

AUSTRALIA'S NEXT COPPER MINE

Lachlan Wallace
CEO & Managing Director

31 August 2021

HILLGROVE RESOURCES (ASX : HGO)

Corporate Snapshot

Company Overview

- ASX listed Australian resources company that owns and operates the Kanmantoo Copper Gold Mine in South Australia;
- 15+ years of strong operating experience and award-winning positive stakeholder engagement;
- After completion of open pit operations, underground mining now being developed with aim to resume production by 2022.

Market Statistics

Share Price ⁽¹⁾	A\$ p.s	0.050
Shares on Issue	M	937
Market Capitalisation	A\$M	47
Enterprise Value ⁽²⁾	A\$M	40
Liquidity - 12 Months	M shares	289 (31%)
Carried forward income tax losses	A\$M	192.7
Franking credits	A\$M	17.6

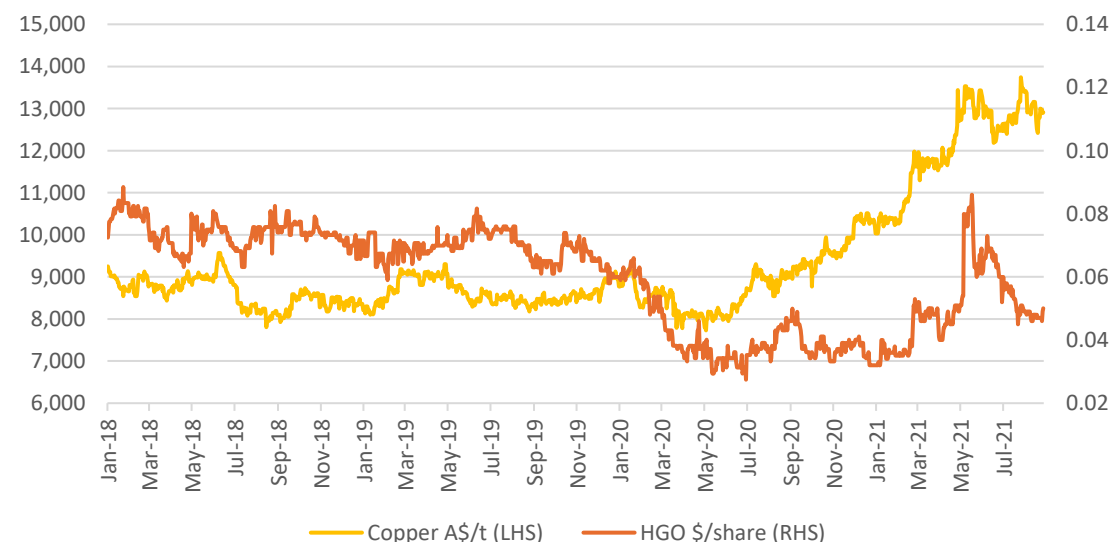
Note (1): Share price at close 27 August 2021

Note (2): Net cash as at 30 June 2021

Strong current and future opportunities

- Advanced, fully permitted UG mining project with infrastructure in place to quickly convert for low capex and realise value of rising prices;
- Multiple opportunities to increase resource base, annual production and mine life;
- Exciting growth pipeline throughout SA.

Share Price – 12 months



Kanmantoo – a proven opportunity

Low Risk

- ✓ Permitted
- ✓ All infrastructure in place
- ✓ Low capital to first copper production
- ✓ Tier 1 jurisdiction
- ✓ Over 137kt Cu produced 2011-2020
- ✓ Same geology, geotech and metallurgy as open pit

High Upside

- Record prices forecast as world decarbonises
- Current drilling shows current Mineral Resource Estimate will increase
- Deep drilling confirms mineralisation extends at least 500m below pit and open at depth
- 8-16Mt Exploration Target on lease
- 3 advanced exploration projects within 5km of processing plant
- > 5,652km² of tenements in south-east SA in prospective porphyry province

HIGHLIGHTS

Kanmantoo Underground

Successful 2021 drilling	Drilling confirms mineralisation continues at least 500m down dip below pit and is expected to expand and increase the geological confidence of the current Mineral Resource Estimate.
Advanced project	Fully permitted project in Tier 1 jurisdiction ¹ with strong community support and experienced local labour pool.
Low capital start up	The Kanmantoo Underground benefits from very low capital intensity due to existing infrastructure.
Infrastructure in place and maintained	Infrastructure maintained for ready restart which positions Kanmantoo to be Australia’s next copper mine as copper prices are forecast to continue to rise.

Expanding Resource & Commencing Decline:

Commence UG Decline	Commencing Kavanagh underground decline and stope definition drilling to bring forward production, provide underground drill platforms to expand resource and improve geological confidence for debt finance.
Expand resource	Optimise existing infrastructure capacity by increasing resource base and annual copper production through surface and underground drilling.

Expanding the Underground resource footprint ahead of planned low capital mining restart in 2022



3.6MTPA PROCESSING PLANT



PERMITTED TAILINGS STORAGE FACILITY

Note (1): South Australia ranked 7th best jurisdiction for global investment attractiveness by Fraser Institute Annual Survey of Mining Companies 2020

HIGHLIGHTS

Exploration

Kanmantoo	Exploration Target ¹ 8-16Mt @ 1-2%Cu and 0.2-0.4g/t Au within permitted Mining Lease has potential to increase inventory from the same decline infrastructure as use in the Kanmantoo Underground.
Near Mine	3 advanced projects within 10km of Kanmantoo processing plant and tailings storage facility, reducing the capital hurdle to convert exploration success.
South East Porphyry	Multiple targets within Hillgrove’s 5,652km2 exploration tenements in south-east SA.

Building the exploration pipeline:	
Kanmantoo	Continue drilling within Mine Lease to convert Exploration Targets to future Mine Plan.
Near Mine	Drill test Stella Project using successful grant from Accelerated Discovery Initiative (ADI).
SE project definition	Continue to define porphyry targets within Hillgrove’s 5,652km ² exploration tenements in south-east. ADI grant awarded to continue target development.

Advancing targets on lease, near mine and regionally



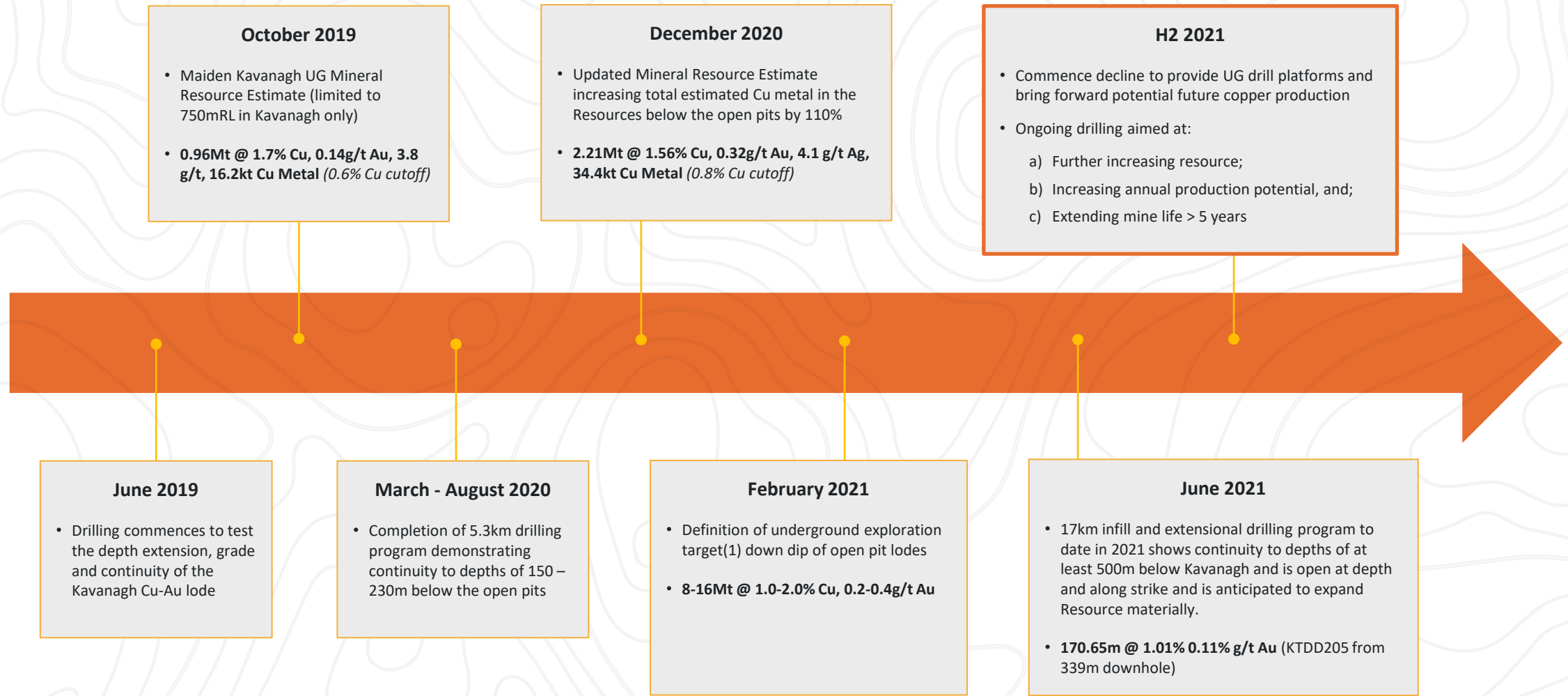
Note (1): The Exploration Target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource under the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code” (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Kanmantoo Underground



KANMANTOO UNDERGROUND

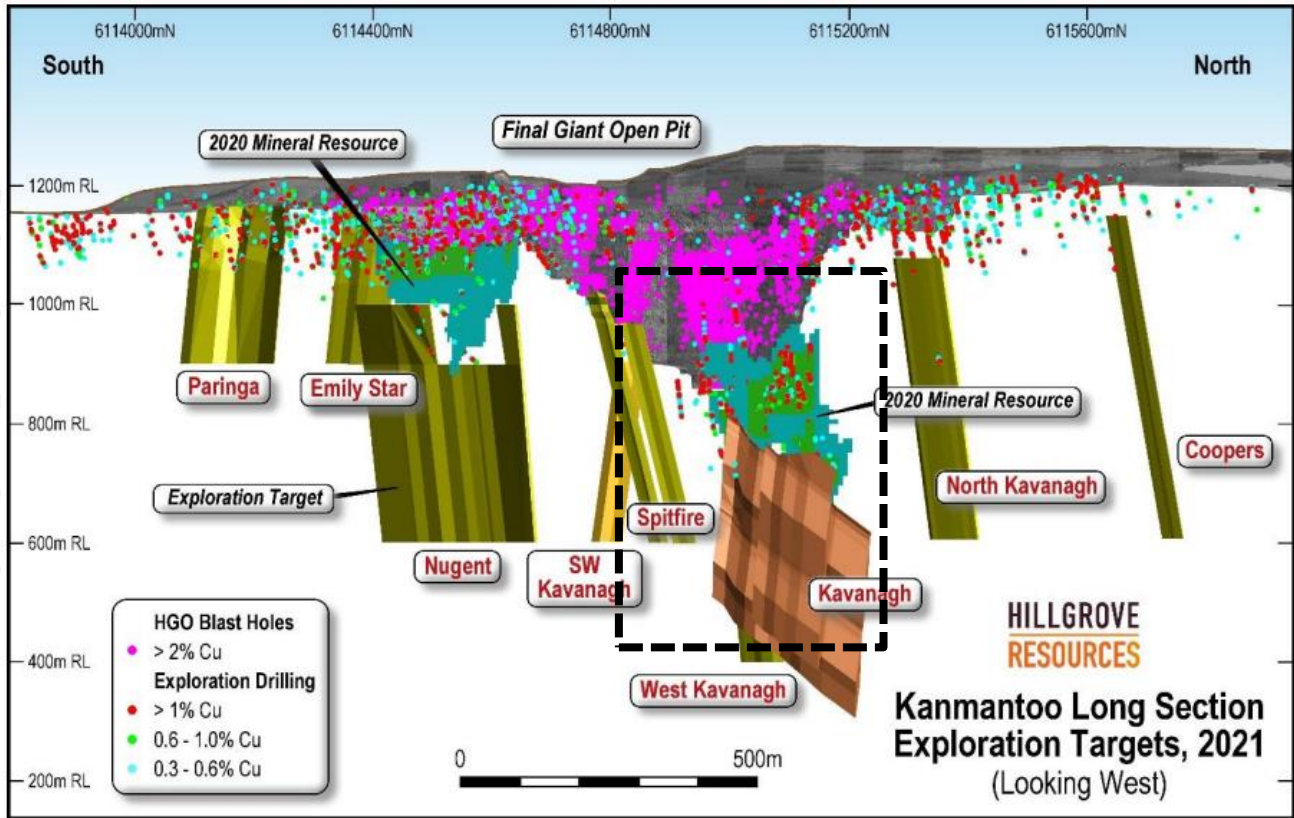
Recent Exploration History



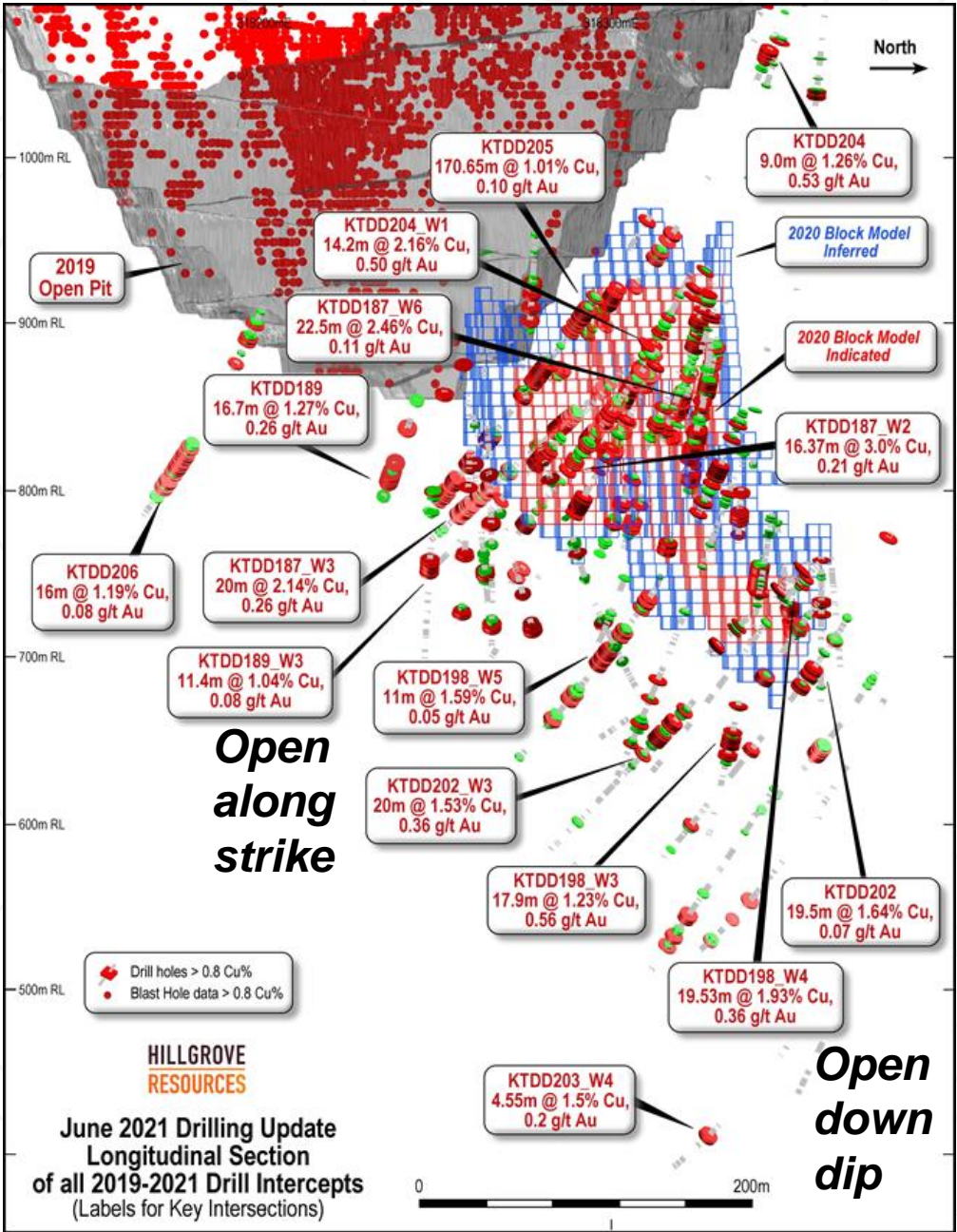
Note (1): The Exploration Target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

KANMANTOO UNDERGROUND

Kavanagh



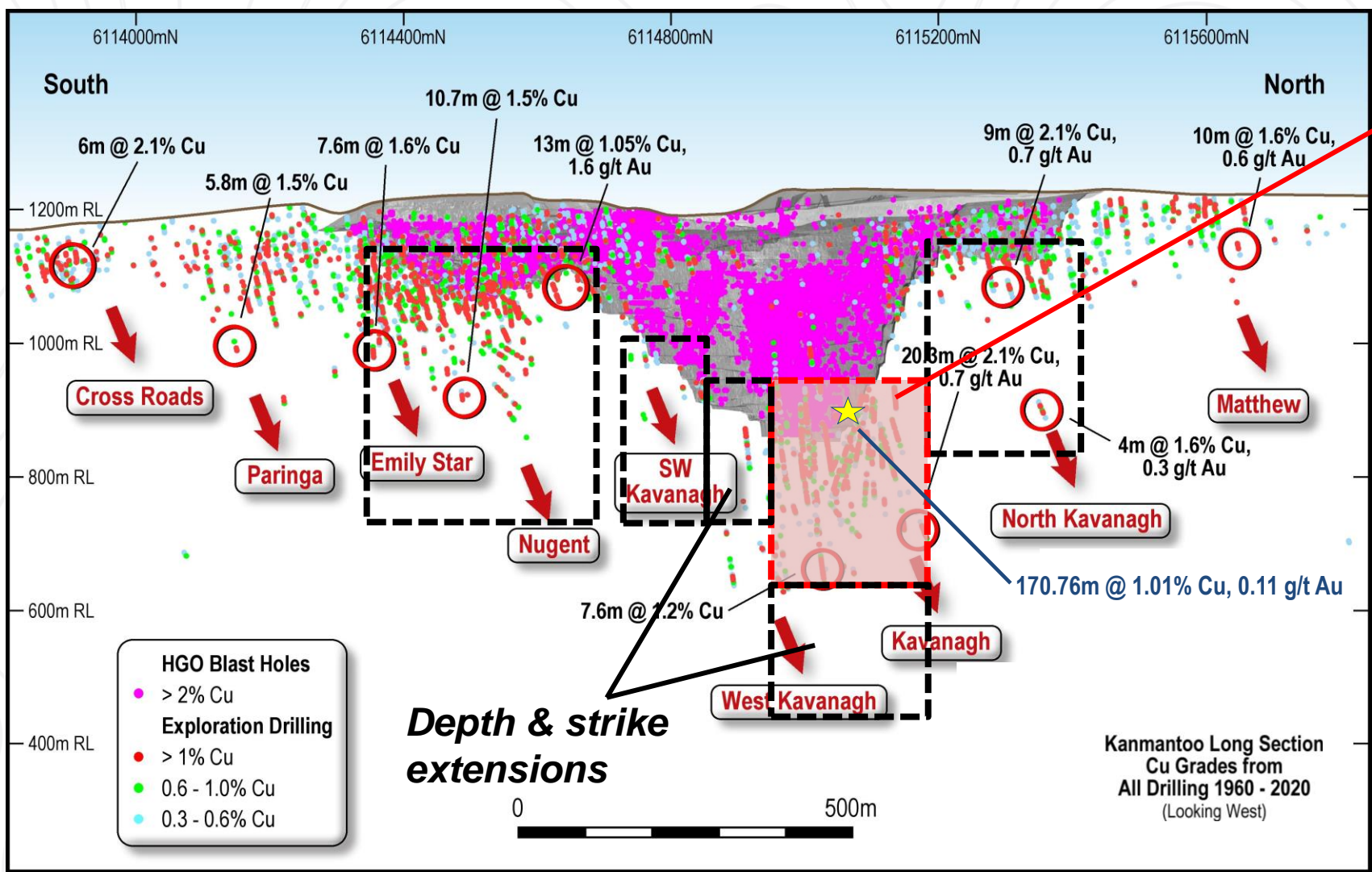
High grade intersections demonstrate strike and depth extensions of existing Resource



Note: Selected drill intercepts from the 2019 to May 2021 drilling. See the full ASX releases for all drill results and their locations published on 10-10-2019, 3-09-2020, 3-05-2021, 6-05-2021 and 24-06-2021.

KANMANTOO UNDERGROUND

Next Drilling – Increase Resource & Infill



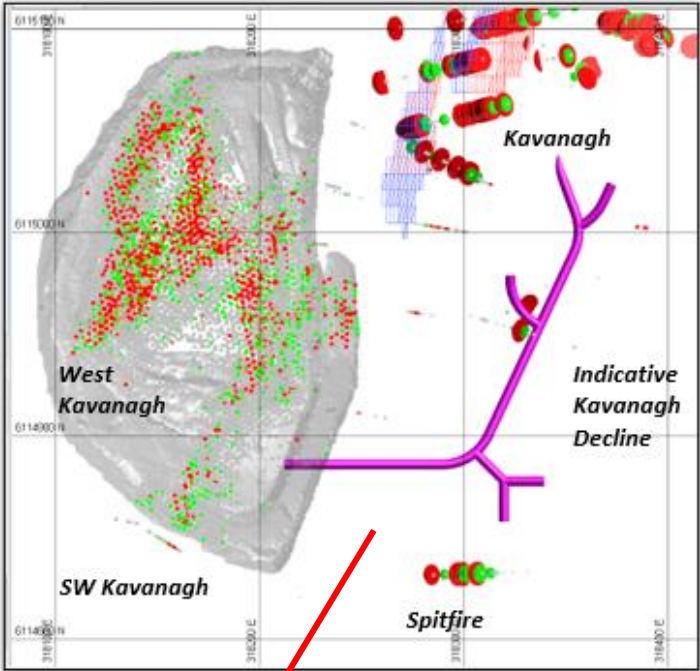
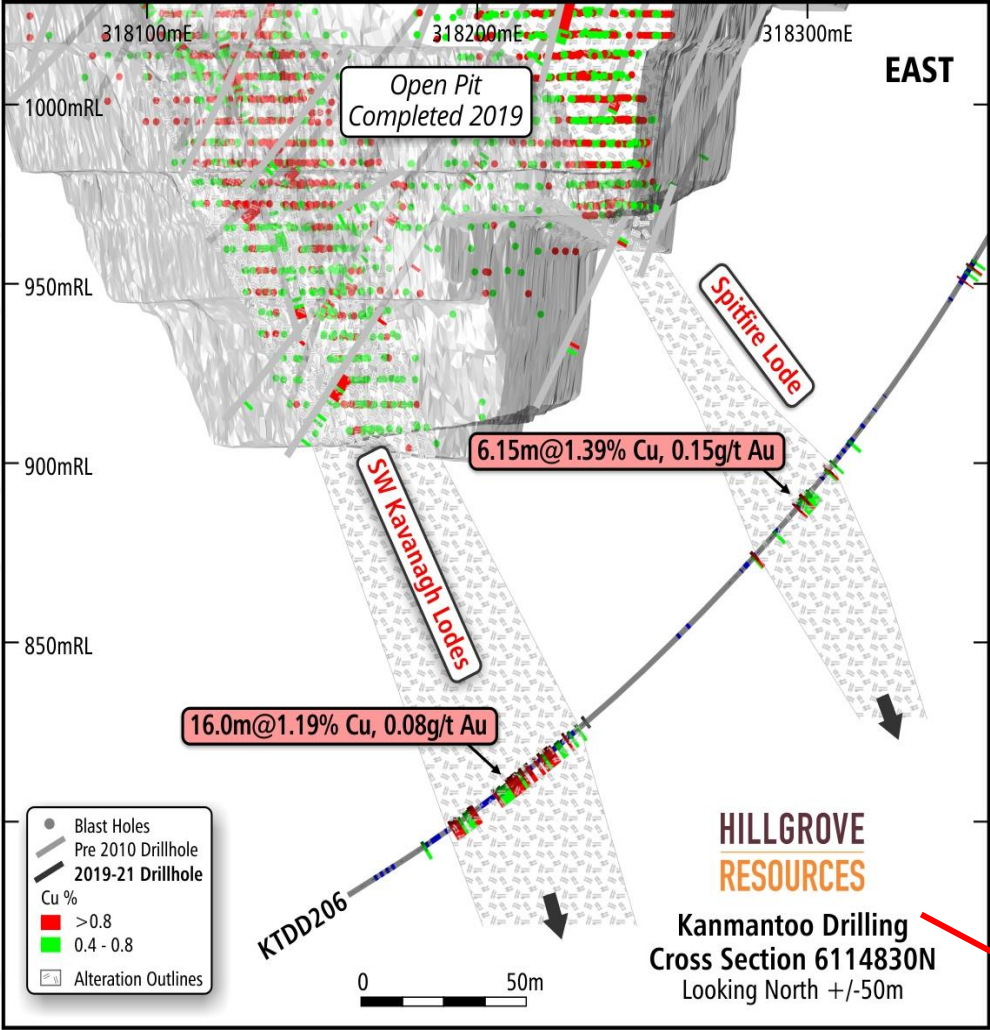
Majority of drilling activity has concentrated on the upper levels of Kavanagh to enable near term restart.

This is only a fraction of the UG potential, providing an opportunity to increase mine life and annual production with further exploration.

- Future drilling will focus on:
- Kavanagh depth and strike extensions,
 - SW Kavanagh & Spitfire
 - Nugent
 - North Kavanagh

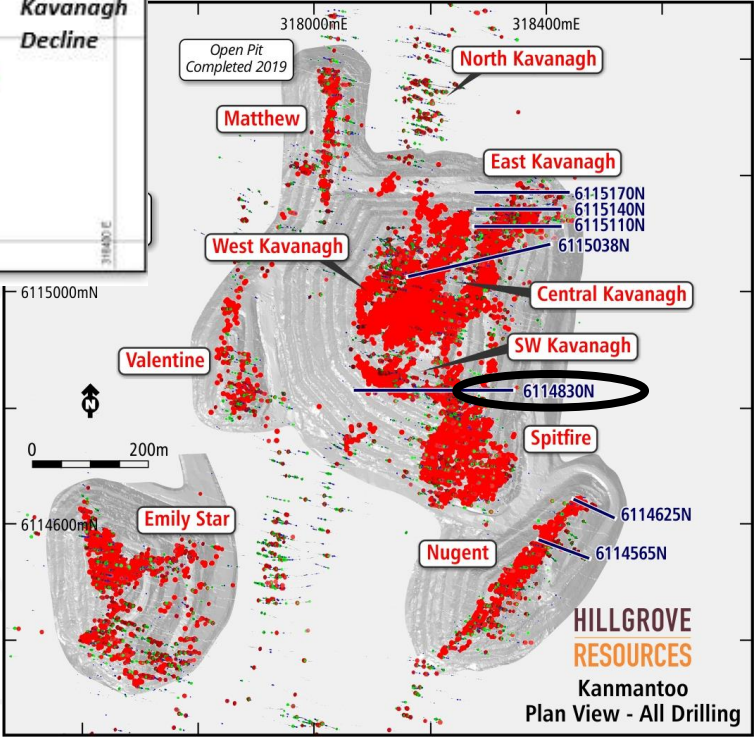
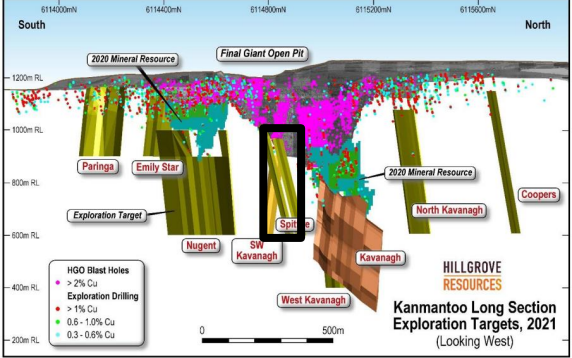
KANMANTOO UNDERGROUND

SW Kavanagh & Spitfire



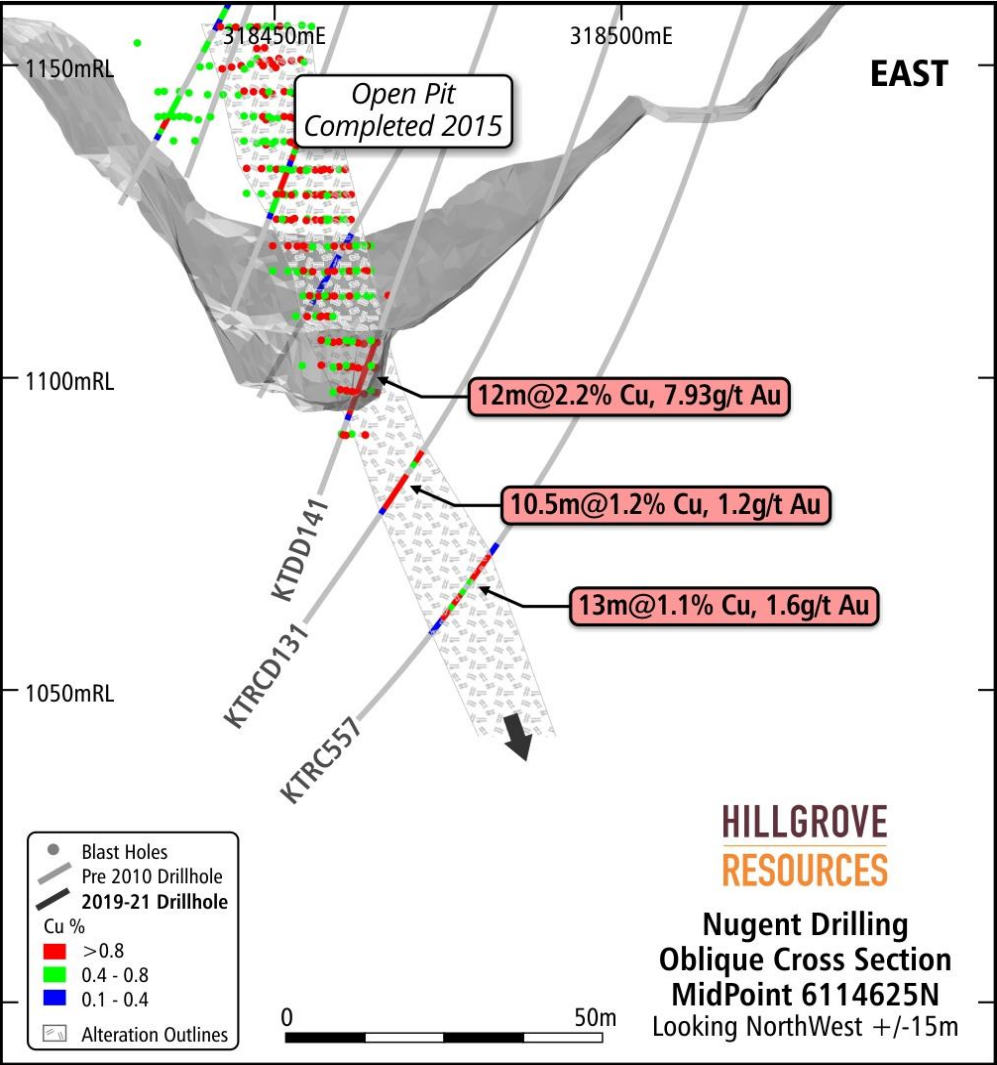
Close proximity to Kavanagh decline increases mining inventory for low capital

First hole south of existing pit intersected extensions of SW Kavanagh and Spitfire



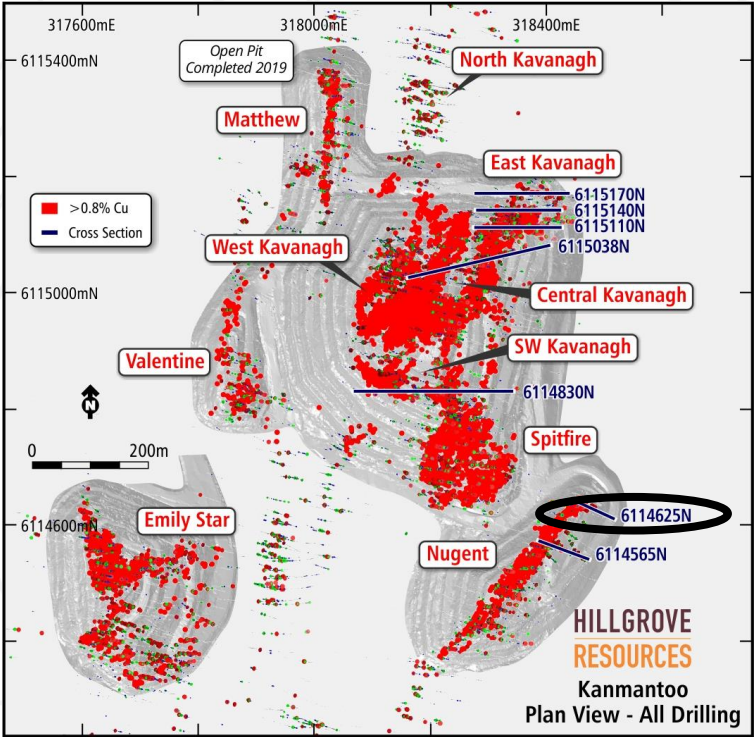
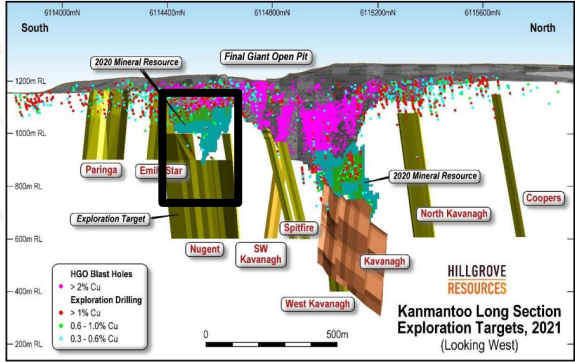
KANMANTOO UNDERGROUND

Nugent



High grade gold intersections below the Nugent Pit provide opportunity to increase annual production by establishing a second mining area that can run in parallel with Kavanagh.

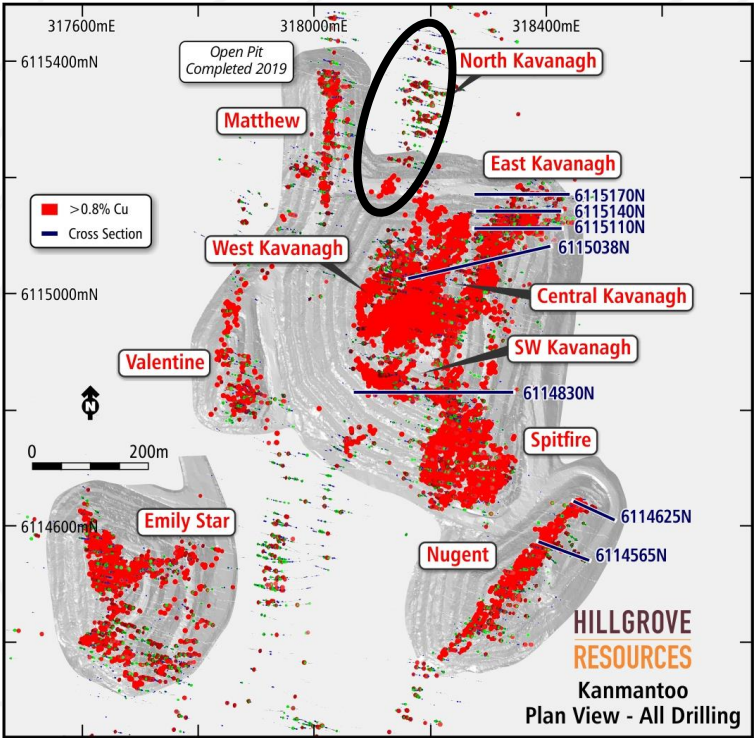
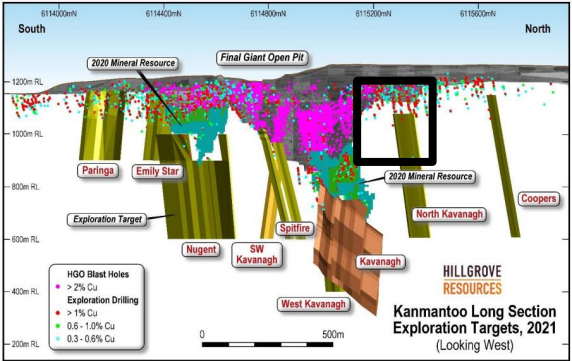
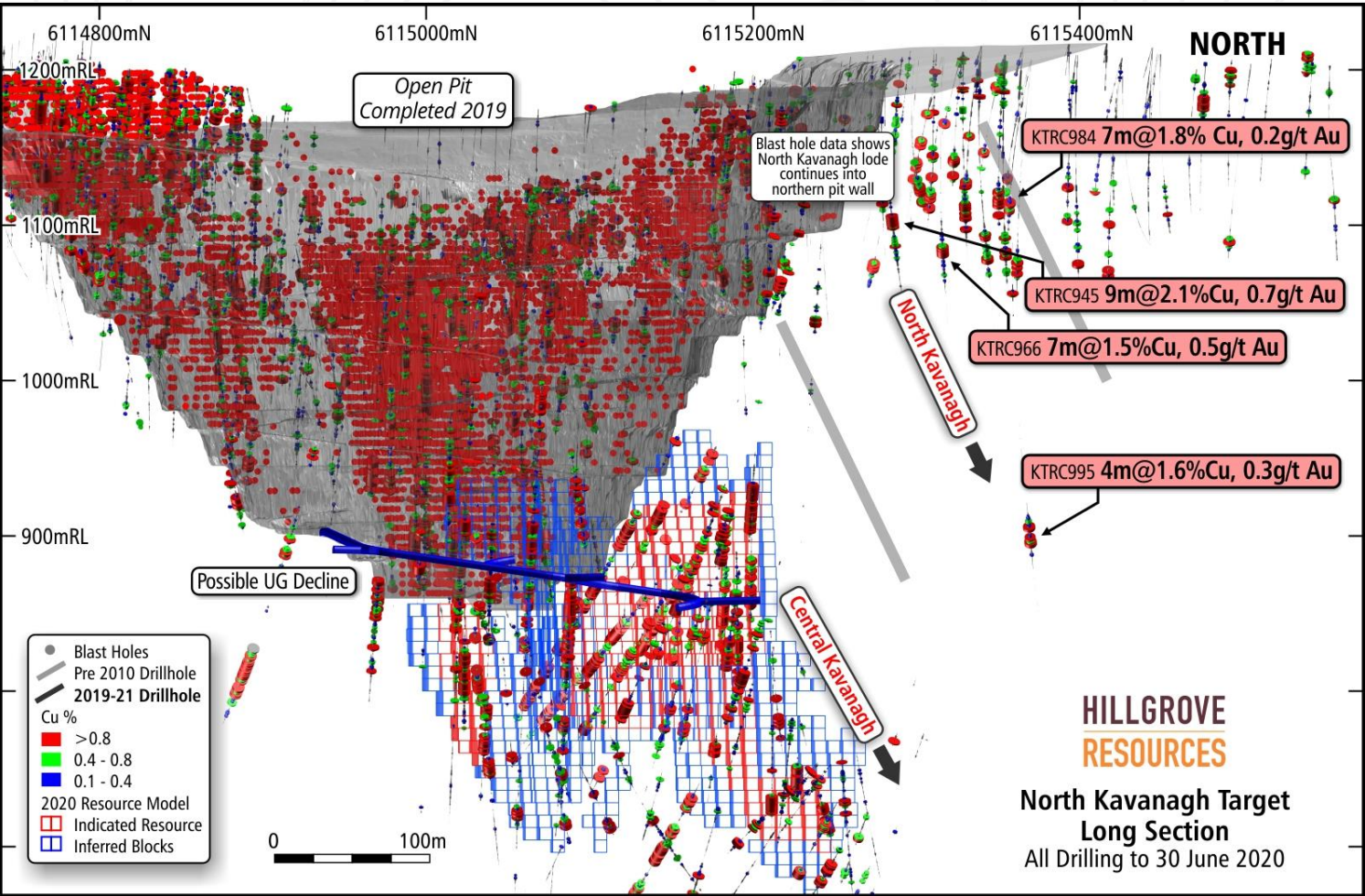
Nugent is open at depth and along strike.



KANMANTOO UNDERGROUND

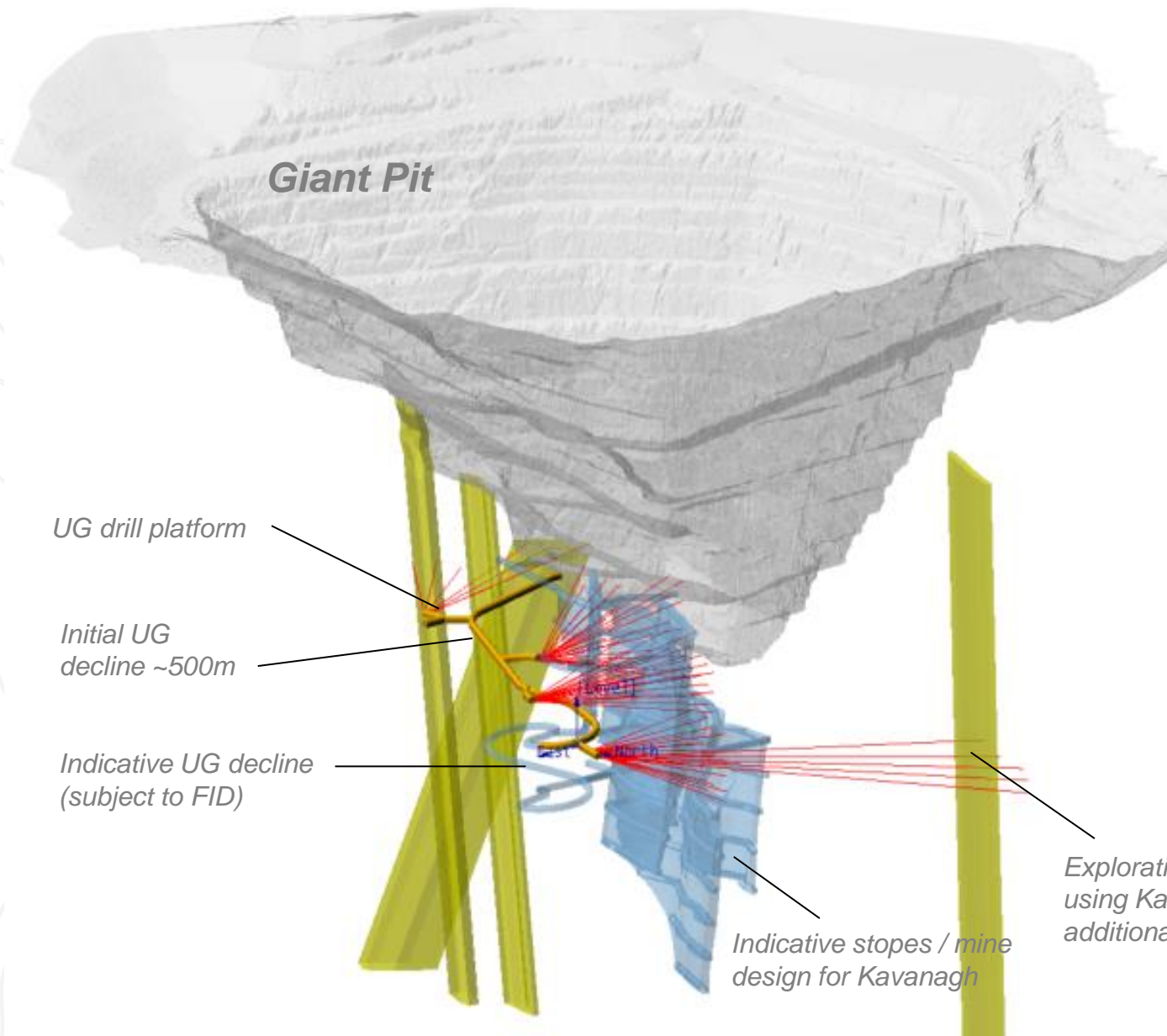
North Kavanagh

North Kavanagh is an extension of lodes mined in the open pit that continue beyond the northern pit wall. Very short development distances enable fast, low cost development. As a separate decline initially, North Kavanagh provides opportunities to increase annual production and operational flexibility.



KANMANTOO UNDERGROUND

Underground Decline



WHY AN UNDERGROUND DECLINE ?

Establish multiple drill platforms to enable UG drilling program, including stope definition drilling which is on critical path to first ore production.

Stope definition drilling increases drill density, increasing geological confidence and increasing access to debt finance.

Decline doubles as future mine access, reducing time, cost and risk associated with underground start-up (subject to FID).

Decline provides UG drilling platform to increase drill density quickly at lower drill cost whilst also bringing forward future ore production

Exploration Targets that could be mined using Kavanagh decline with modest additional capital development

KANMANTOO UNDERGROUND

Continuous Miner



BENEFITS OF CONTINUOUS MINING

Safer

No development blasting – less vibration and noise
No fuel – less fumes and fine particulates
Surgical cuts improve ground conditions
No community disturbance

Faster

No delays for development blasts, ground support
Less costs – people, equipment, ground support, vent, downstream processing, overbreak, dilution....

Greener

Run 100% on electricity
Enabler for green copper production

\$2m government grant enables Hillgrove to commence decline ahead of FID

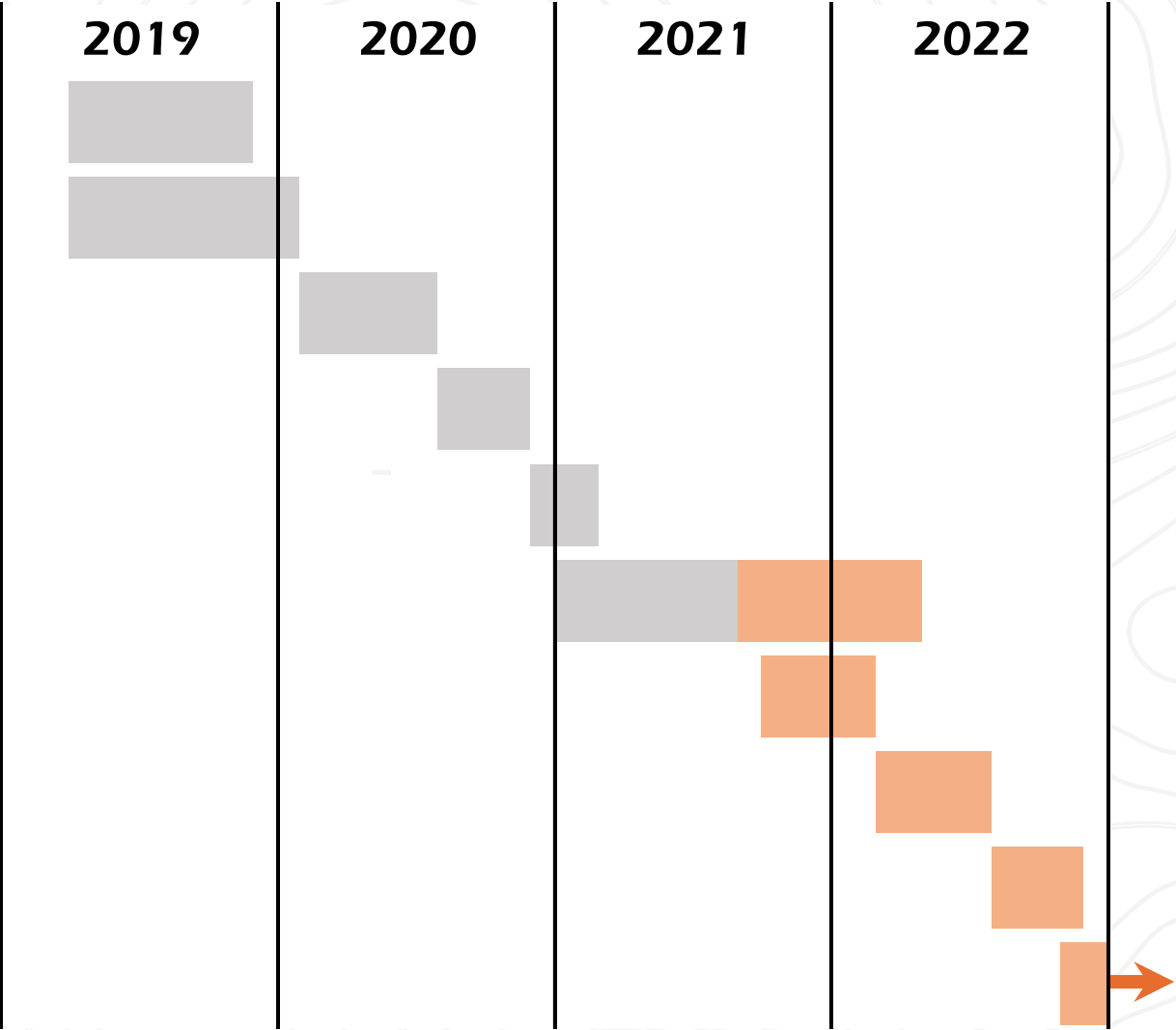
KOMATSU



Government of South Australia
Department for Energy and Mining

KANMANTOO UNDERGROUND
Pathway to First Copper Production

- ✓ **Resource Drilling**
- ✓ **Pre-Feasibility & Permitting**
- ✓ **Drilling to confirm depth extensions**
- ✓ **Mineral Resource Estimate**
- ✓ **Capital Raise**
- Drilling 2021**
- UG Decline**
- Technical & Economic Studies**
- Capital Development**
- Ore production**



Existing infrastructure and short distance to mineral lodes enable copper production in the near-term

Exploration

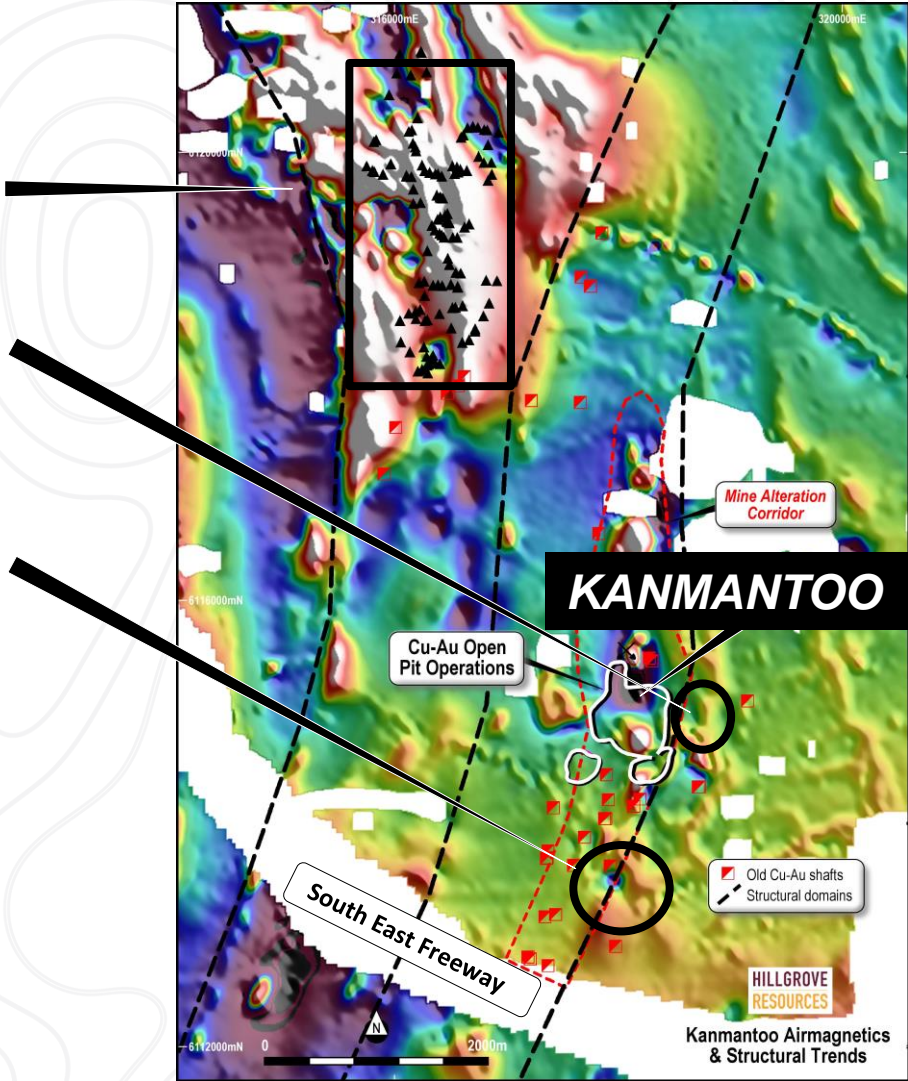


NEAR MINE EXPLORATION

North West, Stella & Mullewa

North West	Copper soil anomaly is 2.3kms long; rock chips have identified zones with high gold and copper
Mullewa	Large alteration area and MT zone and Cu anomalism
Stella	MT survey suggests a significant conductive zone coincident Cu & Au anomaly and gravity low, which presents a new large target for exploration

Although these targets may be large enough to justify stand alone capex, the proximity to the Kanmantoo mill and permitted TSF materially reduces capital hurdle



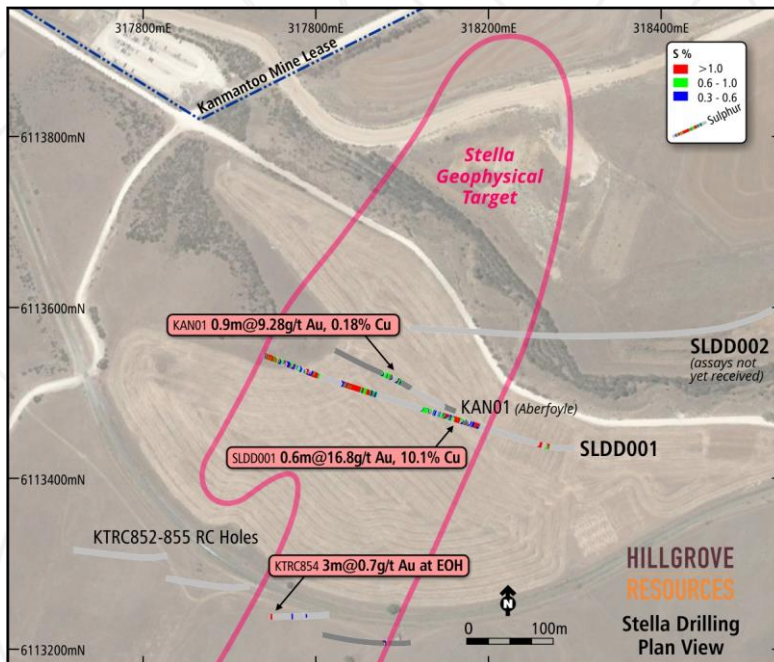
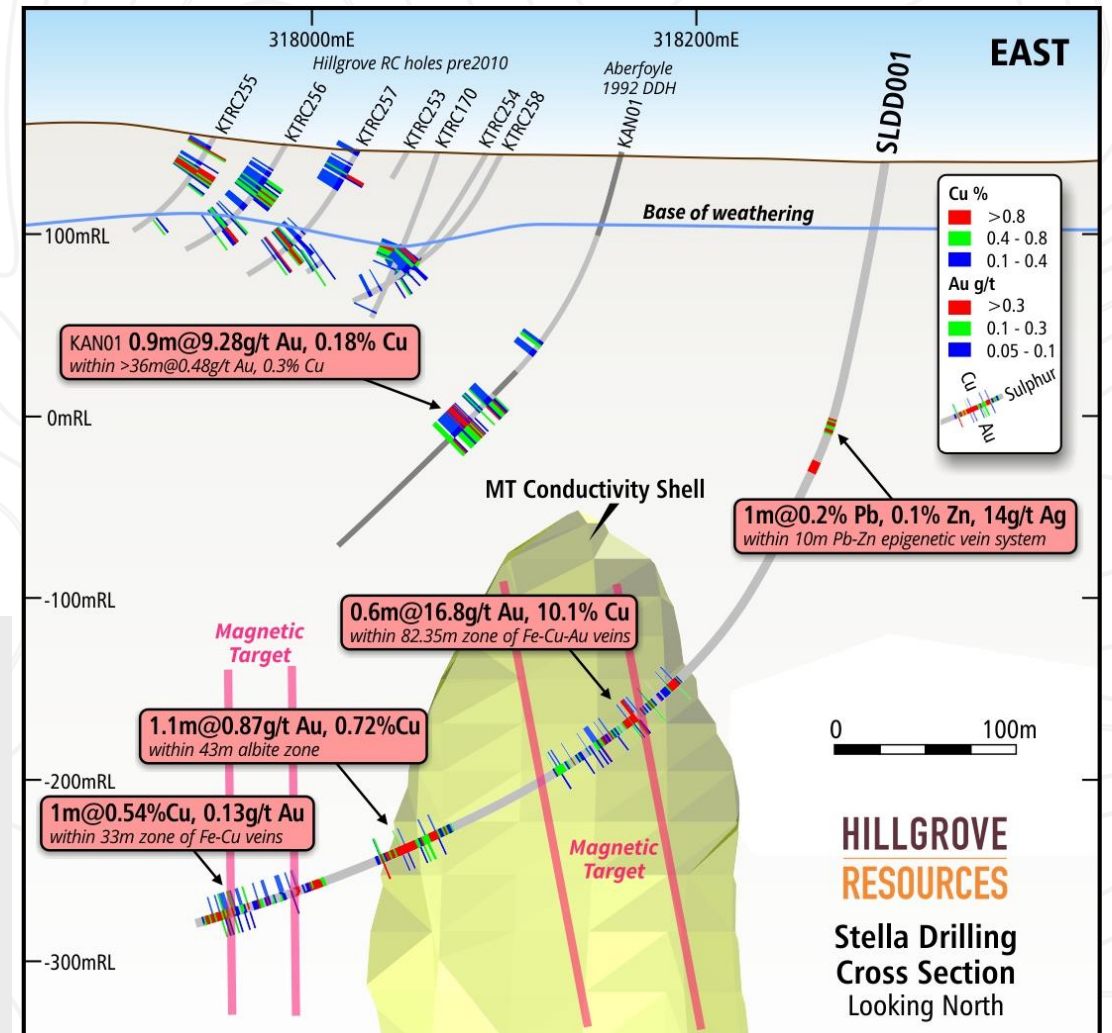
NEAR MINE EXPLORATION

Stella – New Gold Discovery

Multiple Au-Cu zones in first Stella hole, including a high-grade gold interval within 82.35m alteration zone

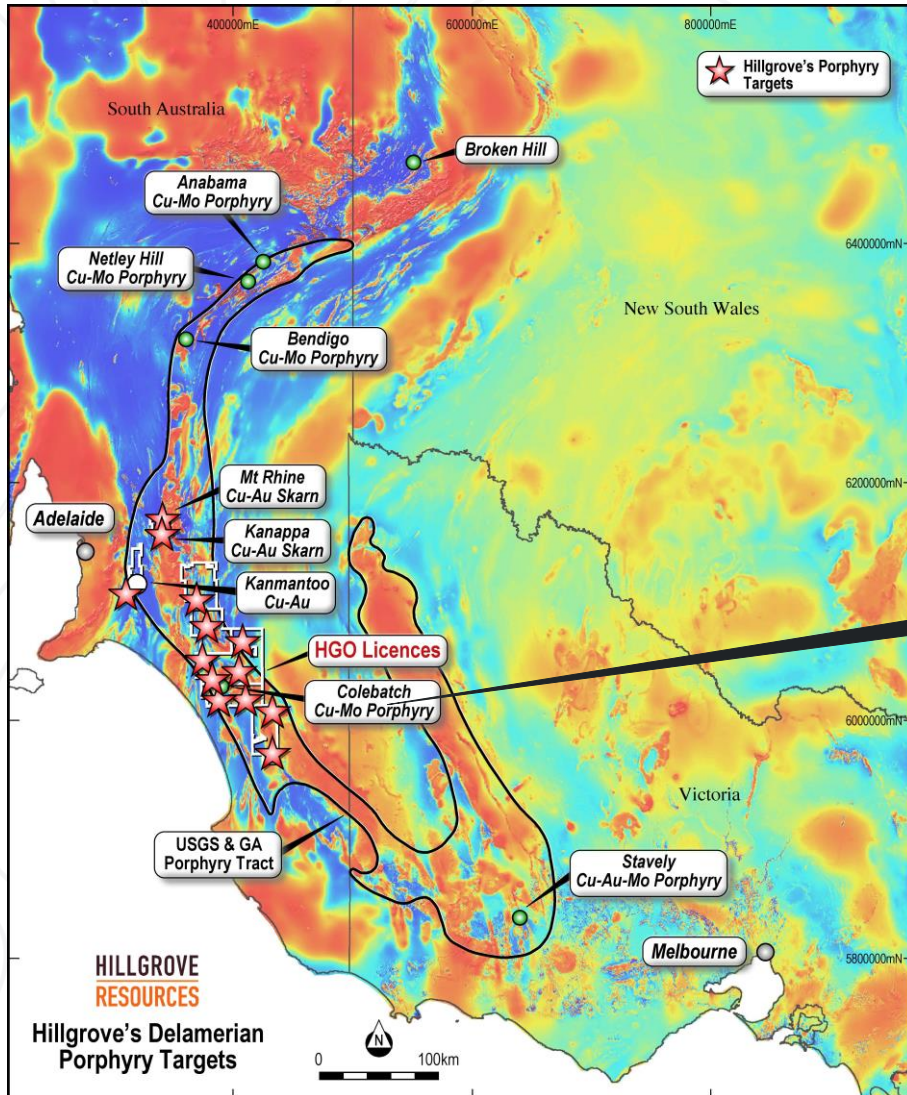
High grade intersection is over 300m below surface and 350m along strike from another hole that concluded in a gold zone providing an opportunity to delineate a substantial resource.

Directly adjacent to Mining Lease and processing plant.



Combination of magnetic high and resistivity low with the presence of Cu / Au in nearby drill holes make Stella an exciting prospect

SOUTHEAST EXPLORATION PORTFOLIO



- In parallel with the underground and near mine development opportunities, HGO continues to undertake low cost exploration across 5,652km² of tenements in south-east SA
- Tenements sit within USGS and GA Porphyry Tract which includes the Stavelly Cu-Au-Mo Porphyry
- Multiple targets with geochemical signature in line with major porphyry deposits around the world that are coincident with regional magnetic anomalies



Cu-Mo outcrop at Colebatch

Objective is to discover large scale porphyry Cu-Au deposits

Kanmantoo – a proven opportunity

Drilling continues to build out the resource ahead of planned production in the near term.

With all capital infrastructure and permitting already in place, Hillgrove's low market cap presents a unique investment opportunity in a bullish copper market.

Appendix



IMPORTANT NOTICE

Disclaimer & Competent Persons Statement

DISCLAIMER

No representation or warranty is or will be made by any person (including Hillgrove Resources Limited ACN 004 297 116 (“Hillgrove”, “HGO”, or the “Company”) and its officers, directors, employees, advisers and agents) in relation to the accuracy or completeness of all or part of this document (the “Document”), or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, this Document or any part of it. This Document includes information derived from third party sources that has not been independently verified.

This Document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Hillgrove and certain plans and objectives of the management of Hillgrove. Forward-looking statements can generally be identified by the use of words such as ‘project’, ‘foresee’, ‘plan’, ‘expect’, ‘aim’, ‘intend’, ‘anticipate’, ‘believe’, ‘estimate’, ‘may’, ‘should’, ‘will’ or similar expressions. Indications of, and guidance on, production targets, targeted output, mine development or timelines, exploration or expansion timelines, infrastructure alternatives and financial position and performance are also forward-looking statements. Any forecast or other forward-looking statement contained in this Document involves known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Hillgrove, and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Various factors may cause actual results or performance to differ materially. These include without limitation the following: risks specific to Hillgrove’s operations; credit risk; levels of supply and demand and market prices; legislation or regulations throughout the world that affect Hillgrove’s business; insurance expenses; the risk of an adverse decision or other outcome relating to governmental investigations; class actions or other claims; growth in costs and expenses; and risk of adverse or unanticipated market, financial or political developments (including without limitation in relation to commodity markets).

You are cautioned not to place undue reliance on forward-looking statements. These forward-looking statements are based on information available to us as of the date of this Document. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements. This Document is provided for informational purposes only and is subject to change without notice. Subject to any obligations under applicable laws, regulations or securities exchange listing rules, Hillgrove disclaims any obligation or undertaking to release any updates or revisions to this Document to reflect any change in expectations or assumptions. Nothing in this Document should be interpreted to mean that future earnings per share of Hillgrove will necessarily match or exceed its historical published earnings per share, or that there has been no change in the affairs of Hillgrove since the date of this Document.

Nothing contained in this Document constitutes investment, legal, tax or other advice. The information in this Document does not take into account the investment objectives, financial situation or particular needs of any recipient. Before making an investment decision, each recipient of this Document should make its own assessment and take independent professional advice in relation to this Document and any action taken on the basis of this Document.

All currency referred to is Australian dollars (\$) unless otherwise indicated (e.g. US\$).

COMPETENT PERSONS STATEMENT

The information in this Document that relates to Exploration Results, Exploration Targets and Mineral Resource Estimates 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 this Document 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. Hillgrove Resources confirms that the form and context in which the findings of the Competent Persons have been presented, have not been materially modified from the original market announcement. Peter Rolley (MAIG) consents to the inclusion in this Document of the matters based on their information in the form and context in which they appear.

AUTHORISATION

This announcement is authorised for market release by Hillgrove Resources’ Managing Director and CEO, Lachlan Wallace.

IMPORTANT NOTICE

References

All exploration drill results, exploration information and Mineral Resource Estimates 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.

Refer <http://www.hillgroveresources.com.au/announcements>

- 20 Jun 2019 Drilling of Kanmantoo Cu-Au Deeps to Commence
- 10 Oct 2019 Excellent Drill Results from Kanmantoo Cu-Au Deposit
- 31 Oct 2019 Maiden Kavanagh Underground Mineral Resource Estimate
- 5 Nov 2019 Additional Information to Maiden Kavanagh Underground
- 2 Jun 2020 Underground Drilling Program Recommences
- 11 Aug 2020 Excellent Gold Recoveries from Kanmantoo
- 3 Sep 2020 Drilling Expands Cu-Au Footprint at Kanmantoo Underground
- 7 Dec 2020 Updated Kanmantoo Underground Mineral Resource Estimates
- 23 Feb 2021 Kanmantoo Underground Exploration target Update
- 3 May 2021 Drilling Confirms Down-Dip Cu-Au Mineralisation at Kanmantoo
- 6 May 2021 Hillgrove Hits 170m of Copper Mineralisation at Kanmantoo
- 24 May 2021 Hillgrove Awarded Two Exploration Grants by SA Government
- 24 Jun 2021 Drilling Results Update at Kanmantoo
- 29 Jul 2021 Activity Report for Quarter End 30 June 2021
- 26 Aug 2021 New Gold Discovery Confirmed at Stella
- 27 Aug 2021 Results for Half Year Ended 30 June 2021
- 31 Aug 2021 Hillgrove Awarded \$2m Grant to Commence UG Decline