

Friday, 31 May 2024

AGM CHAIRMAN'S ADDRESS – 9:30AM, FRIDAY 31 MAY 2024

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 2023, as well as those planned for the coming year.

It has been an eventful year for Hillgrove, one that has transformed the company from an explorer to a developer and now a copper producer. At the beginning of the 2023 year, the Company set out to become Australia's next copper producer, which we're pleased to say became a reality when first concentrates were produced and sold post year end in February 2024. To realise this, the Company achieved a number of significant milestones in a relatively short period of time, which included the following:

- The release of an Updated Economic Assessment in February 2023¹;
- A successful capital raising to fund the restart at Kanmantoo in March 2023;
- The Board formally announcing a positive final investment decision in June 2023;
- Commencement of bulk mining in December 2023; and
- Commissioning of the crusher in December 2023.

This is a testament to the hard work and dedication of our team – achieving first revenues within 12 months of completion of the funding.

The restart at Kanmantoo has come at an opportune time for our Shareholders, a time where we are currently seeing record copper prices – having traded above US\$11,000 per tonne and more importantly for us, above A\$16,000 per tonne recently. This compares to the A\$13,500 per tonne assumption used in our Updated Economic Assessment. Not only does this increase the Company's operating margins, but enables us to examine mining at a reduced cut off grade to feed the processing plant, which has latent capacity – and ultimately, increase free cash flow generation.

Looking forward into 2024, our primary focus will be two fold: being to ramp up to steady state production in accordance with the plan, and to expand annual production and/or mine life.

Firstly on the ramp up. Production metrics for the February, March, and April campaigns have trended upwards, with milled tonnes, grade, and recoveries all increasing each month – leading to copper production

¹ Refer ASX announcement 27 February 2023

increasing from 239 tonnes in February, to 589 tonnes in March, and 719 tonnes in April. We will provide an update to the market on May production shortly, however we expect this increasing trend to continue.

Regarding higher annual production and/or mine life extensions, we will be drill testing mineralised zones below and adjacent to the pit. Of initial interest will be Kavanagh Deeps, where we have identified a large geophysical anomaly, 1km in strike length, and potentially representing a faulted extension of the Kavanagh ore body. Other nearby lodes will also be tested.

I look forward to our year ahead and 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, which enabled us to achieve become a copper producer.

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

Derek Carter
Chairman

