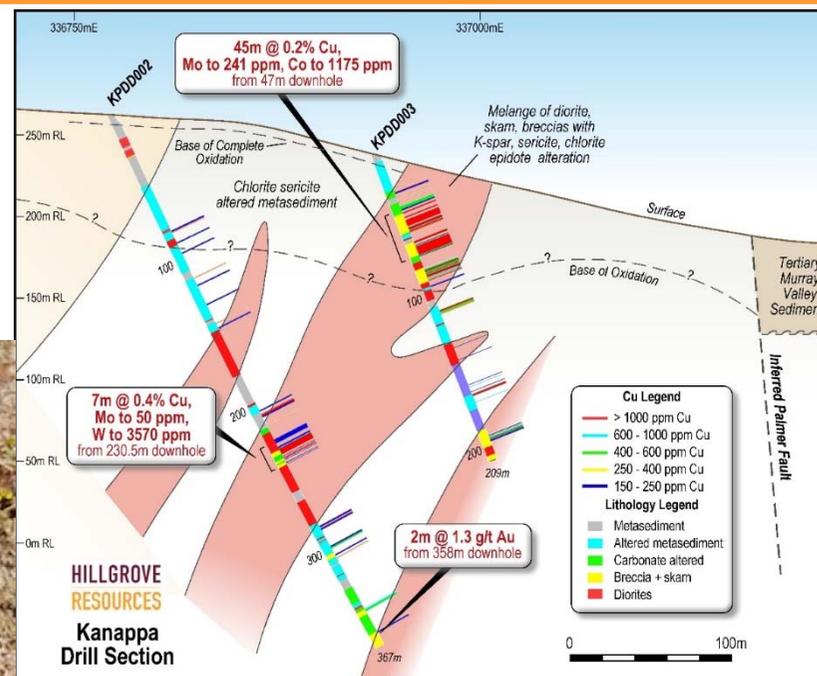
- Large hydrothermal alteration and Cu-Au mineralised system at Kanappa



Kanappa drilling of a 400m portion of the soil anomaly intersected over 250m width of magmatic related alteration and veining¹

- KPDD003 45m @ 0.2% Cu from 45m downhole

Peak values include
1m @ 2.7% Cu
1m @ 2.5 g/t Au



Drill core is from KPDD002 from 230.5m, showing pyrrhotite & chalcopyrite mineralisation within calcisilicate alteration

KEY TAKEAWAYS

- These drill results confirm Hillgrove’s view that the Kanappa area is prospective for large scale magmatic related copper-gold mineral deposits.

¹ See ASX Release 30 January 2019 for full results. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

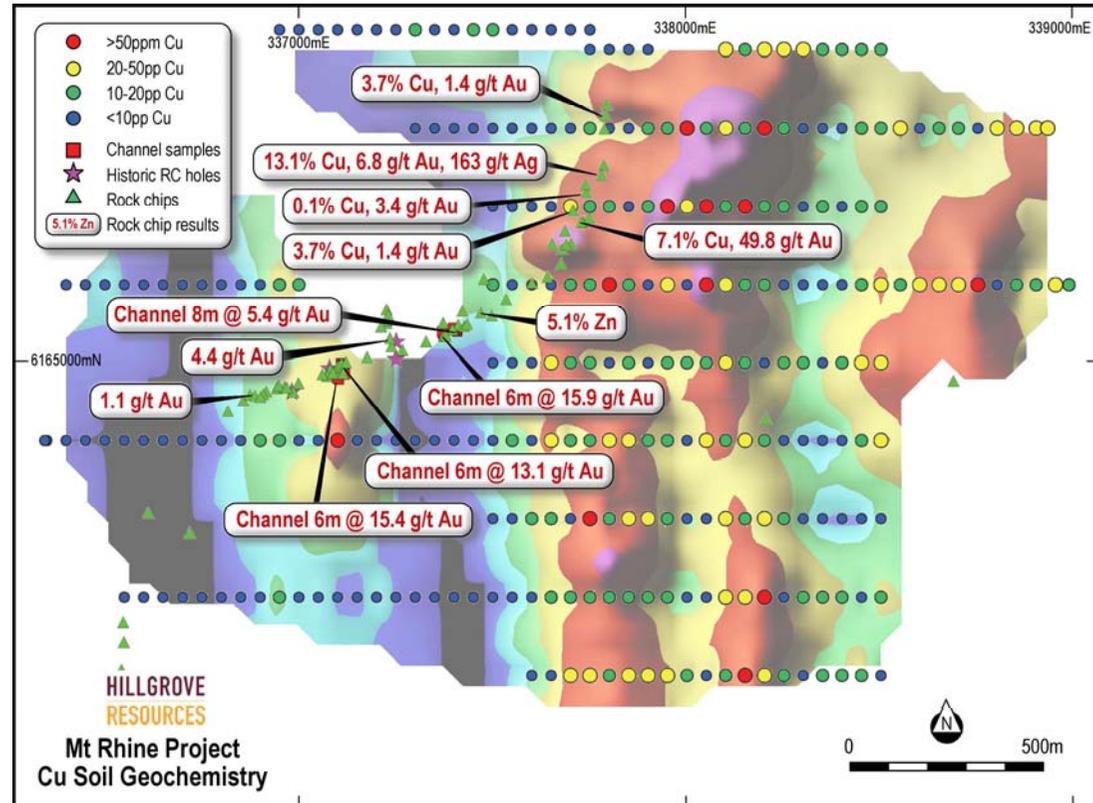
The Mt Rhine copper-gold zone is 10kms from Kanappa

Soil copper zone **1.7kms** long

Peak rock chips of **13% Cu 49.8g/t Au** (separate samples)

Peak Channel Sampling of 6m @ 15.9g/t Au

Much higher gold tenor cf Kanappa



KEY TAKEAWAYS

- Large scale alteration system 1.7kms long and 500m wide



Numerous Copper & Cu-Mo occurrences recorded

Colebatch – outcropping chalcopyrite and molybdenite over 1.6 kms in granite

Alamil – drill core with narrow veins and chlorite/epidote zones of chalcopyrite and sulphides in diorite over 267m, from 86m depth

Sherlock – drill core with SHR08 0.5m @ 11.6% Cu, 1.1% Zn from 102m¹ in basalts and volcanoclastics

Tolmer – visible chalcopyrite in narrow veins in drill core
MTR 12 119.25m downhole in andesites



KEY TAKEAWAYS

- Large Exploration holding is prospective for large scale copper mineralisation



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- Earliest to production
- Dependent on PHES

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- Multiple drill intersections of high grade Cu-Au
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Realising value for shareholders through a pipeline of Cu-Au projects



VALUE REALISATION PATHWAYS

**NOT IN ORDER OF PRIORITY NOR PREFERENCE,
AND NOT NECESSARILY MUTUALLY EXCLUSIVE**

OPTION 1 - IPO

- To list the assets on the ASX with a capital raising and in-specie distribution to existing HGO shareholders

OPTION 2 – JOINT VENTURE

- Joint venture of all or a portion of the assets

OPTION 3 – SALE OR PARTIAL SALE

- Sale of all or a portion of the assets in a similar process to the PHES strategy

THANK YOU FOR YOUR ATTENTION



Realising value for shareholders through a pipeline of Cu-Au projects

