

**Annual General Meeting**  
**9:30am, Friday 24 April 2020**  
**Running Notes**

**Welcome: John Gooding as Chairman to welcome shareholders.**

*Good morning.*

*I would like to thank you all for taking the time to attend this virtual AGM in these very difficult times.*

*You will be aware that in light of the restrictions on public gatherings caused by COVID-19, Hillgrove was not able to allow shareholders to attend this AGM in person, and the meeting is being conducted as a virtual AGM, via a teleconference.*

*I regret that we were unable to meet with shareholders personally in Adelaide today, and I look forward to shareholders being able to be present at our AGM next year.*

*As previously notified to the ASX, all resolutions today will be decided on a poll, based on the proxies that were submitted before the meeting.*

*In addition a process was put in place prior to the meeting to allow shareholders to ask questions during the meeting. This process allowed shareholders to either forward questions prior to the meeting or to register to be able to ask questions during the meeting.*

*Questions **received prior to the meeting**, which relate to a resolution will be answered during the discussion on that resolution, while questions of a general nature will be answered at the end of the meeting during the general question time.*

*Questions received prior to the AGM will be answered first before inviting further questions from shareholders. Hopefully this may save the same question being asked twice.*

*I will ask Paul Kiley, our company secretary, to read out each of the questions before they are answered. Shareholders who have registered to ask questions **during the meeting***



*may do so during the discussion of each resolution and/or during the general question time. If you have registered to ask a question and wish to do so, you will be prompted to do so during the meeting and then placed in a queue and questions will be answered in the order they have been asked.*

*As this is the first time we have conducted the AGM via a teleconference every effort has been made to ensure that the AGM runs smoothly, if however, any technology issues do arise, a recording of the meeting will be available on our website.*

*Now to the meeting I have been advised that a Quorum is present, so I now declare the meeting open.*

**Agenda for today's meeting:**

- *Introductions*
- *Chairman's Address*
- *Consideration of resolutions; and then*
- *General Questions*

**Introduction of Board Members: John to introduce members of the Board**

Online we have my fellow Non-Executive directors Phil Baker, Murray Boyte and Tony Breuer, and of course our Managing Director Lachlan Wallace who has had a great first year since taking over as MD at the last AGM. Derek Carter, our future director and chairman, is also online.

Paul Kiley our CFO and Company Secretary is also with us as well as our PWC Audit Partner Andrew Forman. I would also like to acknowledge our long serving legal counsel Andrew Corletto from Minter Ellison who we have managed to keep very busy over this last year and more.

Charles Bush, the Returning Officer from Boardroom (our share registry) is also in attendance.

**Chairman's Address**

*The formal business of the meeting will follow a brief introduction by myself.*

**Chairman's Address  
Hillgrove Resources Limited – Annual General Meeting, 24 April 2020**

Ladies and gentlemen, on behalf of my fellow directors and management team, I welcome you to the 2020 AGM using technology that we once only used to dream about but which we are using daily now, due to the Coronavirus.

How the world has changed in a month or so, and how it will affect our lives and industry going forward is yet to be seen, but I believe that we will see some things that we have had to adapt to during this crisis remain with us, even if a vaccine is discovered and the virus eliminated. For example, companies and the regulators may decide that in person AGM's are no longer necessary and shareholders can be well catered for in a virtual setting but I'll hold onto that until this meeting is over and we get some feedback.

Hillgrove is going through a similar radical change situation moving from an extremely busy and challenging production period to a new era where the primary focus will be the development of the Kanmantoo Underground opportunity and advancing the regional exploration pipeline of projects. This has meant that the majority of our fantastic operations workforce has moved on, with all their entitlements paid out, while a small core of expertise remains to take Hillgrove on the next stage of its journey. Coinciding with these changes and as announced on 6 April, the Board will be reconstituted. As part of these changes I am especially pleased that Derek Carter the new Chairman designate, will lead the Board.

Over our production period spanning almost 9 years, we have mined over 126M tonnes and produced over 136k tonnes of copper metal and over 55k ounces of gold from 29M tonnes of ore. On 27 March this year the last ore from our low grade stockpiles was milled in the concentrator and on 2 April the last container of copper gold concentrate was shipped to Port Adelaide awaiting dispatch to our overseas markets, marking the end of production from the Kanmantoo open pit.

With the open pit mining phase complete, and no immediate cash inflows, a number of cash preservation measures have been put into place including deferring all non-essential expenditure, amalgamating roles to reduce staff numbers, shrinking the board and reducing board fees.

The core focus of the business is now to re-establish cash flows through the development of an underground mine below the Kavanagh and Nugent open pits.

Over the past 12 months, Hillgrove has advanced studies into the viability of developing the underground. Drilling in 2019 demonstrated widths and grades suitable for underground mining and resulted in the announcement of the maiden Underground Mineral Resource Estimate. Importantly, the drilling results showed the mineralisation to be open both along strike to the north and south, as well as down dip, leaving an opportunity to expand the underground resource through additional drilling.

Hillgrove is in active discussions to secure funding to complete the drilling program and associated studies through to an investment decision.

The underground presents an opportunity to resume production in the near-term for relatively low capital investment due to the existing processing facility and approved expansion of the tailing storage facility.

In addition, Shareholders have been kept abreast of the work being done by our Chief Geologist Peter Rolley and his team in pursuing local, regional and South East exploration targets over the last few years. I know that Derek sees their potential and he and the team will ensure these targets are given every opportunity for a successful discovery.

Shareholders also have a wonderful asset in the open pit void and it was proven to be that when AGL entered into an agreement with Hillgrove to develop a pumped hydro energy storage facility which envisaged using the pit void to produce a 250MW power supply at peak times for SA. Unfortunately, the arrangement was terminated in February 2020 by mutual consent when a number of conditions that needed to be satisfied within specific timeframes remained unsatisfied. This was a clean break with neither party having any further obligations. However, the potential is still there to use the Kanmantoo open pit void as a pumped hydro project at some time in the future.

Finally as announced previously, I will be retiring at the end of this AGM and I must admit to being disappointed that I haven't been able to personally say goodbye and thanks to the many very loyal staff and shareholders who have stuck with us through thick and thin. It hasn't been an easy ride for any stakeholder and I spoke about that at last years' AGM when we farewelled 120 of our operations workforce when our mining operations ceased and we were anticipating another 12 months or so of milling low grade stockpiles. That has now been safely completed and with site rehabilitation well on the way I am very confident that Hillgrove is in a great position to take advantage of the world's recovery from the Coronavirus when it does happen, as copper is a fundamental metal for the modern age.

With a revamped Board reflecting the new era under Derek Carter, I remain excited and positive by the potential that lies within Hillgrove, its assets and its people and wish Derek all the best in his new important role

I would like to thank two of my fellow Board members who are also leaving the Board.

Firstly, Phil Baker who has been Chairman of our Audit Committee and Remuneration Committees. Phil's management style and extensive experience in the industry has provided the Board with great comfort as we worked through some difficult times since he joined us in 2014. I understand that Phil will be retiring soon after the AGM once a smooth handover is completed for some of his current Hillgrove responsibilities. Phil and I have worked together over the last 20+ years in various companies and I wish him all the best for the future.

I would also like to acknowledge Tony Breuer's contribution over the past three years. As previously advised Tony has decided to not stand for re-election at today's AGM.

Just after the last AGM our long serving fellow director Maurice Loomes decided to retire and was replaced by Murray Boyte who will remain on the board. Maurice left with little fanfare but I would like to acknowledge his great contribution to the Company, and wish him and Murray all the best going forward.

I'd finally like to thank the management team for their dedicated efforts and support, as well as you the shareholders, the local community and State government bodies. I wish you all a healthy and bright future and I will be watching with great interest

Thankyou

**John Gooding**

Chairman