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30 September 2025

HILLGROVE SECURES $28 MILLION PLACEMENT TO DRIVE COPPER GROWTH

- $28 million equity raising (before costs) via a placement to Australian and international institutional and sophisticated investors to be completed in two tranches
- Proceeds raised will be used to commence drilling and development at Emily Star, complete Nugent development, and support working capital requirements
- Petra Capital and Blue Ocean Equities acted as Joint Lead Managers and Joint Bookrunners (JLMs) to the Placement

Hillgrove Resources Limited (**Hillgrove**) (ASX:HGO) is pleased to announce that it has successfully completed a $28 million share placement (before costs) to institutional and sophisticated investors, both in Australia and overseas (**Placement**). The Placement was priced at $0.035 per share (**Placement Price**), representing a 12.3% discount to the 5-day volume weighted average price (**VWAP**) of Hillgrove shares as at 25 September 2025.

Proceeds from the Placement will be used to:

- Advance exploration drilling and development at Emily Star;
- Complete development of the Nugent ore body; and
- Support working capital requirements.

The Nugent development has been accelerated, and first stope production is scheduled for the December quarter. Nugent is expected to add around 0.3 - 0.4 million tonnes per annum (**Mtpa**) of additional feed, taking total production at Kanmantoo to ~1.7-1.8Mtpa. A portion of the proceeds from the Placement will be invested into the completion of the Nugent development, which is ahead of schedule and broadly in line with its budget of approximately $21 million ($18 million spent to date). Given Kanmantoo's large, fixed cost base, incremental feed from Nugent is expected to reduce Kanmantoo's unit operating costs (June year to date All-in Sustaining Costs (**AISC**) US$3.87[1]).

Complementing the strong results and deliverables at Nugent, Emily Star has delivered an excellent drill hole, 25KVUG0699, which returned the following intersections[2]:

- 6.3m @ 1.76% Cu + 0.12g/t Au from 425.15m downhole
- 19.1m @ 1.91% Cu + 0.15g/t Au from 500m downhole
- 5.7m @ 2.12% Cu + 0.36g/t Au from 531m downhole

[1] AUD costs converted at an exchange rate of USD0.64, consistent with CY25 guidance
[2] Refer ASX announcement of 18 September 2025 titled 'Outstanding Emily Star Drill Results'

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Building on the above results, proceeds from the Placement will be used to undertake further drilling to assist with the definition of the Emily Star mineralisation. Placement proceeds will also be applied to complete pre-development works contingent on the drill program delivering satisfactory outcomes. The total capital required to bring Emily Star into production is estimated at $20-25 million, with the balance of pre-production costs to be funded from operating cashflow. Given Kanmantoo's largely fixed cost base, incremental feed from Nugent and Emily Star is expected to reduce Kanmantoo's unit operating costs.

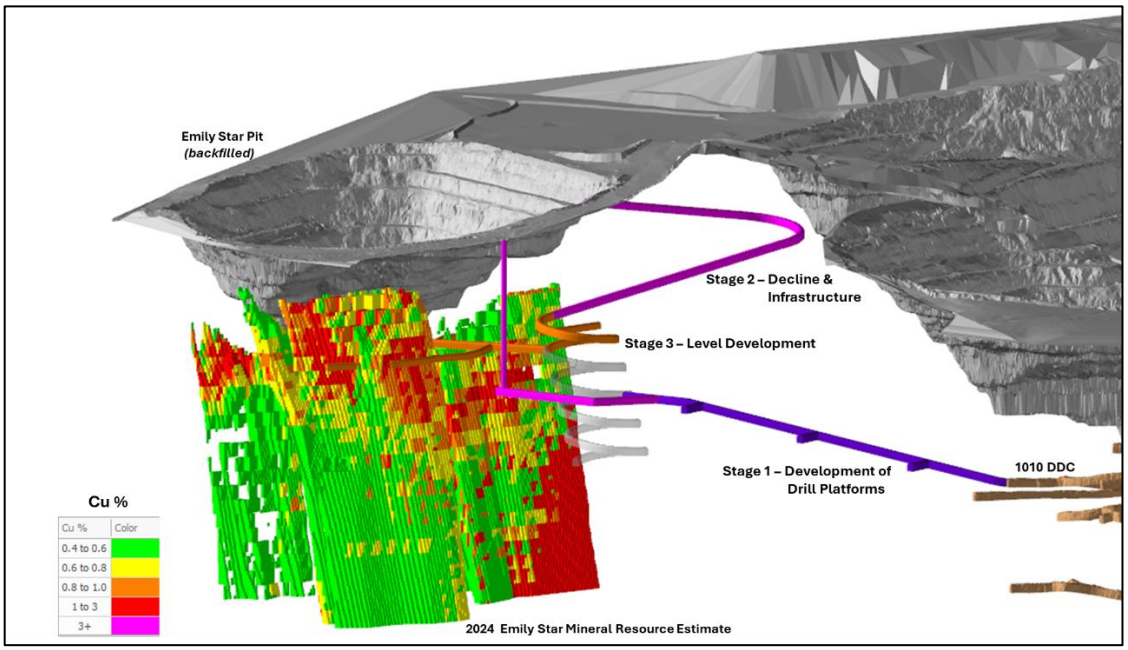

Figure 1: 2024 Emily Star Mineral Resource Estimate[3](MRE) and Conceptual Emily Star Development Stages based on the 2024 MRE

The Placement attracted strong demand from new Australian and offshore institutional investors, resulting in subscriptions well in excess of the targeted amount.

[3] Refer ASX release on 18 October 2024 titled "Maiden Kanmantoo underground Ore Reserve and 96% increase in copper Mineral Resource endowment"

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Commenting on the Placement, Hillgrove CEO and Managing Director, Bob Fulker said:

"We are extremely pleased with the strong demand for this Placement, which was strongly supported and reflects growing investor confidence in Hillgrove's strategy to scale production and deliver a sustainable, cash-generating operation.

The recent high-grade drill result at Emily Star further strengthens our growth pipeline. As a stacked lode system, Emily Star has the potential to become Kanmantoo's third mining front, enhancing operational flexibility and unlocking further efficiencies.

The market's appetite to support a junior copper producer's ambition towards transitioning into mid-tier status, particularly in a supply-constrained copper environment, is encouraging to say the least. This Placement positions Hillgrove very well to now capitalise on that opportunity."

Capital Raising Terms

The Placement will comprise the issue of 800,000,000 new fully paid ordinary shares in Hillgrove (**New Shares**) at $0.035 per share, raising $28.0 million (before costs). The issue will be made in a two-tranche structure as follows:

Tranche 1 Placement

The Tranche 1 Placement will involve the issue of 653,523,034 New Shares under the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A, with 392,113,820 New Shares to be issued under ASX Listing Rule 7.1 and 261,409,214 to be issued under ASX Listing Rule 7.1A, raising a total of $22.9 million, before costs.

Tranche 2 Placement

The Tranche 2 Placement will involve the issue of 146,476,966 New Shares, raising a total of $5.1 million, before costs. The Tranche 2 Placement will be subject to the approval of the Company's shareholders at a forthcoming General Meeting ("GM"), with $4.9 million subject to approval under ASX Listing Rule 7.1 and the remaining $0.2 million subject to approval under ASX Listing Rule 10.11 related to Director participation.

The Placement Price represents a 16.7% discount to Hillgrove's last closing price of $0.042 per share on 24 September 2025, and a 12.3% and 8.0% discount to the 5-day and 10-day VWAPs, respectively.

New Shares will rank equally with existing fully paid ordinary shares from the date of issue.

Settlement of the Tranche 1 Placement shares is expected to occur on 3 October 2025, with allotment of New Shares relating to the Tranche 1 Placement to follow on 6 October 2025. Dates regarding settlement and allotment of New Shares from the Tranche 2 Placement will be dependent on the timing of a General Meeting of shareholders, the date of which will be advised shortly.

Petra Capital Pty Limited and Blue Ocean Equities Pty Ltd acted as Joint Lead Managers and Joint Bookrunners to the Placement.

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Sources and Uses of Funds

Proceeds from the Placement will be primarily directed toward advancing the Emily Star mineralisation. This will commence with:

- Stage 1 - Development of drilling platforms and the commencement diamond drilling activities; and subject to Stage 1 results
- Stage 2 - Major infrastructure development and drilling.

In parallel, proceeds will be used to complete the Nugent development, with first stope ore expected to be delivered to the Kanmantoo plant in the December quarter.

Working capital support is required through the 2025 December quarter as mining progresses through the lower-grade pinch zone in the Kavanagh mineralisation.

1**Sources of funds**	**$ million**
Placement	28
Total Sources	**28**
Uses of funds	
Emily Star exploration development drive and drilling	5
Emily Star Infrastructure development and drilling	12
Nugent development completion	3
Working capital	6
Legal and Offer costs	2
Total Uses	**28**

Shareholder Meeting

A Notice of Meeting to seek approval for the Tranche 2 Placement will be dispatched to shareholders shortly.

Authorised for release by the Board of Hillgrove Resources Limited.

For more information contact:

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Competent Person's Statement

The information in this report that relates to previously reported exploration drilling results were extracted from the ASX release titled “Outstanding Emily Star Drill Results released on 18 September 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.

The information in this report that relates to the 2024 Kanmantoo Mineral Resource Estimate is extracted from ASX release titled ‘Maiden Kanmantoo Underground Ore Reserve and 96% Increase in Copper Mineral Resource Endowment’ dated 18 October 2024 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 announcement and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate 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 announcements.

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 as 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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