

Chairman's Address

Hillgrove Resources Limited – 9:30am, Friday 7 May 2021

Ladies and Gentlemen, my name is Derek Carter and I am the Chairman of Hillgrove Resources Limited (Hillgrove). On behalf of the Board of Directors, I welcome you to the Annual General Meeting and thank you for your attendance for the meeting this morning.

Before I open the meeting to formal business, I want to take this opportunity to provide a brief review of year's activities to the end of 2020 as well as those planned for the coming year.

Prior to my involvement with Hillgrove, in 2020 we completed the processing of the remaining low-grade ore stockpiles and transitioned the Kanmantoo site to one of care and maintenance. We have, since then, focussed on the possibility of developing the mine as an underground operation. To progress this, we commenced a drilling program in March last year, the results of which enabled us to increase the total estimated copper metal in the Resources below the open pits by 110% from 16.2 thousand tonnes to 34.4 thousand tonnes.

This was followed in December 2020, by a successful placement and oversubscribed rights issue which raised \$10.5m. These funds are to be used to:

- Increase the geological confidence such that an updated Mineral Resource Estimate (MRE) may be prepared to support mining evaluations and investment;
- Expand the size of the existing MRE to extend the potential mine life;
- Test the depth extension of the Kavanagh mineralisation which is already demonstrated to extend up to 200m below the base of the open pits and remains open at depth; and lastly
- To progress the requisite technical and economic studies associated with the Kanmantoo Underground.

In order to achieve these aims, further drilling commenced in late January of this year, with three diamond drill rigs mobilised to our site at Kanmantoo. Whilst not complete, there have been a number of pleasing results to date. These include the results released yesterday, which included:

- 170.65m @ 1.01% Cu and 0.11g/t Au, from 339m downhole; and
- 19.53m @ 1.93% Cu and 0.36 g/t Au from 463m downhole

The Board is focussed on delivering the best result for the Company and to create value for our Shareholders through the development of the Kanmantoo Underground. As such, the core priority of the business will be to re-establish cash flow through the development of an underground mine below the existing open pits. In the meantime, we have been preserving cash whilst concentrating on the activities I have already described.

I would like to thank all our shareholders, our employees and staff, the local and state governments, and our contractors for their dedicated efforts and support. Finally, I would also like to take this opportunity to recognise John Gooding, Phil Baker and Tony Breuer who resigned from the Board



during the year, as well as Paul Kiley. I thank them, on behalf of the Board, for their significant contribution to the Company during their respective tenures.

Many thanks and I trust that you find this meeting, and later the presentation by Lachlan Wallace, informative and interesting.

Thank you for your support.

Derek Carter

Chairman