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HILLGROVE RESOURCES LIMITED REPORT FOR QUARTER ENDED 30 JUNE 2025

KANMANTOO FOUNDATIONS LAID TO INCREASED THROUGHPUT AND REDUCED UNIT COSTS

Key Achievements:

- Continued improvements in operational performance:
  - 10.7% increase in mine development to 2,011 metres
  - 11.7% increase to 353kt tonnes processed
- Lower production of 2,593 tonnes at a grade of 0.77%
- Nugent ore mined and processed during the quarter, outperforming original expectations
- Significant exploration results from both infill and extensional exploration drilling program

CEO AND MANAGING DIRECTOR'S STATEMENT

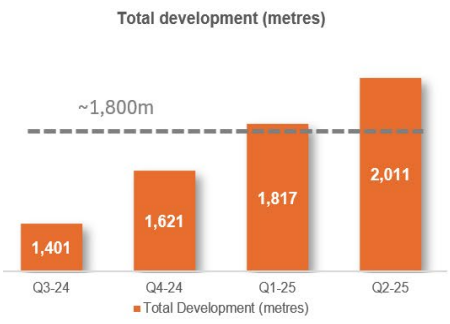
Commenting on the June 2025 quarter, Hillgrove CEO and Managing Director, Bob Fulker said:

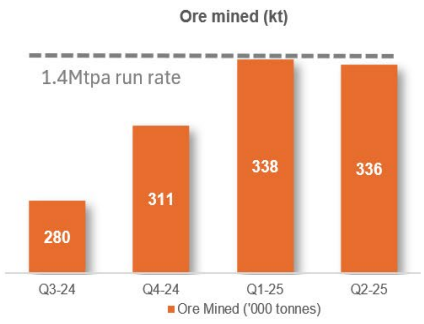
"In June, production was lower than we expected due to a minor issue with two of the mining areas, which delayed access to higher-grade copper ore. As a result, Hillgrove's total copper production is now tracking toward the lower end of its 2025 guidance range of 12,000 to 14,000 tonnes. Despite this challenge, the company had a strong quarter operationally and made solid progress on the Nugent acceleration project.

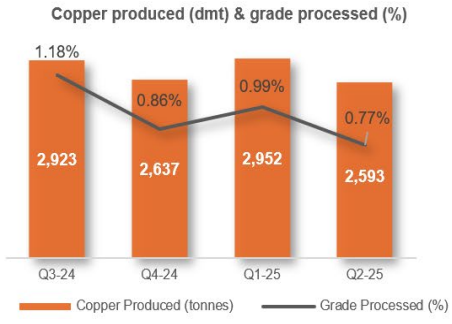
During the quarter, Hillgrove mined 336k tonnes of ore and completed 2,011 metres of underground development. This was largely driven by the accelerated work at Nugent, which targets key production bottlenecks and aims to improve stope cycles to increase output in 2026. However, this high rate of development will begin to slow in the coming months as contractor activity winds down and the development pace returns to the long-term target of around 1,800 metres per quarter.

On the financial side, the company successfully completed a capital raising during the quarter, which boosted liquidity to support the accelerated Nugent development and growth initiatives. A significant milestone was also achieved with the first ore from Nugent mined and processed ahead of schedule.

Overall, Hillgrove enters the second half of the year with a strong operational base, a growing pipeline of resources, and a clear strategy to lift production and drive long-term value creation."







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OPERATIONS

The Kanmantoo Copper Mine is situated in the Adelaide Hills region of South Australia, just 55 kilometres from Adelaide and only three kilometres from the main dual carriageway to Port Adelaide. This strategic location offers significant advantages in both operating and capital costs, making it easier to attract and retain a skilled workforce that primarily resides in the area.

Sustainability

During the quarter, Hillgrove partnered with the Kanmantoo and Callington Community Consultative Committee (K4C) to commence a refresh of the K4C Master Plan, including providing funding for three dimensional models and engineering works for key proposed sculptures and installations. This work is expected to be completed in the coming quarters and will provide a foundation to seek further investment from other stakeholders. There were no community complaints received in the quarter.

The Total Recordable Injury Frequency (TRIF) increased to 19.9 during the June quarter with four low severity recordable injuries. The site is actively engaged to improve the TRIF through proactive measures, with a focus in quarter three on improving compliance to Company standards and training documents.

Continued active management of tailings deposition has ensured dust generation from the tailings storage facility (TSF) has been minimised. There were two reportable dust exceedances during the quarter however they were regional dust events and were not generated from mine operations.

Acceleration of Nugent Development

Contractors commenced work on the accelerated Nugent development in late April. The development rates achieved have increased significantly, leading to the early intersection of the orebody via the 1020 level crosscut and the delivery of first development ore to the Kanmantoo mill. This milestone was achieved ahead of the previously planned December 2025 quarter.

The Company has prioritised this work in the quarter to establish multiple mining fronts, enhancing operational flexibility, and to position for increased mill throughput from the current 1.4Mtpa to 1.7 - 1.8Mtpa run rate in the first half of 2026. This focus has led to the deferral of high-grade stopes this quarter.

Kanmantoo Cashflow, Production and Costs

In the June 2025 quarter, Kanmantoo delivered $6.4 million of Operating Mine Cashflow, from copper production of 2,593 tonnes, delivering a C1 operating cost of $5.24 per pound sold. Net mine cashflow was -$4.8 million, which includes sustaining capital expenditure of $4.7 million, major capital of $5.4 million (including Nugent acceleration of $5.1 million) and exploration of $1.1 million. The accelerated Nugent development is due to conclude in the third quarter, which will see a reduction in costs once contractors are demobilised.

Mine development increased by 10.7% quarter on quarter to 2,011 metres, reflecting sustained investment in opening new areas. Total inventory mined remained broadly flat at 336kt, though the average mined grade declined to 0.78%. This lower feed grade flowed through to processing, where grade declined to 0.77% from 0.99%, despite a lift in tonnes processed (353 kt vs 316 kt). Notably, copper recoveries improved to 95.2%, partially mitigating the lower grade impact. With the increase in stope availability due to the record development, looking forward, as the low grade dilution tail is processed, the Company expects to see an increase in the stope grades back to the long term average above 0.90% Cu. Due to the

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installed processing capacity, development material has a lower economic cutoff to stopes and this will continue to be fed as marginal feed stock when underground backfill stopes are not available.

Copper production decreased to 2,593 tonnes, down 12.2%, as a result of the lower feed grade. Encouragingly, the average realised copper price rose to $14,340/t, partly offsetting the production impact.

Kanmantoo Production and Cost Metrics Unaudited	Units	Jun 25 Qtr.	Mar 25 Qtr.
Mining Physicals			
Total Development	m	2,011	1,817
Inventory Mined	Kt	336	338
Grade Mined	%	0.78	0.96
Processing Physicals			
Tonnes Processed	kt	353	316
Grade Processed	%	0.77	0.99
Recoveries	%	95.2	94.2
Production			
Copper Produced	t	2,593	2,952
Gold Produced	oz	555	730
Silver Produced	oz	19,604	24,897
Copper Sold			
Payable Copper Sold	t	2,572	2,909
Average Realised Price	A$/t	14,340	14,137
Cost Summary			
Mining	A$/lb	3.87	3.04
Processing	A$/lb	1.00	0.79
Site G&A	A$/lb	0.33	0.23
Transport and Offtake Charges	A$/lb	0.44	0.59
Inventory Movements	A$/lb	0.21	0.07
By-Product Credits	A$/lb	(0.61)	(0.53)
C1 Costs	**A$/lb**	**5.24**	**4.19**
Government Royalties	A$/lb	0.33	0.32
Sustaining Capital	A$/lb	0.83	0.74
Corporate G&A	A$/lb	0.29	0.22
All-in Sustaining Cost	**A$/lb**	**6.69**	**5.47**
Major Capital exc. Nugent	A$/lb	0.25	0.45
All-in Cost exc. Nugent	**A$/lb**	**6.94**	**5.92**
All-in Cost exc. Nugent	**US$/lb**	**4.44**	**3.79**
Depreciation and Amortisation	A$M	4.9	4.8
Nugent Development Not in AIC	A$M	5.1	0.0
Other Costs Not in AIC	A$M	0.4	1.1

Table 1: Kanmantoo quarterly production and cost summary

USD based on an exchange rate of 0.64. All cost metrics are based on payable copper sold.

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All in cost for the quarter was US$4.44/lb versus US$3.79/lb. This increase was largely impacted by lower copper production and sales, this reflects the short-term grade variability, with underlying cost structures being closely managed. The Company maintains guidance for the full year of between US$3.40/lb to US$3.90/lb (excluding Nugent Acceleration project).

Looking forward, despite this short-term grade variability impacting the cost metrics, the June quarter reinforced Kanmantoo's ability to continuously improve operations – with record mine development, tonnes processed, and processing recoveries. The development activity, including progress on the Nugent Acceleration project, positions Hillgrove for stronger future quarters as higher-grade zones are accessed, along with reducing development capital and increasing production.

Unit costs are expected to decrease in the coming quarters as the Company finalises extensions to some major contracts and implement cost reductions through continuous operational improvement effort. In addition to this, we expect to realise further production efficiencies through improvements such as the implementation of an interlevel ore pass to decouple the trucking cycle and the stope remoting process.

GROUP FINANCIALS

Net revenue from metal sales in the June 2025 quarter was $39.1 million (unaudited). At the end of the quarter, Hillgrove had cash, receivables, and unsold concentrate of $24.0 million (an increase of $3.1 million from $20.9 million in the previous quarter).

Unaudited (A$M)	Jun 2025 Quarter	Mar 2025 Quarter	Dec 2024 Quarter
Cash	10.6	15.2	3.3
Receivables	11.9	3.4	2.9
Unsold Concentrate	1.5	2.3	3.5
TOTAL	**24.0**	**20.9**	**9.7**

Table 2: Company Liquidity

The Tranche 2 Placement and the Share Purchase Plan, as first announced to the market on 5 March 2025, completed during the quarter with the receipt of the remaining $7.6 million.

During the June quarter, the Company invested $1.2 million in exploration and $9.0 million in mine development (March quarter: $0.1 million and $6.5 million respectively) which included $5.1 million on the accelerated Nugent development.

The Company paid executive director salaries and non-executive director fees of $230,568 during the quarter.

At 30 June 2025, the Company had 5,950 tonnes of hedging outstanding at a weighted average price of $14,272 per tonne scheduled for delivery between July 2025 and September 2026.

EXPLORATION – KANMANTOO

Hillgrove has been actively drilling at Kanmantoo, with a focused program targeting both extensional and infill opportunities. This dual approach is designed to deliver near-term value through increased geological confidence and mine planning accuracy, while also unlocking longer-term growth potential by testing the boundaries of known mineralisation. These efforts form a core part of our strategy to extend mine life, optimise stoping sequences, and position Kanmantoo for sustained copper production.

Extensional Drilling

The extensive copper exploration targets on the Kanmantoo mining lease include:

- Along strike and down-dip extensions of the Kavanagh and Nugent Cu-Au Mineral Resources
- The Emily Star down dip extension
- Valentine, Critchley and Paringa brownfields exploration
- The Coopers and North Kavanagh deposits to the north of the Kavanagh underground development

The aim of the extensional drilling is to expand the resource base beyond the current footprint, particularly at depth and along strike of the Kavanagh and Nugent deposits. As part of this program, 37 holes were drilled in the quarter, with 10,115.4m of drilling achieved within the Kanmantoo mineral system.

Significant intersections reported during the quarter include:

- 26m @ 1.21% Cu & 0.27g/t Au (uncut) from 299m downhole in 25KVUG0534 from Nugent[1]
- 5.2m @ 0.89% Cu + 0.07g/t Au (uncut) from 295.8m downhole in 25KVUG0532 From Nugent[1]
- 2.25m grading 0.99% Cu and 0.16g/t Au (uncut) from 375.65m downhole in 25KVUG0529 from Valentine[2]
- 2.4m @ 0.9% Cu + 0.04g/t Au (uncut) from 238.6m downhole in 25KVUG0597 From Kavanagh[3]

The results from this extensional drilling program have continued to demonstrate the strong continuity of copper-gold mineralisation at both Kavanagh and Nugent. The mineralisation observed in the Valentine drilling has identified an alteration zone 180 metres below the previously known mineralisation. The Valentine area is only 300 metres from the existing Underground development at the 835mRL.

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[1] Refer to ASX release on 22 May 2025 titled Multiple New High Grade Copper Gold Drilling Results Extend Mineralisation at Nugent Beyond the Resource

[2] Refer to ASX release on 22 April 2025 titled Extensional Drilling Identifies New Mineralisation

[3] Refer to ASX release on 26 June 2025 titled Kavanagh Drilling From Deepest Available Site Delivers Mineralisation Outside Of Existing Resource

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Infill Drilling

The aim of this program is to support the conversion of existing Mineral Resources into higher-confidence categories for mine planning as well as for the updated Resource and Reserve that is expected to be released in the fourth quarter of the 2025 calendar year. As part of this program, 42 holes was conducted in the quarter, with 7,638.1m of drilling achieved. Significant intersections reported during the quarter include:

- 13m @ 2.24% Cu and 0.13g/t Au (uncut) from 109m downhole in 25KVUG0607 From Kavanagh[4]
- 16m @ 1.19% Cu + 0.23g/t Au (uncut) from 200m downhole in 25KVUG0528 from Nugent[5]
- 17m @ 1.11% Cu + 0.38g/t Au (uncut) from 76m downhole in 25KVUG0538 from Nugent[5]

Near Mine Exploration

The copper-gold targets within ten kilometres of the Kanmantoo processing plant include the South Kanmantoo, Stella, Mullewa and Northwest Kanmantoo geochemical and geophysical targets. An MT Survey was completed over the eastern margin of the interpreted alteration corridor surrounding the Kanmantoo deposit. As at the end of the Quarter results were pending.

EXPLORATION – REGIONAL

The Southeast tenement area comprises 4,187km^2 of exploration licences within the Kanmantoo Province in the south-east of South Australia. The work plan for the coming year will focus on target areas to provide key geological knowledge to assist in identifying high value potential economic areas of interest.

During the quarter Hillgrove has been designing geophysical surveys to assist in determining drill targets and engaging with stakeholders for the Southeast and Kanappa areas. In addition, the Company is in preliminary discussions with parties regarding farm in opportunities for these areas.

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[4] Refer to ASX release on 26 June 2025 titled Kavanagh Drilling From Deepest Available Site Delivers Mineralisation Outside Of Existing Resource

[5] Refer to ASX release on 22 May 2025 titled Multiple New High Grade Copper Gold Drilling Results Extend Mineralisation at Nugent Beyond the Resource

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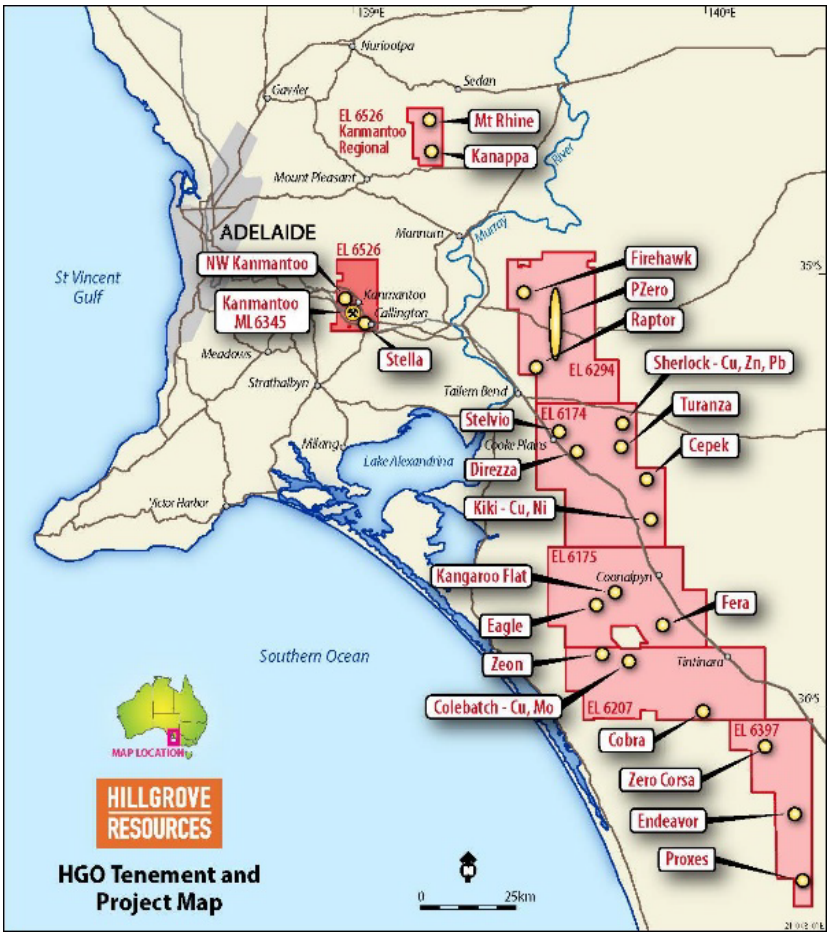


Figure 1: Hillgrove exploration licences and identified potential targets

Competent Persons Statement

The information in this report that relates to previously reported exploration drilling results were extracted from the ASX release titled 'Extensional Drilling Identifies New Mineralisation' released on 22 April 2025, 'Multiple New High Grade Copper Gold Drilling Results Extend Mineralisation at Nugent Beyond the Resource' released on the 22 May 2025 and 'Kavanagh Drilling From Deepest Available Site Delivers Mineralisation Outside Of Existing Resource' released on 26 June 2025 and is available to view at www.hillgroveresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statement

This Report contains or may contain certain forward-looking statements and comments about future events, that are based on Hillgrove's beliefs, assumptions and expectations and on information currently available to management at the date of this presentation. Often, but not always, forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "plan", "believes", "estimate", "anticipate", "outlook", and "guidance", or similar expressions, and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and production potential, financial forecasts, product quality estimates of future Mineral Resources and Ore Reserves. Such statements are only expectations or beliefs and are subject to inherent risks and uncertainties which could cause actual values, results or performance achievements to differ materially from those expressed or implied in this announcement. Where Hillgrove expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Hillgrove that the matters stated in this presentation will in fact be achieved or prove to be correct. Except as required by law, Hillgrove undertakes no obligation to provide any additional or updated information or update any forward-looking statements whether on a result of new information, future events, results or otherwise. Readers are cautioned against placing undue reliance on forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Hillgrove, the directors, and management of Hillgrove. These factors include, but are not limited to difficulties in forecasting expected production quantities, the potential that any of Hillgrove's projects may experience technical, geological, metallurgical and mechanical problems, changes in market prices and other risks not anticipated by Hillgrove, changes in exchange rate assumptions, changes in product pricing assumptions, major changes in mine plans and/or resources, changes in equipment life or capability, emergence of previously underestimated technical challenges, increased costs, and demand for production inputs.

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CORPORATE INFORMATION	
Issued Share Capital at 30 June 2025	
Ordinary shares	2,610,831,233
Unlisted Options	72,571,428
Employee Performance Rights	41,025,000
Share Price Activity for the Quarter	
High	0.043
Low	0.029
Last (30 June 2025)	0.035

SHARE REGISTRY	REGISTERED OFFICE
Boardroom Limited	Hillgrove Resources Limited
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Sydney NSW 2001, Australia	5-7 King William Road
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For more information contact:

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Hillgrove Resources Limited

ABN	Quarter ended ("current quarter")
73 004 297 116	30 June 2025

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	29,462	70,453
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(24,037)	(45,155)
	(d) staff costs	(7,636)	(15,665)
	(e) administration and corporate costs	(1,856)	(4,490)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	146	169
1.5	Interest and other costs of finance paid	(4)	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST)	3,640	7,304
1.9	**Net cash from / (used in) operating activities**	**(285)**	**12,612**

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2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(9,880)	(19,211)
	(d) exploration & evaluation	(154)	(183)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(10,034)**	**(19,394)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,630	17,348
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(300)	(300)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment of lease liabilities)	(1,595)	(2,907)
3.10	**Net cash from / (used in) financing activities**	**5,735**	**14,141**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,203	3,260
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(285)	12,612
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,034)	(19,394)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,735	14,141
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**10,619**	**10,619**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	10,619	15,203
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**10,619**	**15,203**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	231
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amount in item 6.1 comprises executive director salaries and non executive director fees during the quarter.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(285)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(154)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(439)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,619
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,619
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	24

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

18 July 2025

Date: .....

By the Board

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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