

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
THE MATTERS RAISED IN THIS DOCUMENT WILL AFFECT YOUR SHAREHOLDING IN THE COMPANY.
YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY BEFORE THE GENERAL MEETING
REFERRED TO BELOW IS CONVENED.

IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, PLEASE CONSULT
YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

HILLGROVE

RESOURCES

HILLGROVE RESOURCES LIMITED

ACN 004 297 116

Notice of

Extraordinary General Meeting

Notice is given that the Meeting will be held at:

TIME: 9:30am (ACDT)
DATE: Friday 5 February 2021
PLACE: Virtually via teleconference

SHAREHOLDERS WILL **NOT** BE ABLE TO ATTEND THE MEETING IN PERSON

NOTICE OF GENERAL MEETING

HILLGROVE RESOURCES LIMITED

ACN 004 297 116

Notice is given that a general meeting of shareholders of Hillgrove Resources Limited (ACN 004 297 116) (Company) (ASX: HGO) will be held virtually via teleconference at 9:30am (ACDT) on Friday 5 February 2021.

1. IMPORTANT NOTICE – CHANGES TO MEETING PROCEDURE DUE TO COVID-19

Due to the COVID-19 pandemic the Meeting will be held virtually via teleconference. This is to comply with Australian Government regulations on gatherings and to ensure the health and safety of shareholders. Shareholders will not be able to attend the meeting in person. The Meeting will be conducted via teleconference and voting will occur online via the Lumi platform available at <https://web.lumiagm.com/> using Meeting ID 307-589-947.

Details of the dial in numbers and how to participate in the teleconference are set out in detail in the Notes section of this Notice. Instructions on how to vote are set out in the Online Voting User Guide attached to this Notice.

Capitalised terms used in this Notice bear the same meaning as in the Glossary or in the summary below.

The business to be considered at the Meeting is set out below. Information on the resolutions to which the business relates are contained in the Explanatory Statement.

2. BUSINESS OF THE MEETING

RESOLUTION 1 - RATIFICATION OF PREVIOUS ISSUE OF SHARES UNDER A PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue and allotment by the Company of 76,209,676 Shares on 24 December 2020 under a Placement to professional and sophisticated investors, on the terms and conditions set out in the Explanatory Memorandum, is approved and ratified.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who participated in the issue and any of their associates or any other person who obtained a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the resolution; and
 - the holder votes on the resolution in accordance with direction given by the beneficiary to the holder to vote in that way.

NOTICE OF GENERAL MEETING *(cont.)*

RESOLUTION 2 - ISSUE OF SHARES UNDER A PLACEMENT

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment by the Company of up to 185,080,646 Shares, on the terms and conditions set out in the Explanatory Statement, is approved.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a holder of Shares, or any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the resolution; and
 - the holder votes on the resolution in accordance with direction given by the beneficiary to the holder to vote in that way.

RESOLUTION 3 - APPROVAL OF PARTICIPATION OF DIRECTORS IN THE PLACEMENT

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, the issue and allotment by the Company of Shares to directors Mr Derek Carter and Mr Murray Boyte, or their respective nominees, as participants to the Placement as summarised in the Explanatory Memorandum, is approved.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 3 by Mr Derek Carter and Mr Murray Boyte or any of their associates or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the resolution; and
 - the holder votes on the resolution in accordance with direction given by the beneficiary to the holder to vote in that way.

By order of the Board



Joe Sutanto
Company Secretary

Dated: 5 January 2021

NOTES

Shareholders in the Company are requested to consider and vote upon the Resolutions set out in the Notice.

Shareholders are advised that all resolutions will be decided on a poll. **Please note that you are strongly encouraged to lodge proxy votes for the Meeting.** The Meeting will commence at 9:30am (ACST).

Determination of Membership and Voting Entitlement for the Purpose of the Meeting

For the purpose of determining a person's entitlement to vote at the Meeting and in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), a person will be recognised as a member and the holder of Shares if that person is registered as a holder of Shares at 6:30pm (ACDT) on Wednesday 3 February 2021. You may vote online during the Meeting in person, by proxy or by authorised representative.

Live Online Voting

Shareholders will be able to vote at the meeting online by visiting <https://web.lumiagm.com/> and using Meeting ID 307-589-947. Details on how to vote are set out in the Online Voting User Guide attached to this Notice of Meeting. Shareholders with multiple holdings will either need to log into Lumi under each Voting Access Code (VAC) to vote live in the Meeting or cast their vote on other holdings ahead of the Meeting via proxy vote.

Participation in the Meeting

Shareholders and anyone wishing to attend the Meeting can do so using the following dial in numbers:

Australia Dial-in Number: 1300 254 410

International Dial-in Number: +61 2 9696 0706

Access Code: 7120823

Shareholders are encouraged to submit any questions they may have of the Company in writing to the Company Secretary at info@hillgroveresources.com.au by 5:00pm (ACST) on Wednesday 3 February 2021. The Company will also provide Shareholders with the opportunity to ask questions during the meeting. No new presentation will be provided. Shareholders are directed to the recent presentation on the Company's website.

The teleconference will allow Shareholders to listen to the Meeting live, but not to vote. Shareholders will be able to vote online as set out above and in the Online Voting User Guide attached to this Notice of Meeting or by proxy.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Document as soon as possible and **either**:

- lodge online at <https://www.votingonline.com.au/hgoegm2021;>

- return by facsimile to Boardroom Pty Limited on facsimile number +61 (02) 9290 9655;
- deliver to Boardroom Pty Limited at Level 12, 225 George Street, Sydney NSW 2000, Australia; or
- mail to Boardroom Pty Limited at GPO Box 3993, Sydney NSW 2001, Australia;

so that it is received no later than **9:30am (ACDT) on Wednesday 3 February 2021.**

Details on how to vote by proxy are set out on the back of your Proxy Form.

Please read this Document carefully and in its entirety, determine how you wish to vote in relation to the Resolutions and then cast your vote accordingly. If you do not understand any part of this Document, or are in any doubt as to the course of action you should follow, you should contact your financial or other professional adviser immediately.

Proxies

A Shareholder, entitled to attend and vote at this Meeting pursuant to the Constitution, is entitled to appoint no more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. A proxy need not be a Shareholder. Any instrument of proxy deposited or received by the Company in which the name of the appointee is not filled in shall be deemed to be given in the favour of the Chair of the Meeting.

The instrument appointing a proxy must be lodged, and any power of attorney or an office copy of a notarially certified copy thereof under which an attorney for a member appoints a proxy, must be lodged by no later than **9:30am (ACDT) on Wednesday 3 February 2021** in accordance with the instructions provided in the Proxy Form.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney or if such appointor is a corporation, under the hand of its attorney or the hand of a person duly authorised by the corporation. The Proxy Form which accompanies this Notice may be used.

Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should email evidence of his or her appointment, including any authority under which it is signed to nakul.joglekar@boardroomlimited.com.au prior to the Meeting, unless it has previously been given to the Company.

EXPLANATORY STATEMENT

Introduction

This Explanatory Statement is included in and forms part of the Notice of Meeting. It contains an explanation of, and information about, the Resolutions to be considered at the Meeting. It is given to Shareholders to help them determine how to vote on the Resolutions set out in the accompanying Notice of Meeting.

Shareholders should read this Explanatory Statement in full as individual sections do not necessarily give a comprehensive review of the Resolutions contemplated in this Explanatory Statement.

If you are in doubt about what to do in relation to a Resolution, you should consult your financial or other professional advisor.

RESOLUTION 1 – RATIFICATION OF A PREVIOUS ISSUE OF SHARES UNDER A PLACEMENT

On 17 December 2020 the Company announced it had received firm commitments for a Placement of up to 261,290,322 Shares at an issue price of \$0.031 each to professional and sophisticated investors to raise a total of up to \$8,100,000 before costs (**Issue**). The Placement is to be conducted over two tranches.

Tranche 1 comprising 76,209,676 Shares and raising \$2,362,500 before costs, was completed on 24 December 2020 without Shareholder approval and was accommodated within the Company's available 15% issue capacity under ASX Listing Rule 7.1 (**Tranche 1 Placement**). Resolution 1 seeks ratification by Shareholders for this issue comprising Tranche 1 of the Placement.

ASX Listing Rule 7.1 prohibits a listed company from issuing equity securities representing more than 15% of its issued capital in any 12 month period without first obtaining Shareholder approval (subject to certain exceptions).

Under ASX Listing Rule 7.4, a company can seek ratification of securities issued that have been made within the previous 12 month period if:

- (a) the issue does not breach ASX Listing Rule 7.1; and
- (b) shareholders subsequently approve such issue.

The effect of such ratification is that the issue of the Shares is then deemed to have been made with Shareholder approval, thus not counting towards the 15% limit. The approved securities are also included in the base number for calculating the Company's 15% limit, thereby increasing the number of equity securities the Company can issue without first having to obtain Shareholder approval under ASX Listing Rule 7.1.

The issue of the Shares did not breach ASX Listing Rule 7.1 and did not require Shareholder approval. The Company now seeks Shareholder approval to ratify the issue of the Tranche 1 Placement Shares pursuant to ASX Listing Rule 7.4. This will have the same effect as if Shareholder approval had been obtained before the Company issued the Shares.

If Resolution 1 is passed, the Issue will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of the Issue.

This will provide the Company with the ability to issue more securities in the future, eg a placement to sophisticated and/or professional investors, without seeking Shareholder approval, if the Board considers that it is in the interests of the Company to do so.

If Resolution 1 is not passed, the Issue will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of the Issue.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) 76,209,676 Shares were issued on 29 December 2020;
- (b) the issue price was \$0.031 per Share for a total consideration of \$2,362,500 before costs;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to various sophisticated and professional investors identified by Taylor Collison Limited ACN 008 172 450 (**Taylor Collison**), as lead manager of the Placement. None of these subscribers are Related Parties of the Company;
- (e) the funds raised by the issue of the Shares will be primarily used to fund:
 - (i) infill and expansion drilling and engineering studies for the first stage of the Kanmantoo Underground project to reach a final investment decision;
 - (ii) exploration targeted at depth extensions below the current Mineral Resource Estimate;
 - (iii) care and maintenance costs on the existing processing plant and tailings dam to keep these assets production ready for fast restart; and

EXPLANATORY STATEMENT (cont.)

- (iv) general working capital purposes; and
- (f) a voting exclusion statement has been included in the Notice of Meeting.

Directors' Recommendation

The Directors believe that the ratification of this issue and the refresh of the 15% capacity under ASX Listing Rule 7.1 is beneficial to the Company. All Directors recommend that Shareholders vote in **FAVOUR** of Resolution 1. The Chair intends to vote undirected proxies in favour of Resolution 1.

RESOLUTION 2 – ISSUE OF SHARES UNDER A PLACEMENT

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares on issue at the start of the period. The issue and allotment of up to 185,080,646 Shares under the Tranche 2 of the Placement to professional and sophisticated investors announced on 17 December 2020 cannot be accommodated within the Company's 15% placement capacity under ASX Listing Rule 7.1 and does not fall within any of the exceptions. It therefore requires approval of the Company's shareholders under ASX Listing Rule 7.1.

Resolution 2 seeks Shareholder approval for the issue and allotment of up to 185,080,646 Shares comprising Tranche 2 of the Placement (**Tranche 2 Placement**). If Resolution 2 is approved, the Shares will not be counted towards the 15% 12 month limit on the issue of equity securities permitted by ASX Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of Shares under the Tranche 2 Placement and therefore will not be able to raise an additional \$5,737,500 before costs. As a consequence, the Company may have to delay some activities in relation to the Kanmantoo Underground project and other exploration until further funds are raised.

To this end, Resolution 2 seeks shareholder approval to the issue under the Tranche 2 Placement for the purposes of ASX Listing Rule 7.1.

If Resolution 2 is passed, the issue of Shares under the Tranche 2 Placement can proceed without using up any of the Company's 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1.

If Resolution 2 is not passed, the issue of shares under the Tranche 2 Placement might still proceed in part but it will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under ASX Listing Rule 7.1 for 12 months following the issue.

Other than for 2 Company Directors who intend to participate in the Tranche 2 Placement, and which is discussed under Resolution 3, none of the placees are a Related Party of the Company.

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the maximum number of Shares that may be issued and allotted to professional and sophisticated investors under the Tranche 2 Placement is 185,080,646 Shares;
- (b) the Company will issue and allot the Shares comprised in the Tranche 2 Placement as soon as practicable following the Meeting and, in any event, no later than 3 months after the date of the Meeting;
- (c) the issue price for the Shares is \$0.031 per Share for a total consideration of \$5,737,500 before costs;
- (d) the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares will be issued and allotted to a number of professional and sophisticated investors identified by Taylor Collison, as lead manager of the Placement;
- (f) the funds raised by the issue of the Shares will be primarily used to fund:
 - (i) infill and expansion drilling and engineering studies for the first stage of the Kanmantoo Underground project to reach a final investment decision;
 - (ii) exploration targeted at depth extensions below the current Mineral Resource Estimate;
 - (iii) care and maintenance costs on the existing processing plant and tailings dam to keep these assets production ready for fast restart; and
 - (iv) general working capital purposes; and
- (g) a voting exclusion statement has been included in the Notice of Meeting.

Directors' Recommendation

All Directors recommend that Shareholders vote in **FAVOUR** of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

EXPLANATORY STATEMENT (cont.)

RESOLUTION 3 – ISSUE OF SECURITIES TO DIRECTORS UNDER A PLACEMENT

Two of the Company's directors, Mr Derek Carter and Mr Murray Boyte, have offered to participate under the Tranche 2 Placement announced by the Company on 17 December 2020 on the same terms as other professional and sophisticated investors who have elected to participate.

The table below details the securities to be issued under Resolution 3.

Director	Subscription Amount (\$)	Shares to be issued
Derek Carter	\$50,000	1,612,903
Murray Boyte	\$100,000	3,225,806

ASX Listing Rule 10.11 prohibits the issue of equity securities by the Company to any of its Directors without prior Shareholder approval. The issue falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's shareholders under ASX Listing Rule 10.11.

Resolution 3 seeks Shareholder approval to issue the equity securities to Chair Derek Carter and Non-Executive Director Mr Murray Boyte as participants of the Tranche 2 Placement as noted in Resolution 2 above.

If Resolution 3 is passed, the Company can proceed with the issue of Shares to Mr Carter and Mr Boyte under the Tranche 2 Placement and as a result the Company will raise \$150,000.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of Shares to Mr Carter and Mr Boyte under the Tranche 2 Placement and as a result the Company will not raise \$150,000.

The following information is provided in accordance with ASX Listing Rule 10.13 for the purposes of the Shareholder approval required by ASX Listing Rule 10.11:

- the securities will be issued to Mr Derek Carter and Mr Murray Boyte or their respective nominees, both of whom are related parties given they are directors of the Company;
- the maximum number of securities to be issued is 4,838,709 Shares;
- the securities will be issued no later than one month after the date of this Meeting or such later date permitted by ASX;
- the issue price for the Shares is \$0.031 per Share;

- the Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- a total of \$150,000 will be raised from the issue of the securities which will comprise part of the total funds raised under the Placement to fund:
 - infill and expansion drilling and engineering studies for the first stage of the Kanmantoo Underground project to reach a final investment decision;
 - exploration targeted at depth extensions below the current Mineral Resource Estimate;
 - care and maintenance costs on the existing processing plant and tailings dam to keep these assets production ready for fast restart; and
 - general working capital purposes.

Directors' Recommendation

All Directors other than Mr Derek Carter and Mr Murray Boyte recommend that Shareholders vote in **FAVOUR** of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

GLOSSARY

For the purposes of this document the following terms have the meanings prescribed below:

ACDT

Australian Central Daylight Time

ASIC

Australian Securities & Investments Commission.

ASX

ASX Limited ACN 008 624 691 or the securities exchange market operated by it, as the context requires.

ASX Listing Rules

means the Listing Rules of ASX.

Board

the board of Directors.

Company

Hillgrove Resources Limited ACN 004 297 116.

Constitution

the constitution of the Company.

Corporations Act

Corporations Act 2001 (Commonwealth).

Director

a director of the Company.

Document

this document entitled “Notice of Extraordinary General Meeting” and any annexures or schedules to or of the foregoing.

Meeting or EGM

the Extraordinary General Meeting referred to in the Notice.

Notice or Notice of Meeting

the Notice of Annual General Meeting, forming part of this Document.

Proxy Form

the proxy form attached to this Document.

Related Party

has the meaning given to that term in the Corporations Act and the ASX Listing Rules.

Resolution

a resolution set out in the Notice.

Share

a fully paid ordinary share in the Company.

Shareholder

a registered holder of Shares.

HILLGROVE RESOURCES LIMITED ACN 004 297 116

Adelaide Office

Ground Floor, 5-7 King William Road, Unley SA 5061, Australia
P.O. Box 372, Unley SA 5061, Australia

T: +61 8 7070 1698 **W:** www.hillgroveresources.com.au