

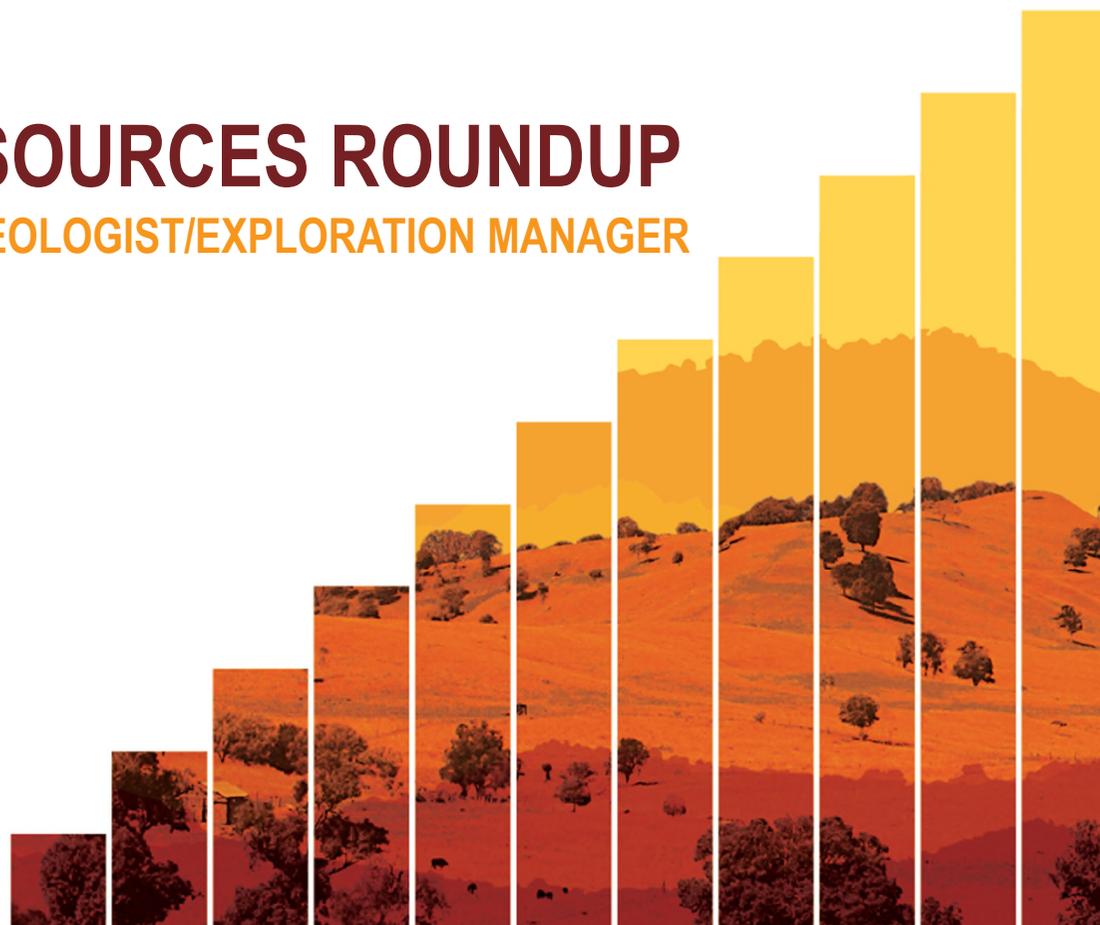


HILLGROVE RESOURCES

RIU SYDNEY RESOURCES ROUNDUP

PETER ROLLEY ||||| CHIEF GEOLOGIST/EXPLORATION MANAGER

8 MAY 2018



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Competent Person's Statement

The information in this release that relates to the 2016 Mineral Resource Estimate for Giant is based upon 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 the release of the matters based on their information in the form and context in which it appears.

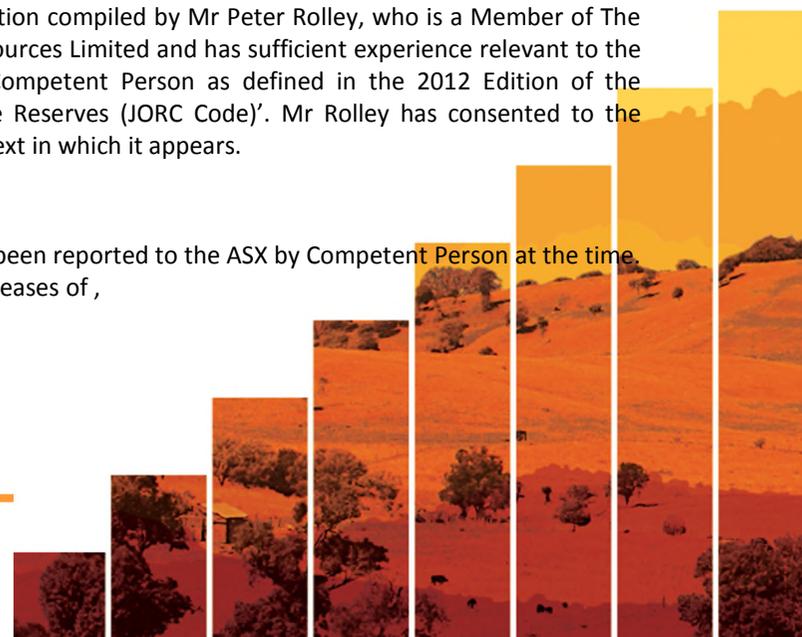
The information in this release that relates to the 2013 Mineral Resource not including Giant is based upon information compiled by Ms Michaela Wright, who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Wright is a former full-time employee of Hillgrove Resources Limited and has 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)'. Ms Wright has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears.

The information in this release that relates to Ore Reserves is based upon information compiled by Mr Lachlan Wallace, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Wallace 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 Wallace has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears.

The information in this release that relates to Exploration Results 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 the release of the matters based on their information in the form and context in which it appears.

Exploration Results Here-In

All exploration drill results, soil sampling images, and rock chip results 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 of , 15 May 2015, 18 Oct 2016, 25 May 2017, 20 Oct 2017.



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- 1. KANMANTOO PRODUCTION – the cornerstone**
 - 2. EXPLORATION IN THE SHADOW OF THE HEADFRAME**
 - 3. EXPLORATION IN THE MINE CORRIDOR**
 - 4. REGIONAL EXPLORATION**

Utilising existing infrastructure and cash flow at Kanmantoo to create Company transforming mining projects



Hillgrove Resources Ltd (ASX:HGO) operates the Kanmantoo Copper-Gold Open Pit in the south-east of South Australia.

Mineral Resource Estimate¹ of
Meas+Ind 19.6Mt @ 0.6% Cu, 0.1g/t Au
Inf 12.3Mt @ 0.6% Cu, 0.1g/t Au

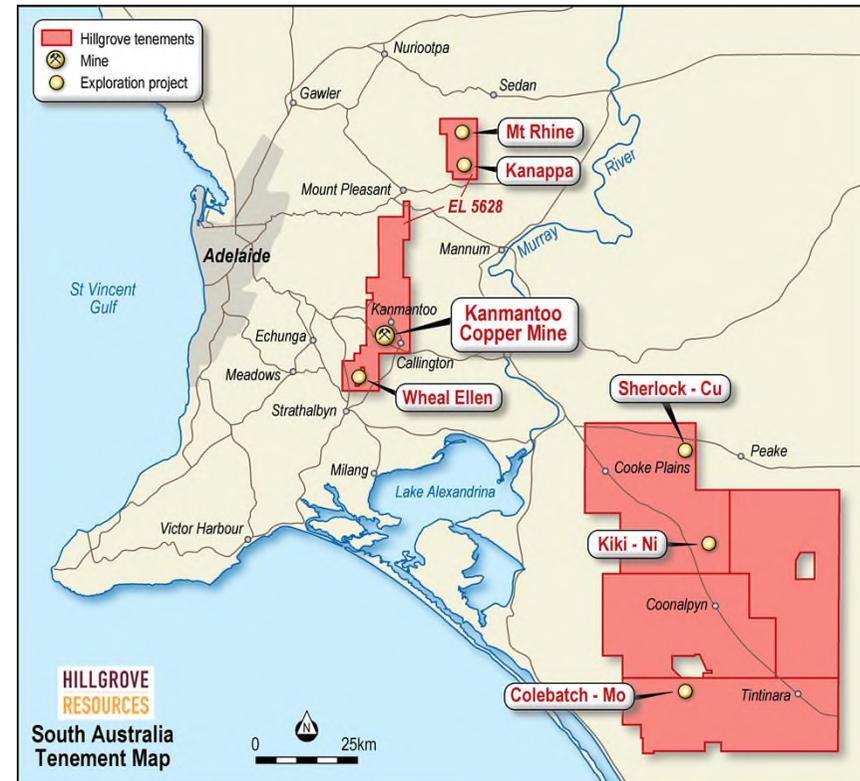
Located approx. 55kms from Adelaide

Grid power, water on site

Local labour force

Awards for Community Consultation

Leader in Environmental Rehabilitation practises



KEY TAKEAWAYS

- Infrastructure fully operational and permitted
- Ideal location for services and on-site labour



ASX Listed: HGO

Shares on Issue: 568.9 million

Share price: \$0.092 (1 May 2018)

1 year Low: \$0.06

1 year High: \$0.105

Market Cap: A\$52.3 million

Major

Shareholders:

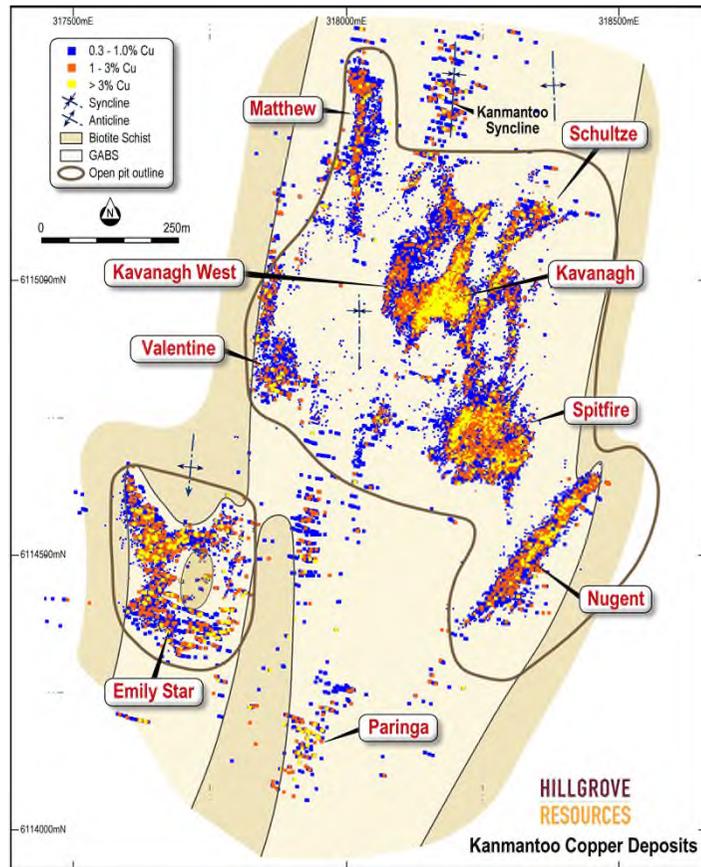
Ariadne Australia Ltd	26.1%
Munro Family Super Fund	6.1%
Supervised Investments Aust	5.1%

Top 20 shareholders 66.7%



A COPPER – GOLD PRODUCER





Cu grades from blast hole and exploration data

Kanmantoo is a copper-gold mine with a large number of structurally controlled Cu-Au ore zones

Tenor of Gold can be significant, but varies across lodes. Not previously fully understood

Best copper-gold intercepts at the base of final pit or below the final pit include

33m @ 2.0% Cu, 0.2g/t Au – Schultze KTDD029

37m @ 1.1% Cu, 1.9g/t Au – Spitfire KTDD044

22m @ 2.1% Cu, 0.3g/t Au – Kavanagh KTRCD399

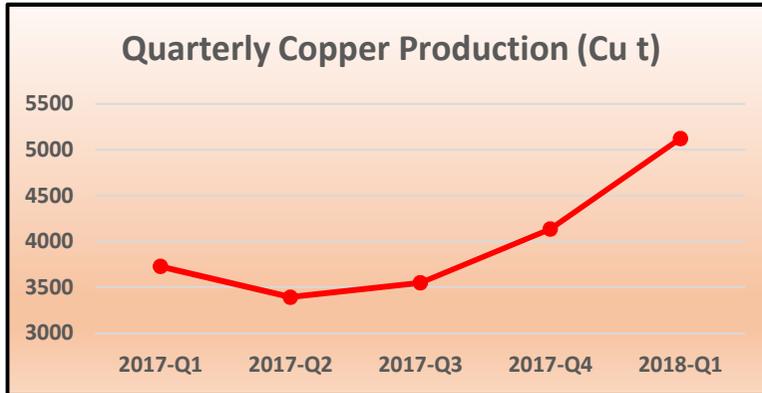
5m @ 0.3% Cu, 32.3g/t Au – Spitfire KTDD154

12m @ 2.2% Cu, 7.9g/t Au – Nugent KTDD141

KEY TAKEAWAYS

- Geology much better understood as a result of mining
- High grade gold zones more common than in DFS
- Cu-Au zones persist over 550m vertically and continue





Quarterly copper production at Kanmantoo continues to improve as a significant pit cut-back is now completed

**Last Quarter
C1 cash cost
Total costs
Milling Costs**

**US\$1.86/lb Cu
US\$2.27/lb Cu
A\$7.41/tonne**



The production cash-flow is now enabling HGO to advance its growth projects:-

Under the Open Pit area

Within the Mine Corridor

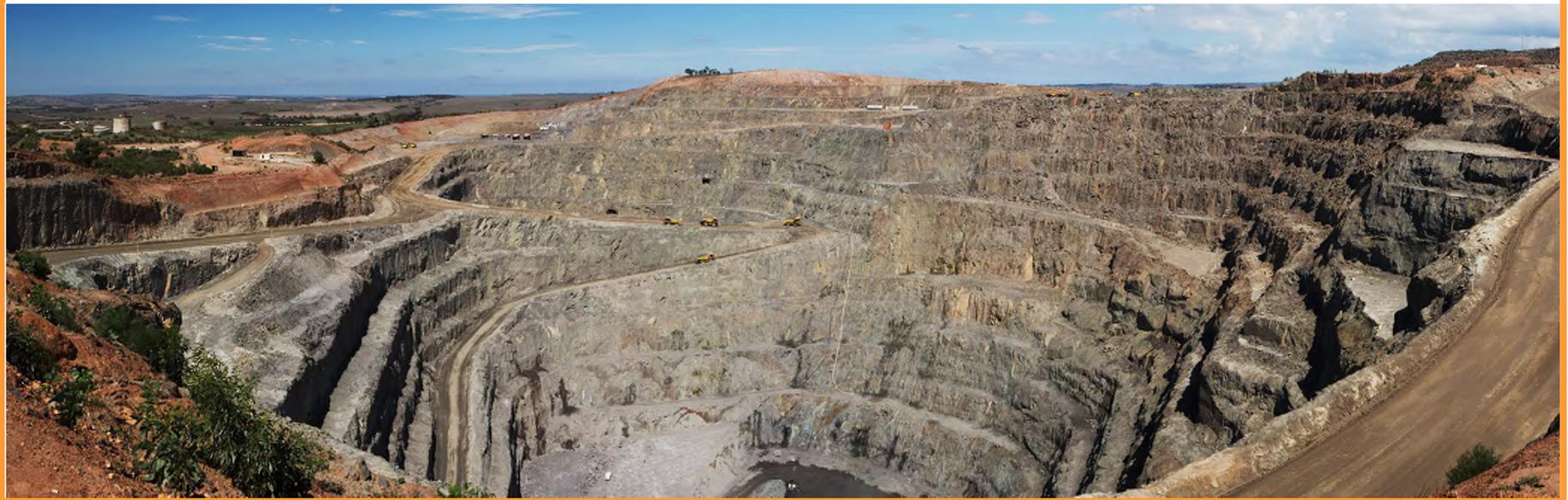
Within the Region

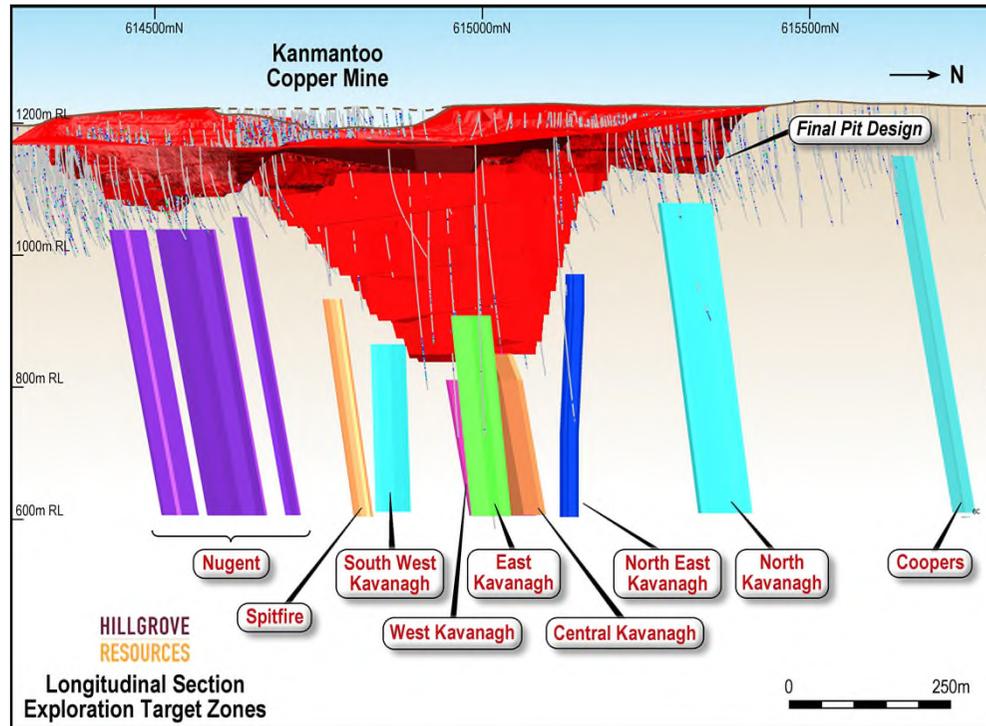
KEY TAKEAWAYS

- Open Pit now generating significant cash flow
- Low cost milling and strong knowledge of operating conditions



EXPLORATION WITHIN THE SHADOW OF THE HEADFRAME





HGO has demonstrated the extension of several high grade copper-gold zones beyond the final pit design with exploration drilling e.g.

37m @ 1.1% Cu, 1.9g/t Au

5m @ 32.3g/t Au

12m @ 2.2% Cu, 7.9g/t Au

Resulting in an Exploration Target of **5-10Mt @ 1.7-2.2% Cu,**

0.4-1.0g/t Au

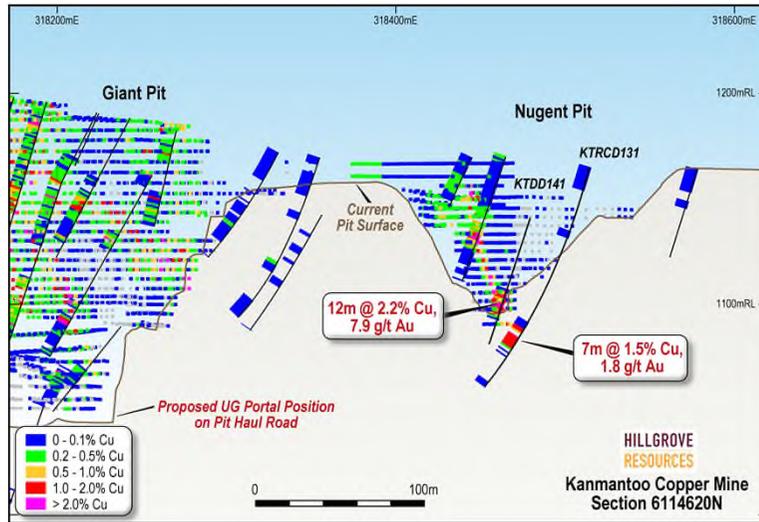
Note – lack of drilling at depth

KEY TAKEAWAYS

- A significant increase in mine life may be possible at Kanmantoo
- The target is based on higher-grade Cu-Au zones that have already been mined in the open pit, and projecting these to depth where supported by exploration drilling
- Development of the targets can utilise existing Haul Road as a decline access

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. ASX 25 May 2017



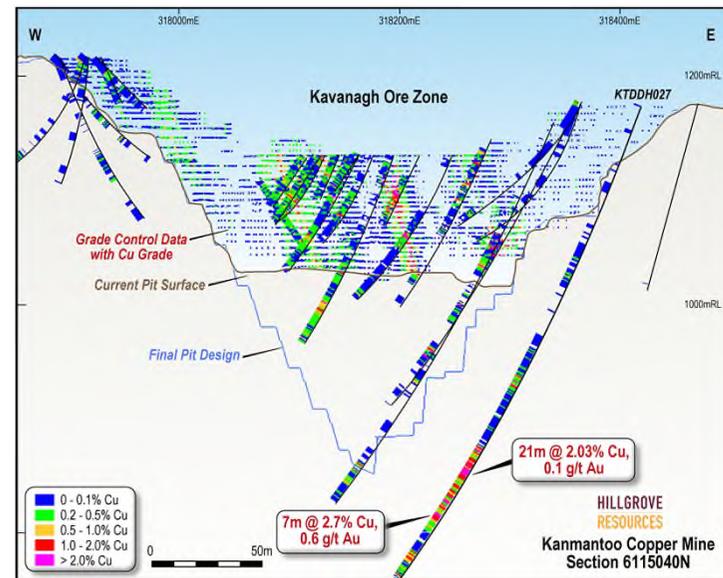


The first UG target is the Nugent copper-gold zone
Located 180m from the Pit Haul Road
The Ore zones in Nugent Pit are up-to 20m wide

Nugent Exploration target is
0.8-2.0Mt @ 1.5-2.0% Cu, 1.5-2.5g/t Au

Kavanagh target is only 150m from Haul Road
**21m @ 2%Cu, 0.1g/t Au and
7m @ 2.7% Cu, 0.6g/t Au**

Other targets include
Spitfire – KTDD133 16m @ 2.4% Cu, 3.5g/t Au



KEY TAKEAWAYS

- Targets are down-dip of known ore zones, but poorly drilled
- Targets are located near existing Haul Road

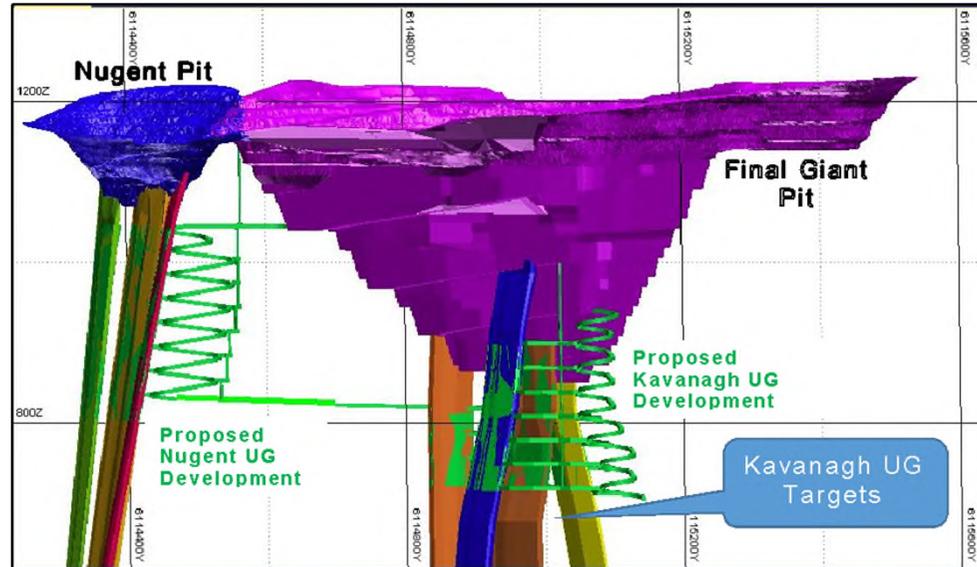


The Exploration Target;

is based on utilising the final in-pit haul road that will extend from surface down to 350m depth and will therefore require minimal capital to develop

will benefit from the existing copper-gold processing plant that operates at a very efficient **\$7.41/tonne** milled

will benefit from the existing Tailings Storage Facility and Mining Lease permits



KEY TAKEAWAYS

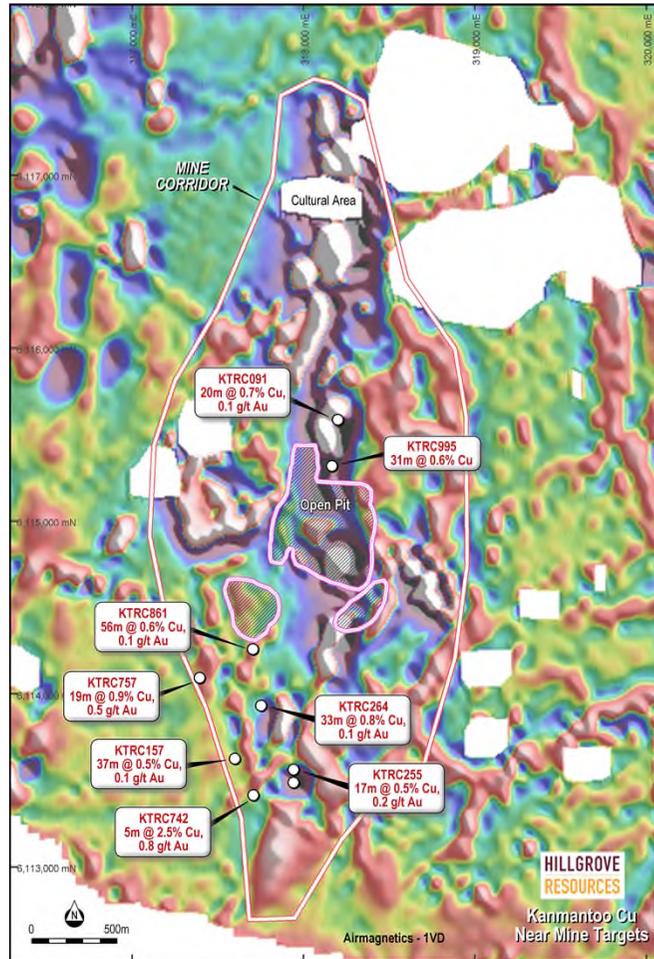
- Significant sunk infrastructure
- Low hurdles to bring zones to production through incremental capital development



NEAR MINE EXPLORATION PROJECTS

Within 3 kms of processing plant





The Mine Corridor has not seen any systematic exploration since 2008 when the focus was on permitting the Kanmantoo open pit operations

The Mine Corridor is ~5kms long

Significant drill intercepts have not been followed up, including

- KTRC742 5m @ 2.5% Cu, 0.8g/t Au**
- KTRC757 19m @ 0.9% Cu, 0.5g/t Au**
- KTRC264 33m @ 0.8% Cu, 0.1g/t Au**

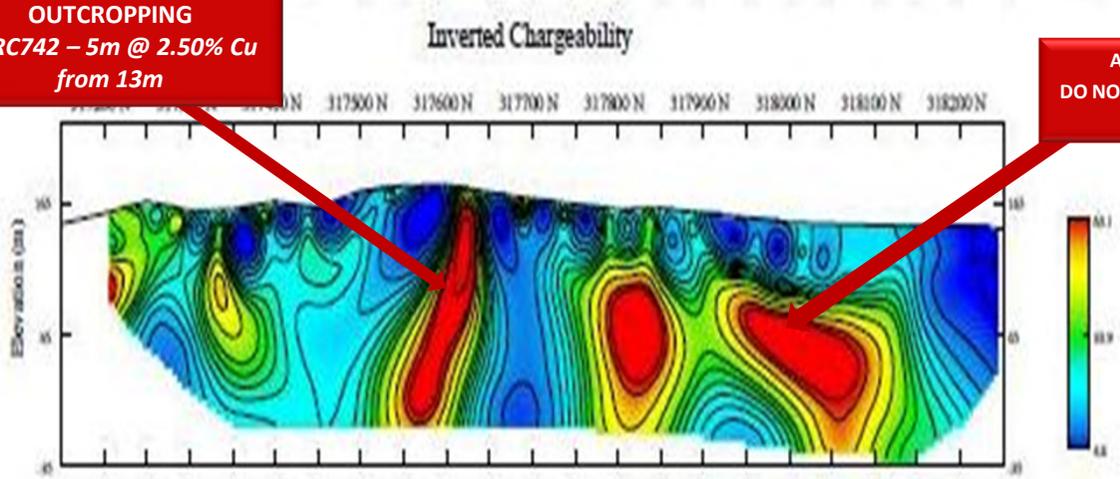
Not previously recognised is the strong structural control on the spatial continuity of the ore zones, opening up new opportunities for exploration within the Mine Corridor

KEY TAKEAWAYS

- Targets are prioritised along structural corridors with high Au
- Targets are located near existing infrastructure



Wheal Harmony workings
OUTCROPPING
 KTRC742 – 5m @ 2.50% Cu
 from 13m



Aubert Anomalies
DO NOT OUTCROP – BLIND
NO DRILLING!

Dipole – Dipole IP
 Pseudosection –
 6113400N (~500m south of
 the mine lease)

Near Mine Targets

There are a number of IP and magnetic anomalies that have either not been drilled or only partially drilled within 3 kms of existing processing plant

The recent recognition of high grade gold zones with minimal copper sulphides has resulted in a re-evaluation of past exploration methods and results

KEY TAKEAWAYS

- Objective is to define a series of higher grade Cu-Au targets for a cluster of UG mines
- Targets are all located near existing infrastructure



REGIONAL EXPLORATION PROJECTS

Within 50kms of Kanmantoo

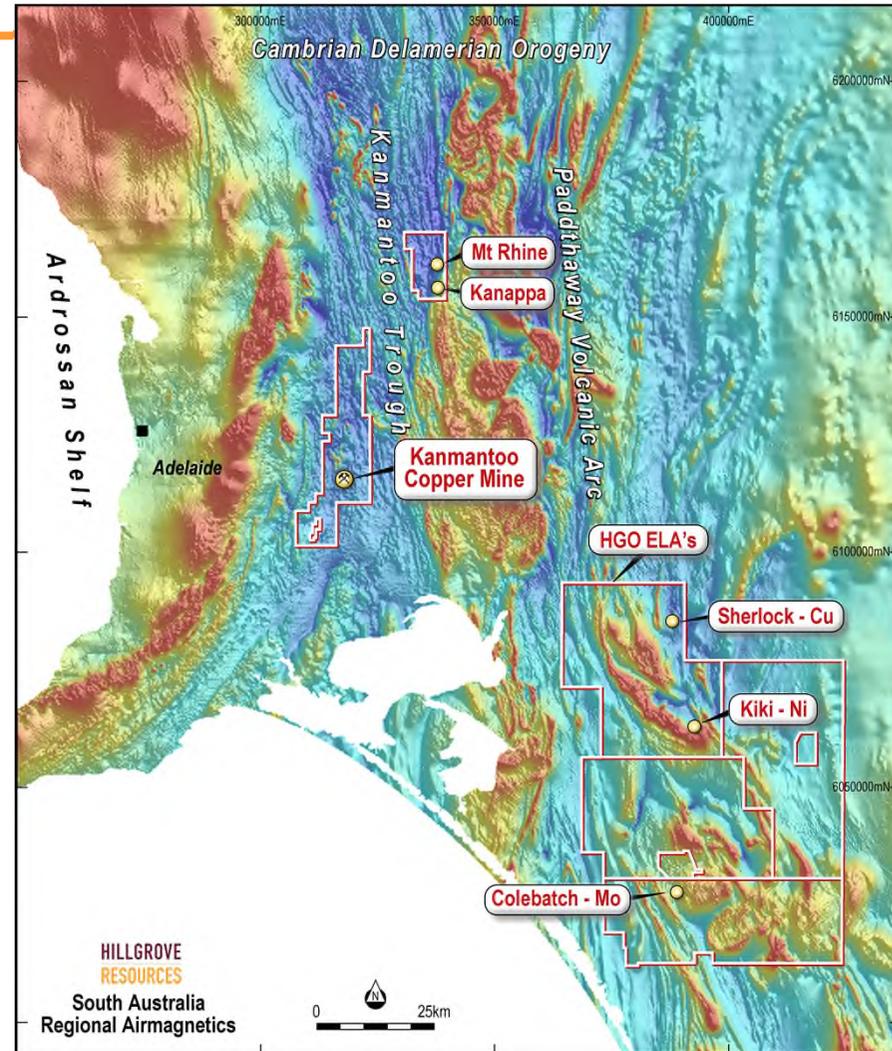


The Kanmantoo Copper-Gold Mine is located in the Delamerian Orogeny of south-east South Australia.

This zone is contiguous with the western Victoria and western Tasmania tectonic zones hosting Stavelly, Mt Lyell, Roseberry, Hellyer and Henty copper-gold and base-metal deposits

Significant projects for Hillgrove to date include

- Kanappa Cu - Au**
- Mt Rhine Cu - Au**



KEY TAKEAWAYS

- Targets large scale anomalies and geologic models
- Exploration to utilise low overhead mine base and services



The Kanappa Cu-Au zone is 50kms from Kanmantoo

A series of pegmatites and aplites intrude into a sequence of potassic altered schists and carbonates

Soil copper zone 4.4kms long

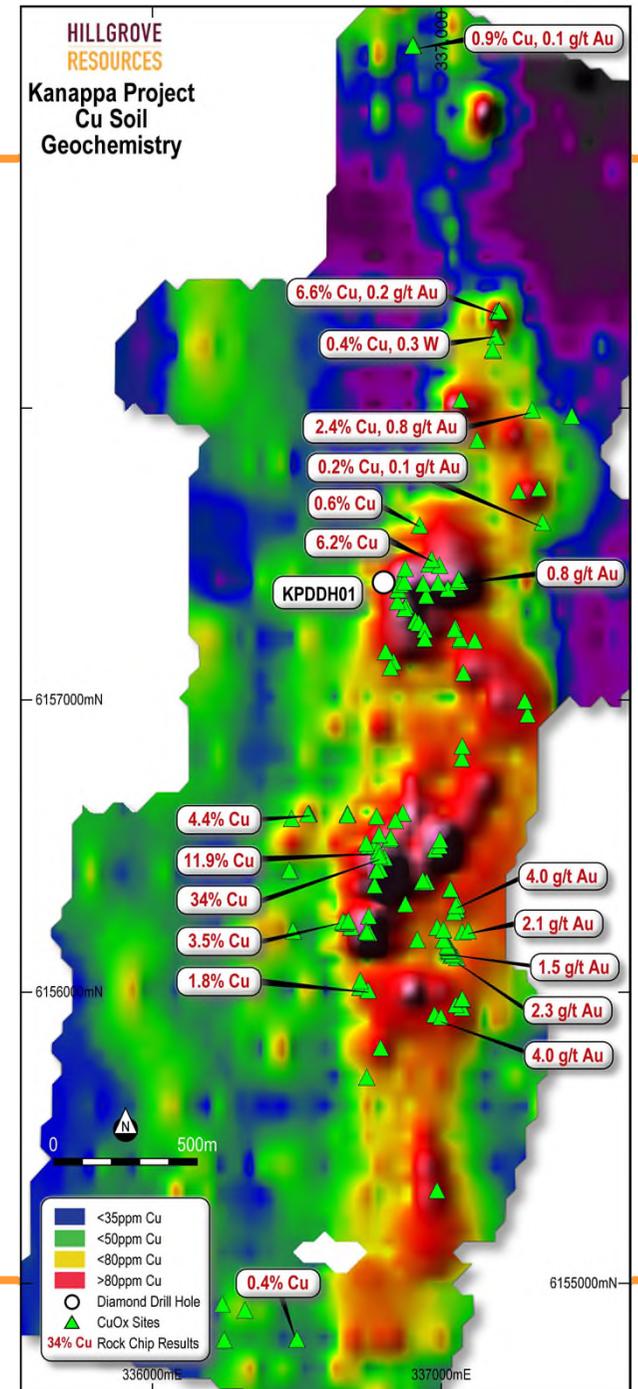
Geochem zoning from west to east
Cu-Zn => Cu-Bi => Cu-Au => Au

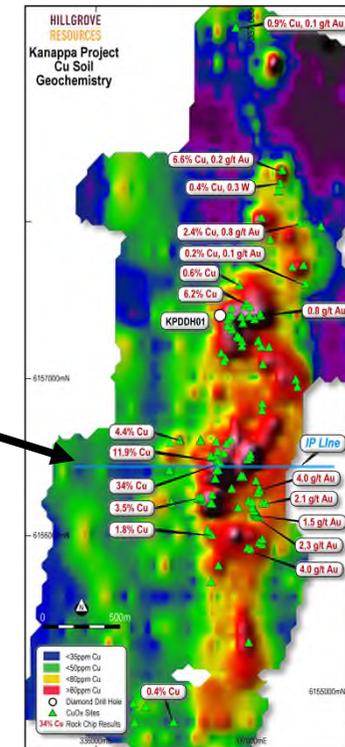
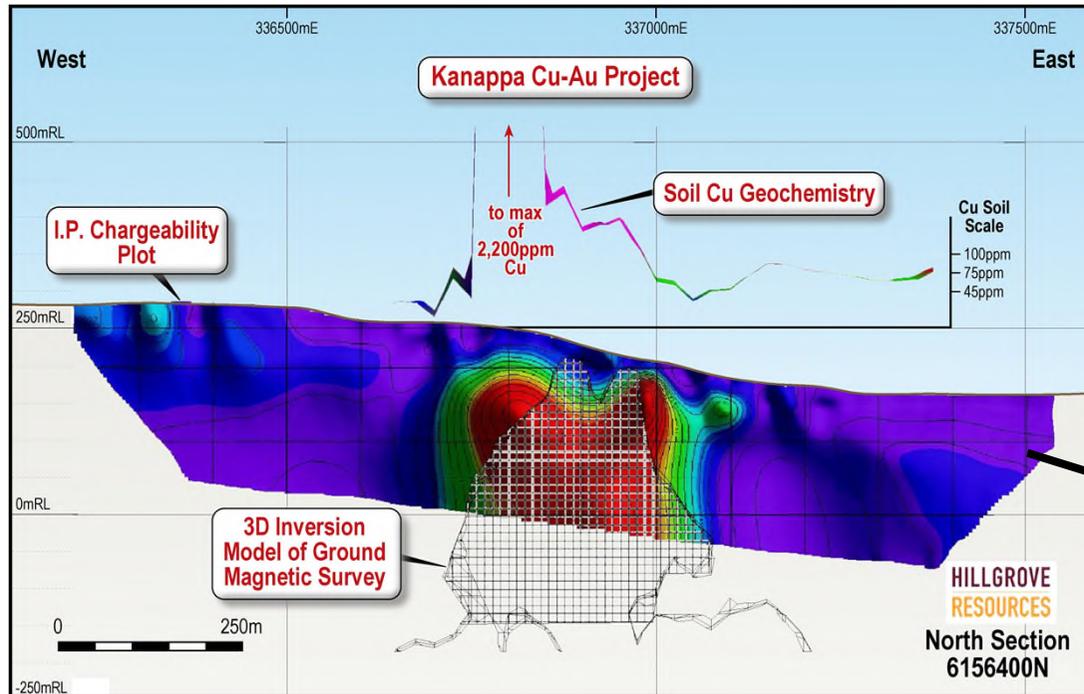
Alteration over 500m width from west to east
Carbonates+/- magnetite, to white mica schists, to Fe-Ox schists, to quartz-carbonate veins

Peak rock chips of 34% Cu 4.0g/t Au (separate samples)

KEY TAKEAWAYS

- Large hydrothermal alteration and Cu-Au mineralised system





Ground mags shows a strong 3D magnetic anomaly over 2kms in length
 IP survey shows a strong chargeability anomaly over a 2km length
 IP and Magnetic anomalies coincident with strong copper geochemistry

KEY TAKEAWAYS

- Large scale coincident Cu-Au geochem, magnetics, and IP anomaly
- Ready to drill test



The Mt Rhine copper-gold zone is 10kms from Kanappa

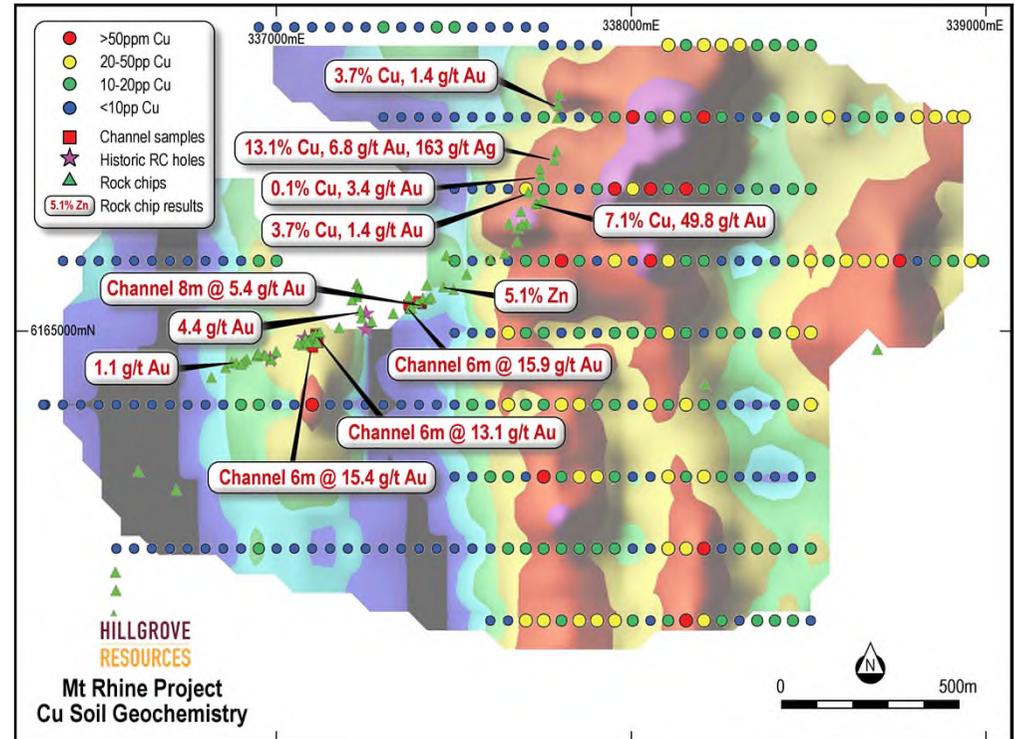
Soil copper zone **2kms** long and open

Peak rock chips of **13% Cu 49.8g/t Au** (separate samples)

Peak Channel Sampling of 6m @ 15.9g/t Au

Ground mags shows a strong 3D magnetic anomaly

IP survey shows a coincident chargeability zone with the soil Cu zone



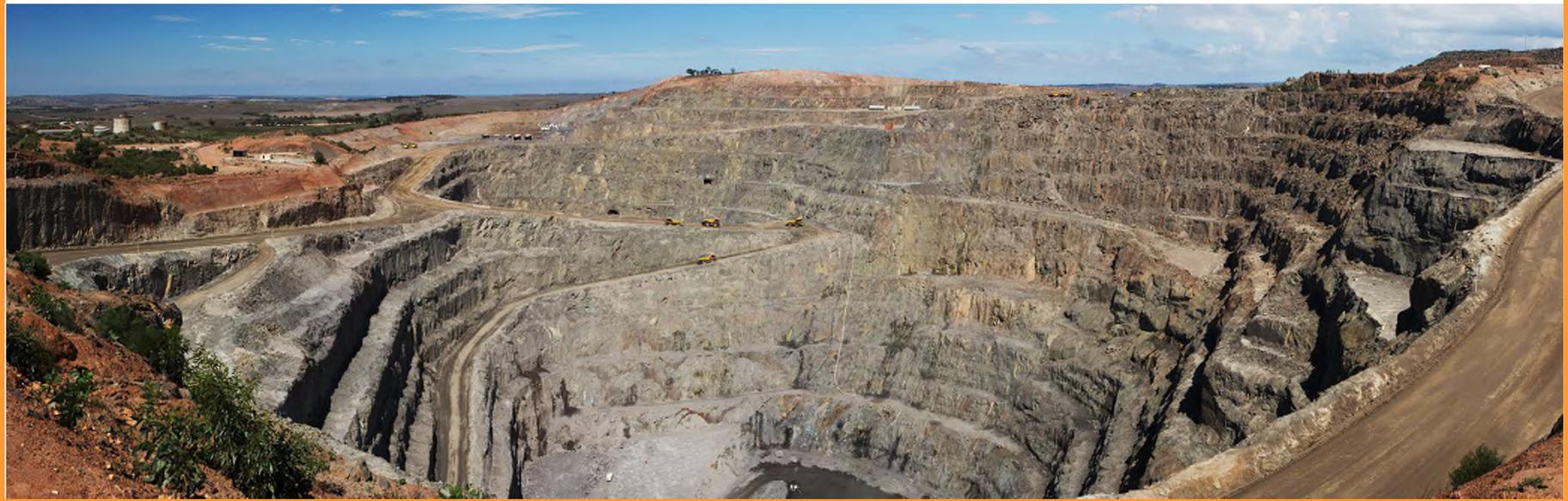
KEY TAKEAWAYS

- Large scale alteration system with
- Coincident geochem, IP anomalism



SUMMARY

*Utilising existing infrastructure and cash flow at Kanmantoo to create
Company transforming mining projects*



KANMANTOO OPEN PIT IS DRIVING NEW GROWTH OPPORTUNITIES

- Steadily increasing cash flow from operations
- New geologic understanding of ore controls from production
- Fully permitted and operating Haul Road, Processing and Tailings Facilities

HIGH GRADE COPPER-GOLD UNDERGROUND EXPLORATION TARGETS

- Utilising the Open Pit Haul Road as a major investment in UG development
- Developing ore zones already known from open pit mining
- Projections supported by diamond drilling at the base of the Pit including
 - 37m @ 1.1% Cu, 1.9g/t Au
 - 5m @ 32.3g/t Au
 - 12m @ 2.2% Cu, 7.9g/t Au

NEAR MINE COPPER-GOLD EXPLORATION OPPORTUNITIES

- Significant copper and gold targets for drilling
- All within 3 kms of existing processing plant

REGIONAL COPPER GOLD PROJECTS

- Magmatic copper-gold zones with high tenor copper – gold
- Large scale targets for drilling



THANK YOU

*Utilising existing infrastructure and cash flow at Kanmantoo to create
Company transforming mining projects*

