



DIVIDEND POLICY

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1. OBJECTIVES

Hillgrove Resources Limited (HGO) has a key objective to create value from its assets and deliver shareholder value through the return of profits through dividends. HGO's capacity to pay dividends must be balanced with the financial performance and any funding that is required to meet future obligations and capital programmes of the Company. The payment of ordinary dividends needs to be sustainable.

2. PRINCIPLES

HGO achieves its objectives by considering the following when determining the appropriate dividend payment:

- Hillgrove's development profile;
- Available cash flow and funding requirements;
- Long term profitability;
- Appropriate capital structure; and
- Franking credit balance.

3. APPLICATION

The declaration and payment of dividends will be subject to the satisfaction of the tests set out in section 254T of the Corporations Act 2001 and in accordance with the Constitution.

The Board of Directors reserves the discretion to determine whether or not the payment of a dividend is possible and in the interests of shareholders, the amount and timing of any dividend payment as well as the extent to which the dividend should be franked.