



Thursday, 21 May 2009

ANNUAL GENERAL MEETING NOTICE OF MEETING

Hillgrove Resources Limited (ASX:HGO) is pleased to advise its next Annual General Meeting will be held in Adelaide on the 24 June 2009. Please find all details outlined in the following Notice of Meeting.

About Hillgrove

Hillgrove is an Australian resources company listed on the Australian Securities Exchange (ASX: HGO) focused on developing its Indonesian, South Australian and Queensland base and precious metals projects. The Company's portfolio includes an advanced exploration portfolio of 5,128km² in world class copper and gold terrains in eastern Indonesia targeting porphyry copper-gold and epithermal deposits.

Hillgrove's has a strategic, fully diluted, direct 20.8% shareholding in the leading New South Wales coal seam gas company, Eastern Star Gas Limited (ASX: ESG).

Hillgrove's most advanced project is the Kanmantoo Copper Gold Project, located less than 60km from Adelaide. Kanmantoo currently hosts a Mineral Resource of 32.2Mt (2.3Mt Measured, 22.5Mt Indicated and 7.4Mt Inferred) grading 0.9% copper and 0.20g/t gold, containing 292,200 tonnes copper, 191,100 ounces gold and 3,313,600 ounces of silver. Subject to licensing and financing, production is targeted for late 2010. Kanmantoo will be a 2Mt p.a. open-cut mine producing approximately 17,000 tonnes of copper in concentrate and 8,000 ounces of gold p.a.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Adam Freeman, who is a Member of The Australasian Institute of Geoscientists. Mr. Freeman is an Exploration Manager for Hillgrove Resources and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Freeman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For more information contact:

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Hillgrove Resources Limited
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Mr Russell Middleton
Chief Financial Officer
Hillgrove Resources Limited
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Hillgrove Resources Limited

ACN 004 297 116

Level 41 Australia Square, 264 George Street, Sydney NSW 2000

Tel: 02 8221 0404 Fax: 02 8221 0407

www.hillgroveresources.com.au

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
THE MATTERS RAISED IN THIS DOCUMENT WILL AFFECT YOUR SHAREHOLDING IN THE COMPANY.
YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY BEFORE
THE GENERAL MEETING REFERRED TO BELOW, IS CONVENED.
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR
STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

HILLGROVE RESOURCES LIMITED

ACN 004 297 116

Notice of Annual General Meeting

and

Related Documentation

NOTICE OF ANNUAL GENERAL MEETING TO BE HELD AT 10.30 AM (ADELAIDE TIME)
ON WEDNESDAY 24 JUNE 2009 IS INCLUDED WITH THESE DOCUMENTS.

TO BE VALID, FORMS OF PROXY FOR USE AT THIS MEETING MUST BE
COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN
10:30AM (ADELAIDE TIME) ON MONDAY 22 JUNE 2009.

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PART A: ABOUT THESE DOCUMENTS

Shareholders in Hillgrove Resources Limited ABN 73 004 297 116 (the “**Company**”) are requested to consider each of the Resolutions set out in the Notice.

You can vote by:

- attending and voting at the Meeting; or
- appointing someone as your proxy to attend and vote at the Meeting on your behalf, by completing and returning the Proxy Form directly to the Company in the manner set out on the Proxy Form. The Company must receive your duly completed Proxy Form by no later than 10.30 am (Adelaide time) on 22 June 2009.

A glossary of the key terms used throughout this document is contained in **Part E** of this Document.

Please read the whole of this Document carefully, determine how you wish to vote and then cast your vote accordingly, either in person or by proxy.

PART B: LETTER FROM THE COMPANY SECRETARY

HILLGROVE RESOURCES

20 May 2009

Dear Shareholder

I am pleased to invite you to attend our Annual General Meeting, being held in the Terrace 3 Room at the Stamford Plaza Hotel, 150 North Terrace, Adelaide on Wednesday 24 June 2009 at 10:30am. Enclosed with this letter is the Notice of Meeting which details the items of business to be dealt with.

If you are unable to join us you are encouraged to complete the enclosed Proxy Form. The signed Proxy Form should be returned as instructed in this Notice by no later than 10:30am, Monday 22 June 2009. For details regarding voting by proxy please refer to the Notice of Meeting and Instructions on the back of the Proxy Form. If you plan to attend the meeting, please bring the Proxy Form with you to facilitate registration.

The Board is seeking shareholders' ratification of two share issues made during the year. The Directors believe it is prudent and in the best interests of Shareholders for the Company to be able to respond promptly and adequately to any need or proposal that may involve or require the issue of further securities by the Company, without having to make such action contingent on prior Shareholder approval. Accordingly, the Directors unanimously recommend that you vote in favour of all the Resolutions.

In addition, the Board is also seeking approval for a prospective placement of \$10 million which will provide sufficient funding for the initial campaign of exploration on the Birds Head project in Indonesia.

You might recall shareholders were sent a form to participate in the Annual Report Election in December 2008. Those who elected to receive a copy of our Annual Report will find it enclosed.

Shareholders that did not elect to receive a copy of the Annual Report by mail are able to access it via the **Investor Information** section of our website, www.hillgroveresources.com.au, by clicking the '**Current Annual Report**' button on the right side of the page.

Your vote is important and we encourage you to either attend the Meeting in person or complete the Proxy Form accompanying the Notice and return it in accordance with the directions provided.

Yours faithfully



Russell Middleton
Company Secretary

Hillgrove Resources Limited
ACN 004 297 116
Level 41 Australia Square Tower, 264 George Street, Sydney NSW 2000
Tel: 02 8221 0404 Fax: 02 8221 0407
www.hillgroveresources.com.au

PART C: NOTICE OF ANNUAL GENERAL MEETING

HILLGROVE RESOURCES LIMITED (ACN 004 297 116) **(“Company”)**

Notice is hereby given that the annual general meeting of the members of Hillgrove Resources Limited (“Company”) will be held at the place, date and time set out in section 1 below.

1: TIME AND PLACE OF MEETING

Venue

The annual general meeting of members of the Company will be held at:

Terrace 3 Room
Level 2 (*accessed via main staircase or foyer lifts*)
Stamford Plaza Adelaide
150 North Terrace
ADELAIDE SA 5000

Time and Date

The meeting will commence at 10:30am (Adelaide time) on Wednesday 24 June 2009.

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, please attend the Meeting on the date, time and place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with these Documents as soon as possible and either send, deliver, courier or mail the duly completed Proxy Form:

- directly to the Company, attention Company Secretary at Level 41, Australia Square Tower, 264 George Street, Sydney NSW 2000;
- by facsimile to Registries Limited on facsimile number (61 2) 9279 0664;
- deliver to Registries Limited at Level 7, 207 Kent Street, Sydney NSW 2000; or
- mail to Registries Limited at GPO Box 3993, Sydney NSW 2001, Australia.

so that it is received no later than 10:30am (Adelaide time) on 22 June 2009.

Complete details on how to vote by proxy are set out on the back of your Proxy Form.

Please read all these Documents carefully and in their entirety, determine how you wish to vote in relation to each of the Resolutions and then cast your vote accordingly, either in person or by proxy. If you do not understand any part of these Documents, or are in any doubt as to the course of action you should follow, you should contact your financial or other professional adviser immediately.

Determination of Membership and Voting Entitlement for the Purpose of the Meeting

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognised as a member and the holder of Shares if that person is registered as a holder of Shares at 10.30 am (Adelaide time) on 22 June 2009.

Voting Exclusion Statement

In accordance with the Corporations Act and the Listing Rules, the following persons must not cast any votes on the following Resolutions, and the Company will disregard any votes cast on that Resolution by:

Resolution	Excluded Voters
1 and 2	None
3	Directors of the company and associates
4 and 5	Specific investors and their respective associates

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

Proxies

A member, entitled to attend and vote at this Meeting pursuant to the Constitution, is entitled to appoint no more than two proxies. Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the member's voting rights. A proxy need not be a member of the Company. Any instrument of proxy deposited or received at the registered office of the Company in which the name of the appointee is not filled in shall be deemed to be given in the favour of the chairman of the meeting to which it relates.

The instrument appointing a proxy must be lodged, and any power of attorney or an office copy of a notarially certified copy thereof under which an attorney for a member appoints a proxy must be lodged not less than forty eight (48) hours before the time appointed for the meeting or adjourned meeting i.e. by no later than 10.30 am (Adelaide time) on 22 June 2009 in one of the manners outlined on page 3 under Voting by Proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney or if such appointor is a corporation, under the hand of its attorney or the hand of a person duly authorised by the corporation. The form of proxy which accompanies this Notice may be used.

By order of the Board



Russell Middleton
Company Secretary

Dated 20 May 2009

2: RESOLUTIONS OF ANNUAL GENERAL MEETING

BUSINESS

1. ACCOUNTS

To receive and consider the Financial Statements for the 12 months ended 31 January 2009 and the related reports of the directors and auditors.

2. REMUNERATION REPORT

The Remuneration Report is in the Directors' Report section of the Company's Annual Report (pages 18-23). Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The resolution will be determined as an ordinary resolution but is advisory only and does not bind the Directors or the Company.

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

Resolution 1 – Remuneration Report

“That the Remuneration Report in the 2009 Annual Report of the Company be adopted.”

3. NON-EXECUTIVE DIRECTORS' REMUNERATION

Listing Rule 10.17 and Clause 6.5(a) of the Company's Constitution provide that the maximum aggregate amount of the remuneration payable as directors' fees to non-executive directors is to be determined by shareholders in a general meeting.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

Resolution 2 – Increase in the maximum, aggregate remuneration of non-executive directors

“That an increase in the aggregate maximum amount of non-executive directors fees (inclusive of superannuation guarantee charge (SGC) contributions) be increased by \$120,000, from \$330,000 per annum to \$450,000 per annum (inclusive of SGC contributions), to be allocated among non-executive directors as they agree, be approved pursuant to ASX Listing Rule 10.17.”

4. RE-ELECTION OF DIRECTOR

In accordance with the Company's constitution, Mr John A Quirke retires by rotation pursuant to Article 6.3, effective at the conclusion of this meeting, and being eligible, offers himself for re-election.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

Resolution 3 – Re-election of Director Retiring By Rotation

“That Mr John Quirke is elected as a Director of the Company.”

5. RATIFICATION OF SHARE ISSUE

On 12 February 2009, the Company allotted and issued 18,572,728 fully paid, ordinary shares in the issued capital of the Company (**Shares**) to sophisticated investors pursuant to section 708(8) of the Corporations Act at an issue price of \$0.11 per Share to raise A\$2.04 million (**February Issue**). Ratification is now being sought for the February Issue under ASX Listing Rule 7.4.

The funds raised by the February Issue are being applied to ongoing costs of gold and copper exploration programmes in Indonesia, to continue the activities on the Kanmantoo Project near Adelaide, South Australia as well as for the Company's corporate costs and general working capital.

All Shares issued in the course of the February Issue rank equally with all other Shares.

The effect of shareholders passing resolution 4 will be to "refresh" the number of Shares which the Company can issue within any 12 month period in accordance with ASX Listing Rule 7.1. The purpose of seeking this shareholder ratification by means of passing resolution 4, is that it will allow the Company to raise further working capital – up to a maximum of 15% of the Company's capital base at the time of that proposed capital raising - with a higher degree of flexibility and speed, without the need to obtain members' approval.

Resolution 4 – Ratification of share issue

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the members ratify the allotment and issue of 18,572,728 fully paid, ordinary shares in the capital of the Company (**Shares**) at a price of \$0.11 (eleven cents) per Share for the purposes, and on the terms and conditions, set out above."*

6. RATIFICATION OF SHARE ISSUE

On the 14 May 2009, the Company allotted and issued 34,333,333 Shares to sophisticated investors pursuant to section 708(8) of the Corporations Act at an issue price of \$0.15 per Share to raise A\$5.15 million (**May Issue**). Ratification is now being sought for the May Issue under ASX Listing Rule 7.4.

The funds raised by the May Issue are being applied to ongoing costs of gold and copper exploration programmes in Indonesia, to continue the activities on the Kanmantoo Project near Adelaide, South Australia as well as for the Company's corporate costs and general working capital.

All Shares so issued by the Company rank equally with all other Shares.

The effect of shareholders passing resolution 5 will be to "refresh" the number of Shares which the Company can issue within any 12 month period in accordance with ASX Listing Rule 7.1. The purpose of seeking this shareholder ratification by means of passing resolution 5 is that it will allow the Company to raise further working capital – up to a maximum of 15% of the Company's capital base at the time of that proposed capital raising - with a higher degree of flexibility and speed, without the need to obtain members' approval.

Resolution 5 – Ratification of share issue

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the members ratify the allotment and issue of 34,333,333 fully paid, ordinary shares in the capital of the Company (**Shares**) at a price of \$0.15 (fifteen cents) per Share for the purposes, and on the terms and conditions, set out above."*

8. OTHER BUSINESS

To transact any other business as may be brought before the meeting.

By order of the Board



Russell Middleton
Company Secretary

Dated: 20 May 2009

PART D: NOTICE REQUIREMENTS FOR RESOLUTIONS

Background to applicable Listing Rules and provisions of the Corporations Act

- ***Listing Rule 7.1***

Listing Rule 7.1 known as the "15% rule", limits the capacity of a company to issue securities without the approval of its shareholders. In broad terms, that Listing Rule provides that a company may not, in a twelve month period, issue securities equal to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period unless the issue is approved by shareholders or otherwise it comes within one of the exceptions to Listing Rule 7.1.

- ***Listing Rule 7.4***

A company in general meeting can ratify, by passage of an ordinary resolution, a previous issue of securities that was within the above 15% limit so that the previous issue can be treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1.

Listing Rule 7.4 allows Shareholders to validate an issue of securities made without prior approval under Listing Rule 7.1 as if it had been made with that approval for the purposes of Listing Rule 7.1, but only if:

- (a) the issue did not breach the 15% limit under Listing Rule 7.1 when made; and
- (b) the holders of ordinary securities subsequently approve it.

1. Second Resolution: Non-Executive Directors Remuneration

Clause 6.5 (a) of the Company's Constitution provides that the amount of fixed remuneration payable annually to Non-Executive Directors shall not exceed, in aggregate, an amount approved by the Company in general meeting. The limit was last increased by shareholders at the Company's Annual General Meeting in 23 May 2007 when it was fixed at an aggregate amount of \$330,000 per annum.

Each Non-Executive Director currently receives annual fixed remuneration, by way of fees inclusive of mandatory superannuation contributions, of \$41,000, and the Non-Executive Chairman \$102,500. On that basis, the current Board of three Non-Executive Directors and a Non-Executive Chairman would account for \$225,500 of the current limit of \$330,000, on a full year basis, leaving only limited scope for additional Directors to be appointed or to increase the current fees.

The proposal set out in Resolution 2 is to increase the limit on the aggregate amount of fees which can be paid so as to give the Board the flexibility to introduce one or more new Directors. The optimal Board size and structure is a matter that is kept under constant review by the Board itself, having regard to the mix of skills and experiences of the incumbent Directors, the requirements of the business and the workload of the Board. It is desirable and necessary that there is capacity within the amount approved by shareholders for the Board to be able to increase the current Board numbers to meet the needs of the business.

It is also important that the Company has the capacity to continue to maintain a competitive level of Board remuneration, as this is crucial to enabling it to attract new Directors of the necessary caliber and experience, and retain existing Directors in a competitive market environment.

As each of the current Non-Executive Directors has a personal interest in the resolution, all your Directors decline to make any recommendation as to how shareholders should vote on this resolution.

2. **Fourth Resolution: Ratification of Issue of 18,572,728 Shares to Sophisticated Investors**

The Company has issued 18,572,728 Shares to sophisticated investors for a payment of \$2,043,000 in cash.

In accordance with the disclosure requirements of Listing Rule 7.5:

- (a) 18,572,728 Shares were issued.
- (b) The price which each Share was issued was \$0.11.
- (c) \$2,043,000 cash funds was raised from the issue of the Shares.
- (d) the allottees of the Shares were sophisticated shareholders of Bell Potter, Stockbrokers.

the funds referred to in paragraph (c) immediately above are being applied to ongoing costs of gold and copper exploration programmes in Indonesia, to continue the activities on the Kanmantoo Project near Adelaide, South Australia as well as for the Company's corporate costs and general working capital.

- (e) The terms of the Shares are:

i. Voting

Subject to the Constitution and any rights or restrictions attached to the class of Shares, at a general meeting every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll has one vote for each Share held. The number of votes to which a holder of partly paid Shares is entitled on a poll is equivalent to the proportion that the amount paid on the Share is of the issue price of the Share (ignoring amounts paid in advance).

ii. Polls

A poll on a resolution at a meeting of Shareholders may be demanded by at least 5 Shareholders present and entitled to vote on that resolution, one or more Shareholders present and who are together entitled to at least 5% of the votes that may be cast on that resolution on a poll or the chairperson of that meeting.

iii. Dividends and Reserves

The profits of the Company which the Directors from time to time determine to distribute by way of dividend are divisible amongst the Shareholders in proportion to the amounts paid up on the Shares held by them. The Directors may determine that dividends be paid on Shares of one class but not another class and at different rates for different classes of Shares.

iv. Share Plans

The Directors may establish a dividend selection plan, dividend reinvestment plan and bonus share plan on any terms and, subject to the Listing Rules, the Directors may implement, amend, suspend or terminate such plans.

v. Issue of further Shares

The Directors may (subject to the Constitution, Listing Rules, Corporations Act and ASTC Operating Rules) allot or otherwise issue further Shares in the capital of the Company on such terms and conditions as they see fit.

vi. Transfer of Shares

A shareholder may transfer Shares by a proper ASTC transfer, an instrument of transfer in compliance with the Constitution or any other method permitted under the Corporations Act, the Listing Rules and the ASTC Operating Rules and that transfer must be in writing in any usual form or in any other form approved by the Directors that is otherwise permitted by law. The Directors may refuse to register a transfer

where the Corporations Act, the Listing Rules or the ASTC Operating Rules permits the Company to do so. The Company must refuse to register a transfer where the Corporations Act, the Listing Rules or the ASTC Operating Rules or a law about stamp duty requires the Company to do so.

A Shareholder must give to the Company the information which the Company is required by the Listing Rules to disclose to ASX in respect of any arrangement entered into by the Shareholder which restricts the transfer or disposal of its Shares.

vii. General meetings and notices

General meetings may be convened in the manner provided for in the Corporations Act. The Company must give at least 28 days notice, or a shorter period if allowed under the Corporations Act, of a meeting of Shareholders. Notice must be given to ASX, each Shareholder, each Director, each Alternate Director and any auditor of the Company. Each Shareholder is entitled to attend any meetings of Shareholders.

viii. Quorum

A quorum for a meeting of Shareholders is two Shareholders entitled to vote at that meeting. A quorum for a meeting of Shareholders must be present at the commencement of the meeting.

ix. Calls

Subject to the Corporations Act, the Listing Rules and the ASTC Operating Rules and the terms of the issue of a Share, the Company may at any time make calls on the Shareholders for all or any part of the amount unpaid on a partly paid share. Shareholders must pay to the Company the amount of each call made on the Shareholder on the date and in the manner specified in the notice of the call.

x. Winding Up

Subject to any rights or restrictions attaching to any class or classes of Shares, Shareholders will be entitled on a winding up to participate in any surplus assets of the Company in proportion to the Shares held by them less any amounts which remain unpaid on their shares at the time of distribution. A Shareholder need not accept any property, including shares or other securities, carrying a liability.

(f) In accordance with Listing Rule 7.5.6, the Company will disregard any votes cast on the Resolution 4 by:

- those allottees referred to in paragraph (d) immediately above; and
- any associate or any of those persons.

However, the Company will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Fifth Resolution: Ratification of Issue of 34,333,333 Shares to Sophisticated Investors

The Company has issued 34,333,333 Shares to sophisticated investors for a total payment of \$5.15 million in cash.

In accordance with the disclosure requirements of Listing Rule 7.5:

- (a) 34,333,333 Shares were issued.
- (b) The price at which each Share was issued was \$0.15.
- (c) \$5,150,000 cash funds were raised from the issue of the Shares.

(d) the allottees of the Shares were sophisticated shareholders as follows:

- Citywest Corp Pty Ltd ATF The Copulos (Sunshine) Unit Trust
- Spacetime Pty Ltd ATF Copulos Executive Superannuation Fund No.1
- Supermax Pty Ltd ATF Supermax Super Fund
- Boroko Pty Ltd as trustee for Hopetoun Trust
- Burrain Pty Ltd
- Alec Goulopoulos & Kerry Maree Goulopoulos Super Fund
- Nicholas and Matthew Georgiou
- NG Nominees Pty Ltd (ATF) N & L Georgiou Super Fund
- Delta Automotive Machining Service Pty Ltd (ATF) Delta Automotive Super Fund
- Magra Nominees Pty Ltd (ATF) Kingston Retirement Fund
- Alisha Jane Stephen
- Bellset Nominees Pty Ltd.

the funds referred to in paragraph (c) immediately above are being applied to ongoing costs of gold and copper exploration programmes in Indonesia, to continue the activities on the Kanmantoo Project near Adelaide, South Australia as well as for the Company's corporate costs and general working capital.

(e) The terms of the Shares the subject of the May Issue are the same as referred to in paragraph 1(e) of this Part D.

(f) In accordance with Listing Rule 7.5.6, the Company will disregard any votes cast on the Resolution 5 by:

- those allottees referred to in paragraph (d) immediately above; and
- any associate of any of those persons.

However, the Company will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.