

Dividend Policy

The purpose of this Dividend Policy is to provide guidance in how Hillgrove Resources will return surplus capital to shareholders while retaining flexibility to fund its exploration, development, operational and growth activities. Hillgrove Resources intent is to ensure shareholders interests are rewarded while balancing its strategic priorities to create long-term value.

Principles Commitments and Criteria Regarding Dividends

- Dividend declarations will be at the discretion of the Board each period, after reviewing business profitability, operating cash flow, forecast capital expenditure, debt levels, available franking credits, market outlook and solvency testing.
- Hillgrove Resources operates in a sector where prices and earnings can swing significantly with market conditions. The capacity to pay dividends will be evaluated in the context of the commodity cycle and current metal prices, foreign exchange rates, and other external factors.
- Hillgrove Resources intends to return an indicative portion of cash generation to shareholders over time, whenever possible based on a dividend distribution that is sustainable and responsive to annual financial results.
- Consideration for reinvestment and growth funding is critical to retaining sufficient earnings to reinvest in the business or strengthen the balance sheet which can often deliver greater shareholder value than immediate payout.
- Hillgrove Resources affirms a commitment to shareholder returns and will seek to return excess capital when available, through dividends and/or other capital management initiatives. In addition to regular dividends, the Board will consider alternative forms of return such as special dividends, share buy-backs, or capital return distributions if those are more efficient in a given circumstance.
- All dividends will be paid in cash unless otherwise stated (e.g., scrip dividends or Dividend Reinvestment Plans, subject to shareholder approval). Dividend payments will be made in Australian dollars to shareholders on the register at the declared record date. Payment will typically be made by electronic funds transfer.
- Key dividend dates are to be announced by the Board or Company Secretary (ex-dividend date, record date, and payment date) in accordance with ASX requirements.

The implementation and monitoring of this policy will be overseen by the Hillgrove Resources Board.

R (Bob) Fulker

CEO Hillgrove Resources