




## Hillgrove is fully funded to start Kanmantoo underground copper-gold mining

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Hillgrove is all set to kick off development of its Kanmantoo underground copper-gold mine in South Australia with production starting as soon as later this year.

To help achieve this objective, the company is raising up to \$39.2m through a two part placement and share purchase plan priced at 5.3c per share – a 17.4% discount to the 10-day volume weighted average price.

Most of the funding that **Hillgrove Resources (ASX:HGO)** is seeking is already secured, through a \$19m placement to several new institutions along with strong ongoing support from existing shareholders along with a \$17.2m placement to Freeport Metals & Concentrate.

Existing shareholders will also be offered the opportunity to subscribe for up to \$30,000 worth of shares under a \$3m share purchase plan.

## Where the funds will go

Proceeds from the capital raising will be used to fund development of Kanmantoo – including sufficient contingency, exploration to expand the mine plan and for general working capital.

This enables the project to start without debt, which provides significant operational flexibility.

“I am very pleased to announce a holistic funding package which facilitates the commencement of the Kanmantoo underground and continued mine expansion drilling” managing director Lachlan Wallace said.

“The Kanmantoo Underground Stage 1 presents a unique opportunity to produce copper in a Tier 1 jurisdiction, generating post-tax cash flows in excess of \$200M in the initial stage.

“With all infrastructure and permitting in place, the project is well positioned for a fast, low capital restart, with first copper production only 7 months from commencement.

“The resource potential is exciting, with 143 mineralised intersections from 122 holes, resulting in the increase in Mineral Resources from less than 1Mt in 2019, to almost 7Mt in 2022.

“Such high exploration strike rate and resource conversion provides confidence that further drilling may increase resources and expand the mine .”

## Next copper producer

With only 7 months to first copper from the commencement of operations, Hillgrove considers the Kanmantoo copper mine to be the next copper mine in Australia. And with the project now fully funded, it is easy to see why.

Not only is Kanmantoo fully permitted for mining, has a significant starting resource and a fully permitted tailings storage, it also has all existing infrastructure including a 3.6Mtpa processing plant.

As such, the project is expected to need just \$25m to restart, with Stage 1 expected to produce 43,500t copper and 11,500oz gold over four years at an all in sustaining cost of A\$8,051/t.

The project is highly leveraged to copper price. Should copper prices climb higher, the company could increase output by lowering cut-off grade and widening stopes. With mill capacity at only 40%, and excess tailings storage capacity, additional mineralised material can be processed without displacing any high grade, effectively delivering more copper in to a bullish copper market for low incremental cost..

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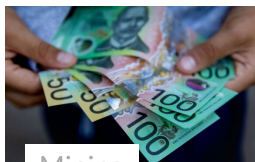


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