

Friday, 20 May 2022

## **AGM CHAIRMAN'S ADDRESS – 9:30AM, FRIDAY 20 MAY 2022**

Ladies and Gentlemen, my name is Derek Carter and I am the Chairman of Hillgrove Resources Limited. 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 the year's activities to the end of 2021, as well as those planned for the coming year.

It has been an exciting year, which has seen us achieve some significant milestones to progress the development of our flagship project, the Kanmantoo Underground Project. The year saw us embark on a 17 kilometre drill program, which enabled the Company to release an updated Mineral Resource Estimate that saw the Resource increase by 82% from 34.4kt to 62.5kt of copper metal and, just as importantly, increase the geological confidence of this Resource.

With the success of this drilling and the updated Mineral Resource Estimate, the Company released a study which highlighted the excellent economics of the project. It indicated that the Kanmantoo Underground Project is one of the lowest capital intensive copper development projects in the world.

After the release of the economic study, drilling continued in both Kavanagh and Nugent. This resulted in a further 14% increase to the Kavanagh Mineral Resource estimate. An update to the Nugent Mineral Resource Estimate is also underway and judging by the number of positive drill intersections below the existing Resource, I also expect that this will increase. Most important of all, the drilling demonstrates that both Nugent and Kavanagh remain open down dip and along strike, providing excellent follow up targets to grow the resource further.

At the site itself, all infrastructure is in place. This includes an operational processing plant that is being maintained and a permitted and operational tailings storage facility with ample storage capacity. In the event of a positive decision to mine, this allows a reduction to the timeframes and capital costs to first copper production. In addition, at over 3Mtpa, the processing capacity is far greater than any expected annual production from the Kanmantoo Underground. The spare processing capacity would enable Hillgrove to respond to changing commodity prices by flexing the cut-off grade to maximise value from the Kanmantoo Underground, without the need for additional capital expenditure.

The Board is focussed on delivering the best result for the Company and to create value for all our Stakeholders, with the current priority of the business being to develop an underground mine below the existing open pits. As such, in this upcoming year, we hope to achieve a positive final investment decision, the completion of funding arrangements, and hopefully culminating in the restart of operations at Kanmantoo.

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 to the Company.

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

**Derek Carter**

Chairman