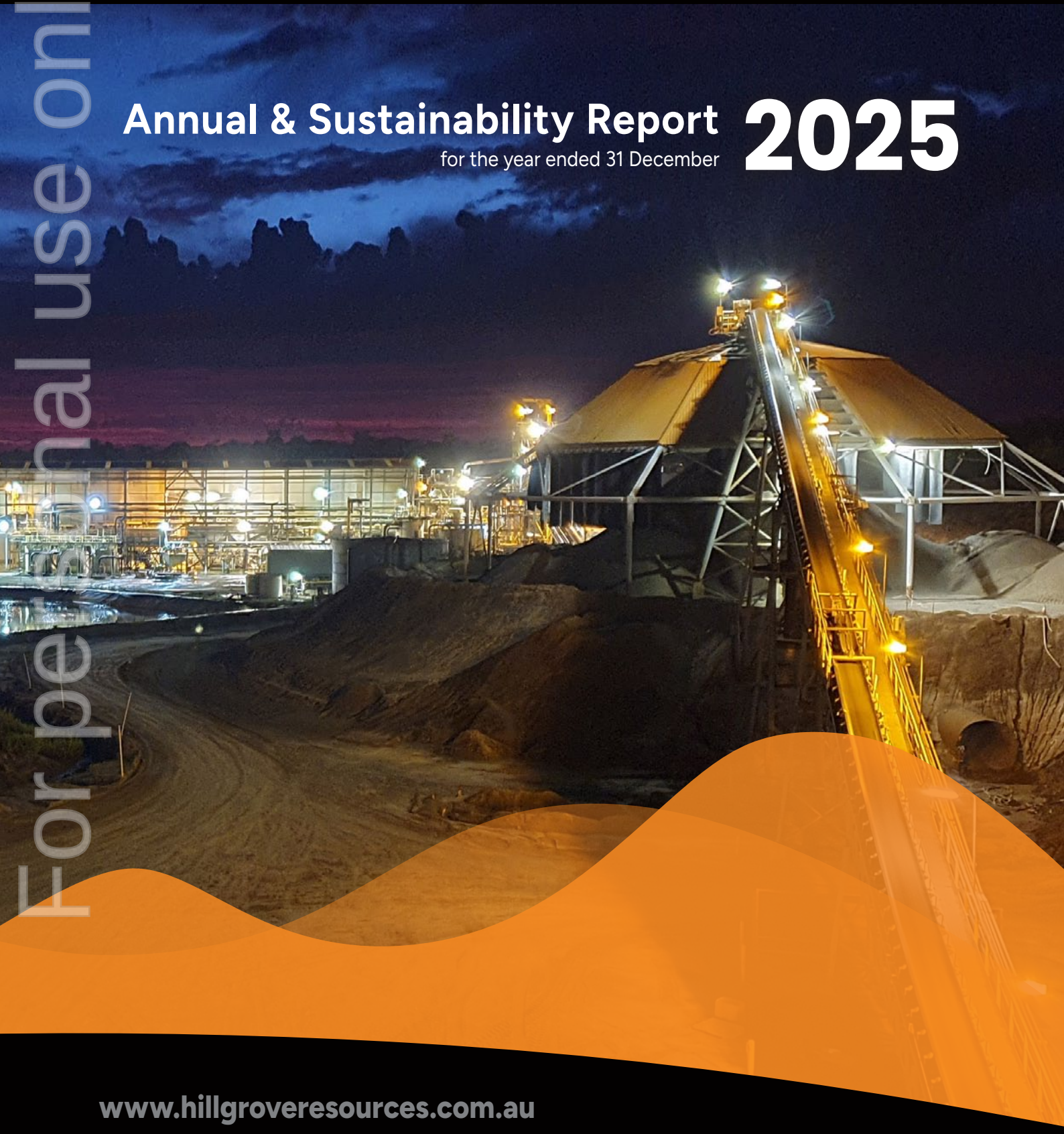
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An Australian Copper Producer

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Annual & Sustainability Report 2025

for the year ended 31 December



www.hillgroveresources.com.au

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To receive up-to-date company information, scan the QR code to join our Investor Hub

All abbreviations used in this report are defined in the glossary at the end of the Sustainability Report.

About This Report

This Annual and Sustainability Report is a summary of Hillgrove Resources Limited (ASX: HGO) (Hillgrove or Company) and its subsidiaries' operations, activities and financial position as at 31 December 2025. Currency is expressed in Australian dollars unless otherwise stated.

We have combined our disclosures into a single Annual and Sustainability Report to demonstrate the interconnectivity of Sustainability with Company performance. See the Sustainability Report within this document for information on our Sustainability performance, boundary and scope. Current and previous reports are available on the Company's website at www.hillgroveresources.com.au.

Our 2025 Corporate Governance Statement is available to view at www.hillgroveresources.com.au/corporate-governance.

This Report has been approved for release by the Board of Hillgrove Resources Limited.

Acknowledgment of Country

Hillgrove acknowledges the Peramangk and Kaurna people, the Traditional Owners and Custodians of the lands on which we operate. We pay our respects to Elders past and present and acknowledge their continuing connection to waters, skies, seas and country. We are committed to working together to build a sustainable future for Australia.

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 report. 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.

Non-IFRS Financial Information

Investors should be aware that financial data in this report includes 'non-IFRS financial information' under ASIC Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934. Non-IFRS/non-GAAP measures in this presentation include gearing, sustaining capital, major project capital, major mine development, production cost information such as All-in Sustaining Cost and All-in Cost. Hillgrove Resources Limited (Hillgrove) believes this non-IFRS/ non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of Hillgrove. The non-IFRS financial information does not have a standardised meaning prescribed by the Australian Accounting Standards ('AAS') and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with AAS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Report. Non-IFRS financial information in this presentation has not been subject to audit or review by the Company's external auditor.

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Hillgrove has successfully transitioned from an open-pit to an underground copper producer through substantial resource expansion while committing to ongoing exploration.

Our Kanmantoo Copper Mine has ramped up to an annual copper production rate of approximately 11,500 tonnes.

We continue to explore the next suite of high potential targets both within our Kanmantoo mine site and elsewhere in South Australia.

It's all part of our ultimate vision: to become a mid-tier, multi-asset Australian copper producer, unlocking value for a sustainable future.

2025 in Review

Operational and Financial

Achieved
Revised Copper Production & Cost Guidance [1]

11,315 tonnes
Copper Produced

2,749 ounces
Gold Produced

$35.8 million
Operating Mine Cash Flow [2]

$26.0 million
EBITDA [3]

$6.71 /lb
All-In Cost (AIC) [4] (US$4.29/lb)

Sustainability

TRIF [5] 20.7
(Dec. 2024: 13.1)

Completed
Climate Change Risk Assessment

16.5%
Female Participation

98.4%
Local Workforce [6]
$32.3 million Paid in Wages

38.5%
Total Spending with Local Suppliers [6]

Rehabilitation
Progressed the Kanmantoo Grassy Woodland Revegetation, a Community Collaboration

Organic Growth – Mineral Resources and Ore Reserves

14% increase
Mineral Resources tonnes [7,9]

46% increase
Mineral Resources contained gold [7,9]

43% increase
Ore Reserves tonnes [8,9]

33% increase
Ore Reserves contained copper [8,9]

1. *Please refer to the ASX revised guidance announcement 'Nugent Acceleration Project Completed Enabling Production Ahead of Schedule, Guidance Update' on 11 September 2025*
2. *Please refer to the ASX release "Quarterly Report and Appendix 5B" on 22 January 2026. This figure differs to cash flow from operating activities in the Consolidated Statement of Cash Flows within the Annual Financial Report for the year ended 31 December 2025 (page 76) of $20.4 million as it excludes corporate costs, VOX royalties, and movements in working capital, but includes lease costs*
3. *Earnings Before Interest, Tax, Depreciation, and Amortisation*
4. *AIC was reported on a per pound payable copper sold basis. The AUD:USD exchange rate applied was 0.64*
5. *Total Recordable Injury Frequency (per million hours worked)*
6. *Local is defined as within a 125km radius from Kanmantoo Copper Mine*
7. *Compared to 2024 Mineral Resources Estimate 19.3Mt at 0.77% Cu and 0.14g/t Au containing 150,000t Cu and 82,000oz Au. See ASX announcement 'Hillgrove Resources Delivers Ore Reserve Extension at 1.0% CuEq*' released on 30 October 2025*
8. *Compared to 2024 Ore Reserves Estimate 2.8Mt at 0.91% Cu and 0.15g/t Au containing 26,000t Cu and 14,000oz Au. See ASX announcement 'Hillgrove Resources Delivers Ore Reserve Extension at 1.0% CuEq*' released on 30 October 2025*
9. *See the Mineral Resources and Ore Reserves section in this Report for further information*

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About Hillgrove Resources

Hillgrove Resources Limited (**ASX:HGO**) is an Australian Copper producer operating the Kanmantoo underground mine in a Tier 1 jurisdiction, with a clear pathway to sustained production growth.

The Company owns and operates the fully permitted Kanmantoo Copper Mine, a 100% owned underground copper-gold operation in the Adelaide Hills, approximately 55 kilometres from Adelaide central business district and with direct access to major transport routes to nearby townships and Port Adelaide. The location provides strong access to a skilled and diverse talent pool.

Kanmantoo Copper Mine has an established operating history. From 2010 to 2020, the site produced over 137,000 tonnes of copper and 55,000 ounces of gold. The underground operation commenced in May 2023, with first underground copper production delivered in February 2024.

The operation is underpinned by established infrastructure, including a 3.6 million tonne per annum processing plant, access to grid power, and well-developed road and port networks. The mine is currently operating at approximately 1.5 million tonnes per annum, with the mine run rate targeted to increase to 1.7–1.8 million tonnes per annum by the end of the first half of 2026.

Supported by Mineral Resources and Ore Reserves, and near-mine exploration upside, Kanmantoo Copper Mine is positioned to deliver sustained production growth, lower unit operating costs, and continuing its contribution to the global demand for responsibly produced copper.

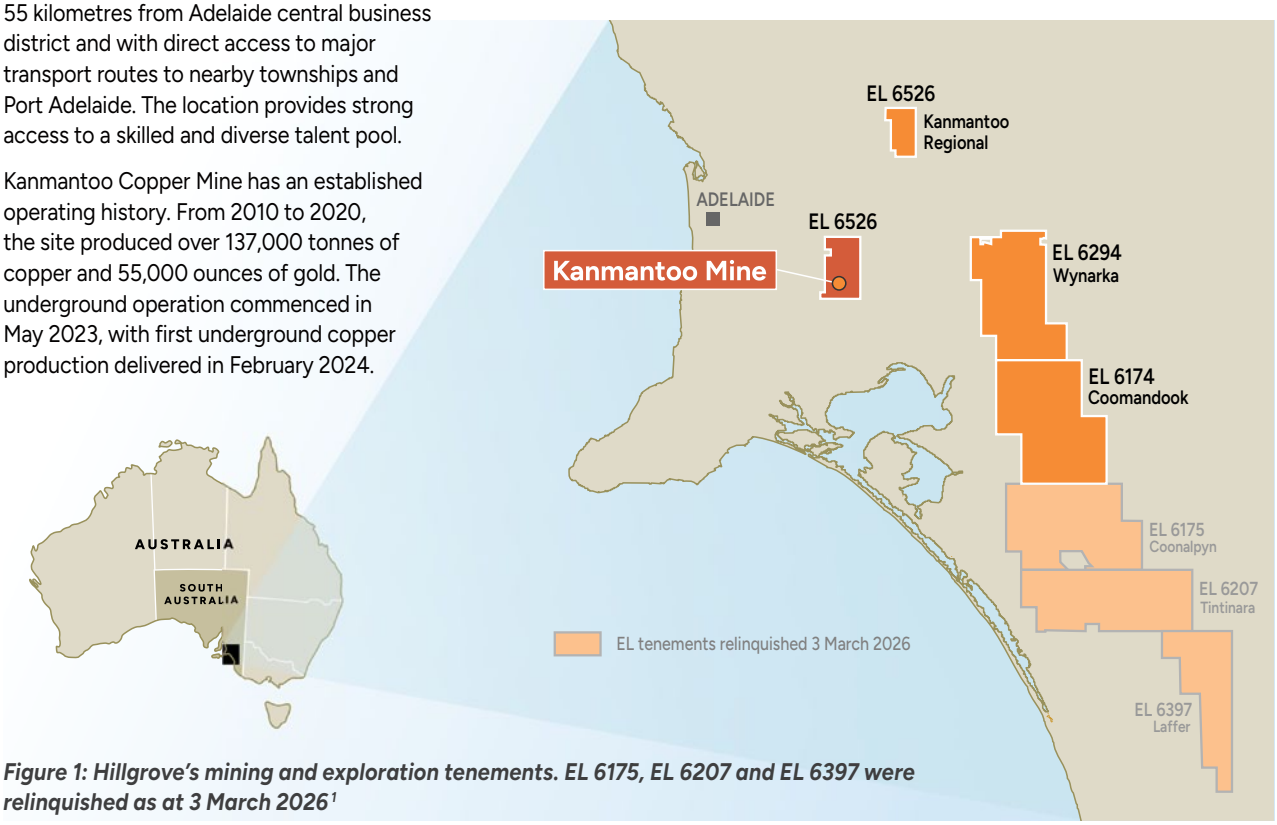


Figure 1: Hillgrove's mining and exploration tenements. EL 6175, EL 6207 and EL 6397 were relinquished as at 3 March 2026[1]

Our Vision :

To be a mid-tier, multi-asset Australian copper producer unlocking value for a sustainable future

Our Values :

Safety

We operate safely, protect each other, the environment and leave a positive legacy for future generations

Integrity

We are respectful, ethical and trustworthy, we do what is 'right' not just what we have to do

Delivery

We hold ourselves accountable for the delivery of sector leading results, what we are known for

Our Strategy :

To create long-term shareholder value through:

Balanced Profile

Multi-asset, Australian copper producer

Growth

Demonstrate growth – organic and inorganic

Asset Quality

Improving asset quality through each transaction

Financial Strength

Achieve portfolio and growth objectives while retaining financial strength

Reputation

Deliver on promises: operating capacity; stakeholder, investor and ESG responsibilities

1. *For further information refer to the ASX announcement 'Lower Prospectivity Tenements Relinquished' on 3 March 2026*

Chair and Chief Executive Officer & Managing Director's Statement

Dear Shareholders,

We are pleased to present the Annual and Sustainability Report for the year ended 31 December 2025.

2025 was a defining year for the Company. It marked our first full year of consistent underground production at Kanmantoo Copper Mine, the successful establishment of a second mining front at Nugent, and the strengthening of our financial position to support future growth. It was also a year in which we faced challenges, particularly in safety performance, that reinforced the importance of disciplined execution as our operating footprint expands.

Together, these outcomes position us as a more resilient and scalable copper producer, with a clear pathway for continued growth in 2026 and beyond.



Derek Carter
Chair



Robert (Bob) Fulker
Chief Executive Officer & Managing Director

Operational Delivery and Growth

Operational performance improved materially through the year. Ore mined increased quarter-on-quarter, enabling more consistent mill throughput. Copper production totalled 11,315 tonnes, supported by strong metallurgical recoveries, contributing to operating mine cash flow of $35.8 million.

A key milestone was the development of the Nugent mining area, now providing a second independent ore source. Nugent enhances operational flexibility and underpins the planned ramp-up to 1.7–1.8 million tonnes per annum by the end of the first half of 2026.

We also advanced Emily Star, the next stage of growth at Kanmantoo Copper Mine. Development of the exploration incline commenced, enabling resource definition and extensional drilling in 2026. Subject to positive results and favourable economic assessment, an investment decision for Stage 2 is anticipated in the second half of 2026.

Investment in underground infrastructure, mine services and operational capability has strengthened the foundation for a multi-source, scalable operation.

Financial Performance and Balance Sheet Strength

The Company returned to profitability, reporting net profit after tax of $0.1 million compared with a $14.8 million loss in 2024. Revenue increased to $167.6 million, reflecting higher copper and gold production and improved realised prices.

Total assets increased by $42.8 million to $150.2 million, reflecting the Company's $40.3 million investment in capital expenditure during the year. Net current assets strengthened by $24.7 million, with cash increasing to $21.0 million, with no debt outstanding.

Safety Culture

Safety performance did not meet our expectations in 2025. Recordable incidents increased as underground operations expanded across multiple mining fronts and workforce numbers grew. While none resulted in life-altering injuries, the trend is inconsistent with the standards we set for ourselves.

In response, we commenced a structured safety improvement program focused on strengthening critical controls, enhancing frontline leadership, improving contractor management and upgrading underground traffic and hazard systems. These initiatives will remain a central focus in 2026. A safe operation is fundamental to sustainable performance.

Sustainability and Social Value

As a producer of copper, a critical mineral in the global energy transition, we recognise our responsibility to operate sustainably and contribute positively to our communities.

During the year we maintained a low-impact brownfield footprint, supported regional employment, progressed rehabilitation planning, strengthened water stewardship and emissions management including ongoing preparation for mandatory climate-related disclosures, and continued open engagement with stakeholders.

Our Sustainability Report outlines our performance across environmental, social and governance areas and our commitment to continuous improvement.

Chair and Chief Executive Officer & Managing Director's Statement *(cont.)*



Governance and Outlook

The Board maintained strong oversight of operational ramp-up, capital allocation, safety performance and risk management. Governance structures were refreshed to align with the Company's growth phase, and executive capability was strengthened, including the appointment of a new Chief Financial Officer.

We enter 2026 with clear priorities:

- Strengthen safety culture and performance
- Complete the ramp-up to 1.7–1.8 Mtpa by the end of first half of 2026
- Advance drilling and economic assessment at Emily Star
- Progress near-mine exploration targets that leverage existing infrastructure
- Maintain financial discipline while investing in value-accretive growth
- Position Kanmantoo Copper Mine as a multi ore source, scalable operation

The outlook for copper remains supportive, underpinned by global electrification and the increasing demand for critical minerals. With improved operational momentum, a stronger balance sheet and a defined growth pathway, we are well positioned to create sustainable long-term value.

We thank our people, contractors, community partners and shareholders for their continued support. We remain focused on building a safer, stronger and more resilient business as we unlock the full potential of Kanmantoo.

Yours sincerely,

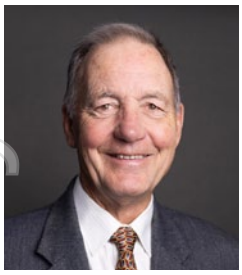
Derek Carter
Chair

Robert (Bob) Fulker
Chief Executive Officer & Managing Director

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Board of Directors and Officers

The Directors and Officers of the Company during the whole of the financial year and up to the date of this Report are:



Mr Derek Carter **Independent Non-Executive Chair**

BSc, MSc, FAusIMM

Derek has over 50 years' experience in exploration and mining geology and management. He held senior positions in Burmine Ltd and the Shell Group of Companies where he was responsible for discovering the Los Santos tungsten deposit in Spain, before founding Minotaur Gold NL in 1993. He resigned as Chair of Minotaur Exploration Ltd in November 2016. Derek was awarded AMEC's Prospector of the Year Award (jointly) in 2003 for the discovery of the Prominent Hill copper-gold deposit, the AusIMM President's Award and is a Centenary Medallist. Derek is currently the Chair of PTR Minerals Ltd (ASX: PTR).

Derek is a member of the Audit and Risk Committee, and the Remuneration and Nomination Committee.

Appointed 24 April 2020.



Mr Robert (Bob) Fulker **Chief Executive Officer and Managing Director**

BEng (Mining), MSc (Mineral & Energy Economics), FAusIMM, MAICD

Bob is a highly experienced Mining Engineer with over 40 years of experience in the minerals industry.

He has held Senior Executive positions at Evolution Mining and OZ Minerals, where he was responsible for leading the safe and efficient delivery of significant operations. Bob's experience spans Australia, Africa, and Canada, where he has consistently achieved outstanding results in various mineral sectors. His strategic leadership in corporate roles and operational excellence through innovative solutions have enhanced safety, operations, and profitability. Throughout his career, Bob has worked with industry leaders such as Rio Tinto, Normandy Mining, BHP, OZ Minerals, and Evolution Mining.

Appointed 1 July 2024.



Mr Murray Boyte **Independent Non-Executive Director** / Chair Audit and Risk Committee

BCA, CA, MAICD

Murray has over 40 years' experience in merchant banking and finance, undertaking company reconstructions, mergers and acquisitions in Australia, New Zealand, North America and Hong Kong. Murray holds a Bachelor of Commerce and Administration from the Victoria University in Wellington and is a member of the Australian Institute of Company Directors, and Chartered Accountants Australia & New Zealand. In addition, Murray has held executive positions and directorships in the transport, horticulture, financial services, investment, health services and property industries. Murray is currently Chair of National Tyre & Wheel Limited (ASX: NTD). He retired as the Chair of Eureka Group Holdings Limited (ASX: EGH) on 25 February 2025, and as a Non-Executive Director of Eumundi Group (ASX: EBG) on 14 February 2025.

Murray is a member of the Audit and Risk Committee, and the Remuneration and Nomination Committee.

Appointed 10 May 2019.



Dr Roger Higgins **Independent Non-Executive Director** / Chair Remuneration and Nomination Committee

BE (Hons), MSc, PhD, FAusIMM, FIEAust

Roger has over 50 years of experience in the resources industries, including being a former Managing Director of Ok Tedi Mining Limited in Papua New Guinea and Senior Vice President Copper at Canadian metals and mining company Teck Resources Limited. He was also Vice President and Chief Operating Officer with BHP Base Metals (Australia) and held senior operations and project positions with BHP in Chile. He is an Adjunct Professor with the Sustainable Minerals Institute, University of Queensland. He was previously the Chair of both Minotaur and Demetallica Limited and a Non-Executive Director of Newcrest Mining Limited and Worley Limited.

Roger is a member of the Audit and Risk Committee, and the Remuneration and Nomination Committee.

Appointed 6 June 2023.



Mr Luke Anderson **Chief Financial Officer and Joint Company Secretary**

BA (Acc), CA, MAICD

Luke is a Chartered Accountant with over 25 years' experience in financial management, corporate development, and executive leadership across the resources and transport sectors in Australia and the United States. He has held senior roles including Chief Executive Officer of One Rail Australia and Andromeda Metals, President and Chief Executive Officer of Unimin Corporation, and Chief Financial Officer of OZ Minerals. Luke brings deep expertise in executive leadership, corporate strategy and financial operations to Hillgrove Resources, supporting the Company's continued growth.

Appointed 2 June 2025.



Mr Jake van der Hoek **Joint Company Secretary**

Jake is a Director with HLB Mann Judd, a firm which provides professional corporate secretarial and financial services to a number of ASX listed companies. Jake is an experienced Company Secretary and holds a Graduate Diploma of Applied Corporate Governance and Risk Management from the Governance Institute of Australia. Jake is Company Secretary of Archer Materials Limited (ASX: AXE), Lincoln Minerals Limited (ASX: LML), and joint Company Secretary of FortifAI Limited (ASX: FTI).

Appointed 29 November 2024.

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2025 Operational Performance

- 11,315 tonnes copper production, within the revised guidance range of 11,000-11,500 tonnes
- All-in cost[1] at US$4.29 per pound, lower end of the revised guidance range of US$4.20-4.45 per pound
- Delivered a 38% increase in total development metres and a 51% increase in tonnes processed when compared to 2024

Table 1: Kanmantoo Copper Mine production and cost summary

Production and Cost Metrics	Units	2025 Total	2024 Total	Movement
Mining Physicals				
Total Development	*m*	**7,823**	5,665	2,158
Inventory Mined	*kt*	**1,451**	924	527
Grade Mined	*%*	**0.83**	1.03	(0.20)
Processing Physicals				
Tonnes Processed	*kt*	**1,445**	955	490
Grade Processed	*%*	**0.83**	1.02	(0.19)
Recoveries	*%*	**94.9**	90.2	4.7
Production				
Copper Produced	*t*	**11,315**	8,971	2,344
Gold Produced	*oz*	**2,749**	1,813	936
Silver Produced	*oz*	**85,721**	77,413	8,308
Copper Sales				
Payable Copper Sold	*t*	**11,024**	N/A[2]	
Average Realised Price	*$/t*	**14,321**	N/A[2]	
Cost Summary				
Mining	*$/lb*	**3.60**	2.78	0.82
Processing	*$/lb*	**0.99**	1.28	(0.29)
Site G&A	*$/lb*	**0.30**	0.33	(0.03)
Transport and Offtake Charges	*$/lb*	**0.48**	0.56	(0.08)
Inventory Movements	*$/lb*	**0.04**	(0.29)	0.33
By-Product Credits	*$/lb*	**(0.69)**	(0.41)	(0.28)
C1 Costs	*$/lb*	**4.72**	**4.25**	**0.47**
Government Royalties	*$/lb*	**0.34**	0.28	0.06
Sustaining Capital	*$/lb*	**0.84**	0.41	0.43
Corporate G&A	*$/lb*	**0.29**	N/A[2]	
All-in Sustaining Cost	*$/lb*	**6.19**	**4.94**	**1.25**
All-in Sustaining Cost	*US$/lb*	**3.96**	**3.31**	**0.65**
Major Capital exc. Nugent	*$/lb*	**0.52**	1.90	(1.38)
All-in Cost exc. Nugent	*$/lb*	**6.71**	**6.84**	**(0.13)**
All-in Cost exc. Nugent	*US$/lb*	**4.29**	**4.58**	**(0.29)**
Depreciation and Amortisation	*$M*	**20.9**	31.7	(10.8)
Nugent Acceleration Development Not in AIC	*$M*	**8.6**	-	8.6
Other Costs Not in AIC	*$M*	**2.2**	N/A[2]	

Note: US$ based on an exchange rate of AUD:USD 0.64. All unit cost metrics are based on per pound of payable copper sold

1. *Excluding Nugent*
2. *Those with N/A represent figures from the 2024 financial year that were not disclosed previously*

2025 Operational Performance *(cont.)*

2025 Cash Waterfall

Figure 2 illustrates how Hillgrove's 2025 net revenue converts to Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). The chart begins with net revenue of $167.6 million, representing revenue from concentrate sales after treatment and refining charges and the deduction of VOX royalties.

For the purposes of determining operating mine cash flow, VOX royalties of $3.2 million are added back to net revenue, after which operating costs of $122.9 million, lease costs of $3.9 million, and government royalties of $8.3 million are deducted.

This results in Operating Mine Cash Flow of $35.8 million for the year.

Operating Mine Cash Flow is subsequently reduced by group and other non-operating items, including VOX royalties of $3.2m, corporate costs of $6.8 million, share-based payments of $1.5 million, stockpile valuation movements of $1.2 million, and exploration expenditure write-offs of $1.0 million. Lease costs of $3.9 million are removed as they are not included in EBITDA. After these adjustments, EBITDA for 2025 was $26.0 million.

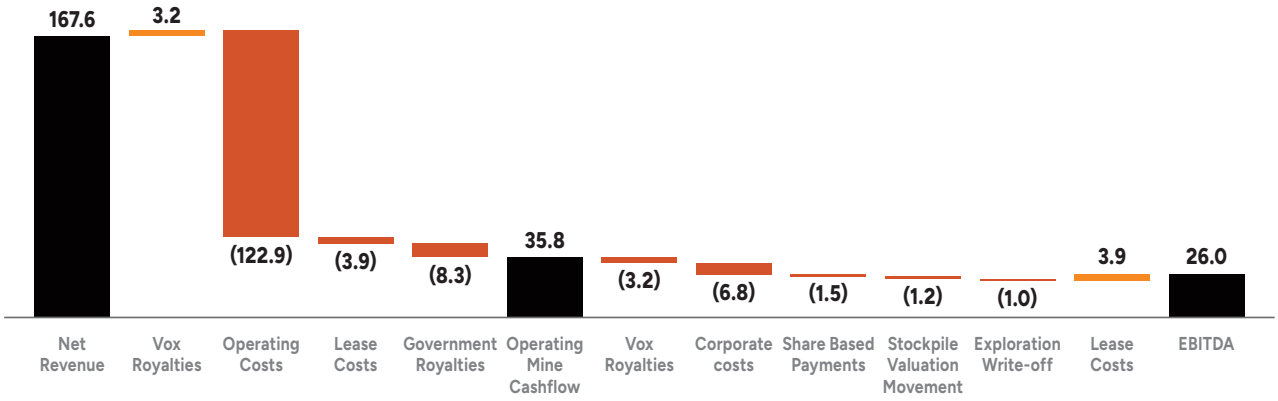


Figure 2: FY25 cash waterfall ($M)

CY2026 Guidance

The successful completion of the Nugent Acceleration Project, together with the recently finished Nugent Decline at Kanmantoo Copper Mine, provides a robust platform for growth in calendar year 2026. The underground operation remains firmly on track to achieve a mining rate of 1.7–1.8 million tonnes per annum in the first half of 2026, with copper production forecast to increase from 2025 copper production of 11,315 tonnes to the 2026 guidance range of 12,750–14,000 tonnes, underscoring Kanmantoo's disciplined growth strategy.

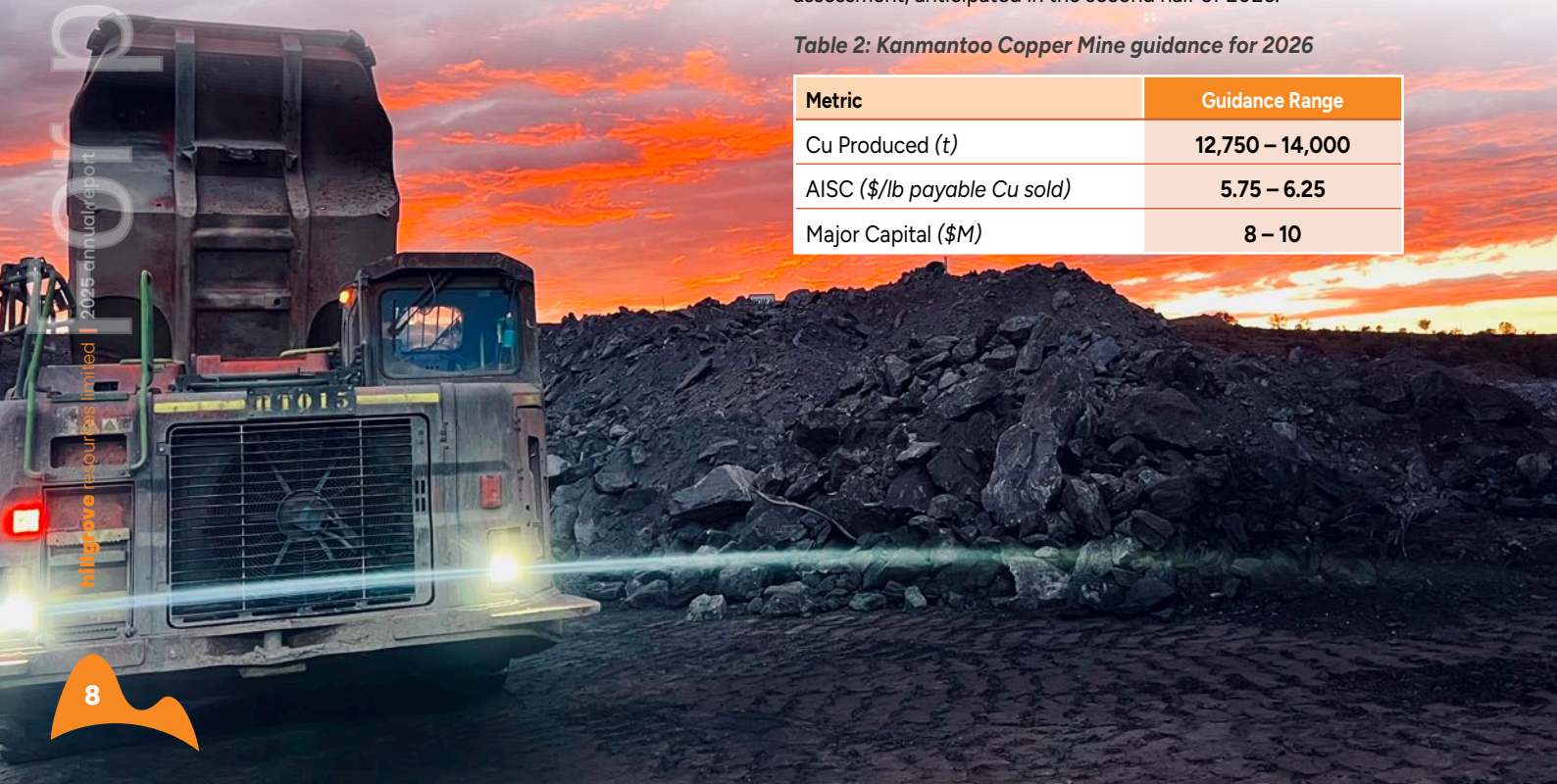
Unit costs are forecast to ease in the second half of 2026 with increased mining rates. All-in sustaining cost guidance for 2026 of $5.75-6.25 per pound payable copper sold (US$3.80-4.19 per pound).

Major capital at Kanmantoo for the period, encompassing the Emily Star and North Kavanagh exploration inclines along with associated underground and surface drilling, is estimated at $8–10 million.

A decision on Stage Two development of Emily Star will follow receipt of drilling results and completion of an economic assessment, anticipated in the second half of 2026.

Table 2: Kanmantoo Copper Mine guidance for 2026

Metric	Guidance Range
Cu Produced *(t)*	**12,750 – 14,000**
AISC *($/lb payable Cu sold)*	**5.75 – 6.25**
Major Capital *($M)*	**8 – 10**



Mineral Resources and Ore Reserves

Organic Growth of Kanmantoo Mineral Resources and Ore Reserves

Kanmantoo reported a substantial increase, post depletion, in its 2025 Mineral Resources and Ore Reserves (MROR) update. Only 29,377 metres of the total 69,215 metres drilling completed in 2025 were incorporated into the 2025 MROR update, due to the August data cut-off. The remaining will be reflected in the 2026 MROR update.

Kanmantoo Mineral Resources

Kanmantoo 2025 Mineral Resources as at 30 September 2025 (depleted as at 30 June 2025) is estimated at 22 million tonnes grading 0.74% copper and 0.17g/t gold, containing 160,000 tonnes of copper and 120,000 ounces of gold. This compares to the 2024 Mineral Resource Estimate (MRE) of 19.3 million tonnes grading 0.77% copper and 0.14g/t gold, containing 150,000 tonnes of copper and 82,000 ounces of gold. This represents a 14% increase in total tonnes and 46% increase in total contained gold.

The 2025 MRE is provided in Table 3 and is based on a long-term copper price of US$4.21 per pound and gold price of US$3,239 per ounce at an AUD:USD exchange rate of 0.65. Mineral Resources are reported inclusive of Ore Reserves.

The increase in the MRE when compared to 2024 reflects the impact of ongoing grade control, resource definition and exploration drilling, partially offset by mining depletion from the Kanmantoo underground operation.

Geological domains were refined following the incorporation of new drilling data, including assays from infill holes and observations of mineralised structures underground. Structural models were also updated to reflect the latest drilling and mapping information.

Key changes from the 2024 MRE to the 2025 MRE are as follows:

- **Nugent**: Tonnage increased by 67%, with a 76% uplift in contained copper, supported by the addition of 550kt of Measured Resource
- **Kavanagh**: Measured Resource increased by 1,000kt. Due to restricted drilling access, most of the growth occurred in lower-grade areas, resulting in a modest reduction in average grade. Drilling of higher-grade Central and East Kavanagh zones commenced after the 2025 MRE cut-off and will be incorporated in the 2026 MRE update
- Grade control and resource definition drilling delivered an overall 3,218kt increase in total Mineral Resources
- Inclusion of a maiden MRE at Valentines added 540kt
- Mining depletion to 30 June 2025 reduced total Mineral Resource tonnage by 1,058kt
- Mining from 1 July 2025 to 31 December 2025 further depleted 684,041 tonnes at 0.95% copper, 0.14g/t gold and 2.59g/t silver, containing 6,500 tonnes of copper and 3,020 ounces of gold

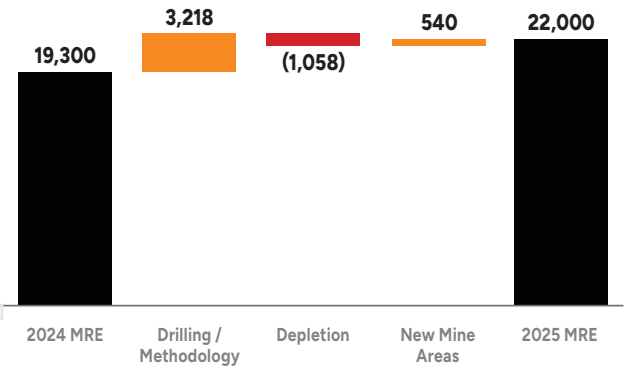


Figure 3: Kanmantoo Mineral Resource tonnage changes (kt) (2024 to 2025)

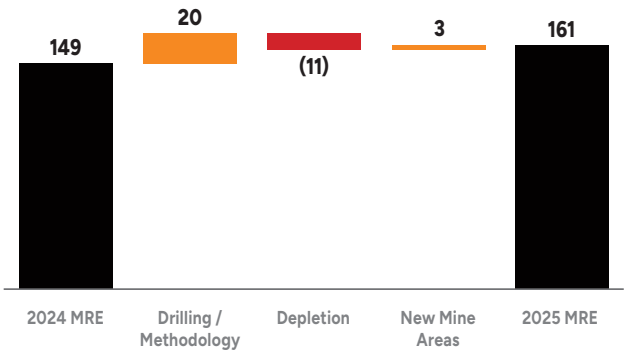


Figure 4: Kanmantoo Mineral Resource contained copper metal changes (kt) (2024 to 2025)

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Mineral Resources and Ore Reserves *(cont.)*

Kanmantoo Mineral Resources *(cont.)*

Table 3: Kanmantoo Mineral Resources as at 30 September 2025

		2025 Mineral Resource						2024 Mineral Resource[1]		
Mine Area	JORC Classification	Tonnes (kt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu Metal (kt)	Au Metal (koz)	Tonnes (kt)	Cu Metal (kt)	Au Metal (koz)
Kavanagh *(including Spitfire)*	Measured	4,200	0.80	0.11	2.7	33	15	3,200	30	4
	Indicated	2,700	0.72	0.13	2.5	19	11	3,400	26	11
	Inferred [(i)]	5,800	0.65	0.14	2.5	38	26	6,300	44	22
	Sub-Total	**12,700**	**0.72**	**0.13**	**2.6**	**91**	**53**	**13,000**	**100**	**37**
North Kavanagh	Measured	-	-	-	-	-	-	-	-	-
	Indicated	180	0.78	0.12	3.4	1.4	0.7	230	2	1
	Inferred [(ii)]	200	0.74	0.29	2.8	1.5	1.9	110	1	1
	Sub-Total	**380**	**0.76**	**0.21**	**3.0**	**2.9**	**2.6**	**340**	**3**	**2**
Nugent	Measured	550	0.83	0.38	2.3	4.6	6.7	-	-	-
	Indicated	2,300	0.75	0.37	2.0	17	28	2,300	17	26
	Inferred [(iii)]	2,800	0.78	0.26	1.9	22	24	1,100	8	13
	Sub-Total	**5,700**	**0.77**	**0.32**	**2.0**	**44**	**59**	**3,400**	**25**	**39**
Valentines	Measured	-	-	-	-	-	-	-	-	-
	Indicated	200	0.65	0.07	1.3	1.3	0.5	-	-	-
	Inferred [(iv)]	340	0.55	0.05	1.2	1.9	0.5	-	-	-
	Sub-Total	**540**	**0.59**	**0.06**	**1.2**	**3.2**	**1.0**	**-**	**-**	**-**
Emily Star *No change to 2024*	Measured	-	-	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-	-	-
	Inferred	2,600	0.77	0.08	1.6	20	7	2,600	20	7
	Sub-Total	**2,600**	**0.77**	**0.08**	**1.6**	**20**	**7**	**2,600**	**20**	**7**
TOTAL		**22,000**	**0.74**	**0.17**	**2.3**	**160**	**120**	**19,300**	**150**	**82**

Notes:

1. *Due to effects of rounding, total numbers may not sum*
2. *Reporting criteria are: Measured, Indicated and Inferred material (RESCAT = 1 or RESCAT = 2 or RESCAT = 3), Cu >= 0.40% (CU_PCT >= 0.4), in-situ (VOIZONE = 0) with reasonable prospects of eventual economic extraction envelope (MREZONE = 1), Reasonable Prospects for Eventual Economic Extraction (RPEEE=1)*
3. *Tonnage and metal are rounded to the nearest 1,000 tonnes, grades are rounded to two decimal places*
4. *Mineral Resource is reported at a 0.40% Cu cut-off grade for all mine areas*
5. *Mineral Resource is depleted for mining to 30 June 2025*
6. *Mine depletion refers to the current Kanmantoo underground operation, and historical Giant, Nugent and Emily Star open pits*

i. Includes Kavanagh high grade Inferred; Central Kavanagh, North Kavanagh and Valentines Categorical Indicator Kriging (CIK) Inferred

ii. Includes North Kavanagh high grade Inferred only

iii. Includes Nugent high grade and CIK Inferred

iv. Includes Valentines high grade Inferred only

References:

1. *Further information on the 2024 Mineral Resources information can be found in the ASX announcement. "Maiden Kanmantoo Underground Ore Reserve and 96% Increase In Copper Mineral Resource Endowment" released to the ASX on 18 October 2024*

Kanmantoo Ore Reserves

Kanmantoo 2025 Ore Reserve as at 1 July 2025 is estimated at 4.0 million tonnes grading 0.85% copper and 0.22g/t gold, containing 34,000 tonnes of copper and 29,000 ounces of gold. This compares to the 2024 Ore Reserve estimate (ORE) of 2.8 million tonnes grading 0.91% copper and 0.15g/t gold containing 26,000 tonnes of copper and 14,000 ounces of gold. This represents a 43% increase in total tonnes and 33% increase in total contained copper.

The 2025 Ore Reserve estimate is provided in Table 4 and is based on a long-term copper price of US$3.85 per pound and gold price of US$3,239 per ounce at AUD:USD exchange rate of 0.66.

The increase in the 2025 Kanmantoo ORE compared to the 2024 estimation reflects the impact of ongoing grade control drilling and greater knowledge from another year of underground operations. The increase has been partially offset by mining depletion. Mining parameters have been refined based on current operational achievements.

Key changes from the 2024 ORE to the 2025 ORE are summarised below:

- Inclusion of the updated 2025 Mineral Resource model
- The 2024 ORE applied a 0.6% Cu cut-off. The 2025 Ore Reserve applies a 0.8% copper equivalent[1] (CuEq) cut-off for mine design extents and 0.6% CuEq for stopes along development drives. The shift to a CuEq basis reflects increased gold grades at Nugent, supporting a value-based design approach. In Kavanagh, where gold grades remain lower, the CuEq methodology results in no material design change
- Minor mine design changes from the 2024 ORE include additional levels added or altered based on updated Mineral Resource model and delineated stope shapes
- Mining depletion to 30 June 2025 reduced the Ore Reserve by 690kt. This is below the actual tonnage mined during the period due to the conservative approach taken with the 2024 estimate and subsequent extraction of larger stope shapes in practice
- Stope modifying factors have been refined using updated reconciliation data comparing mined and predicted grades, and concentrator performance. Mining factors remain consistent with 2024 assumptions, while model factors have been adjusted upward to reflect demonstrated positive grade reconciliation through the processing plant
- Mining from 1 July 2025 to 31 December 2025 further depleted 688,398 tonnes at 0.94% copper, 0.152g/t gold and 2.64g/t silver, containing 6,470 tonnes of copper and 3,320 ounces of gold

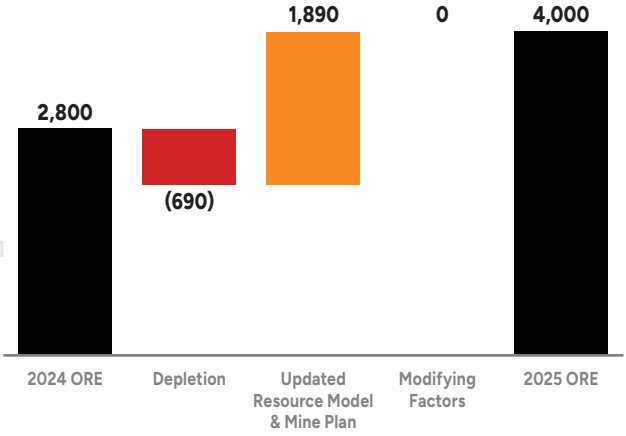


Figure 5: Kanmantoo Ore Reserves tonnage changes (kt) (2024 to 2025)

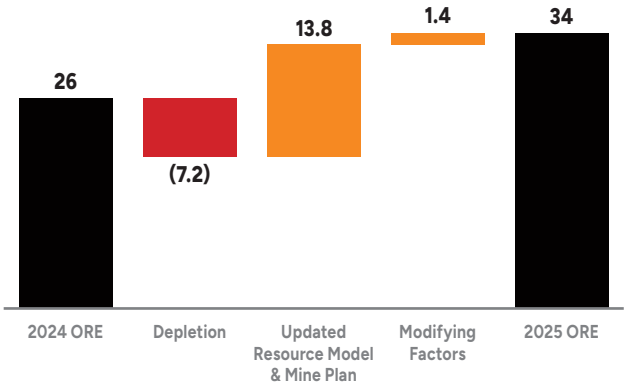


Figure 6: Kanmantoo Ore Reserves contained copper metal changes (kt) (2024 to 2025)

1. *Please refer to the notes on the following page for details on how the CuEq calculation is determined*

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Mineral Resources and Ore Reserves *(cont.)*

Kanmantoo Ore Reserves *(cont.)*

Table 4: Kanmantoo Ore Reserves as at 1 July 2025

		2025 Ore Reserves							2024 Ore Reserves[1]		
Mine Area	JORC Classification	Tonnes (kt)	Cu (%)	Au (g/t)	Cu Eq (%)	Ag (g/t)	Cu Metal (kt)	Au Metal (koz)	Tonnes (kt)	Cu Metal (kt)	Au Metal (koz)
Kavanagh	Proved	1,500	0.96	0.11	1.0	2.8	14	5	1,100	12	1
	Probable	900	0.89	0.19	1.0	2.9	8	5	1,000	9	5
	Sub-Total	**2,300**	**0.93**	**0.14**	**1.0**	**2.8**	**22**	**10**	**2,100**	**21**	**6**
Nugent	Proved	360	0.73	0.37	1.0	1.9	3	4	-	-	-
	Probable	1,300	0.73	0.34	0.9	1.9	9	14	670	5	7
	Sub-Total	**1,600**	**0.73**	**0.35**	**0.9**	**1.9**	**12**	**19**	**670**	**5**	**7**
Total Ore Reserves	Proved	1,800	0.92	0.16	1.0	2.6	17	9	1,200	12	1
	Probable	2,200	0.79	0.28	1.0	2.3	17	19	1,700	14	12
	Total	**4,000**	**0.85**	**0.22**	**1.0**	**2.4**	**34**	**29**	**2,800**	**26**	**14**

Notes:

1. *Dry metric tonnes*
2. *Stope cut-off grade 0.8% CuEq to define development limits, 0.6% CuEq for stopes along defined development. Development cut-off grade 0.4% Copper*
3. *Approximately 40,000 tonnes of Measured Mineral Resource has been converted to Probable Ore Reserves. The tonnes are in Nugent Mine Area and are contained in a region with high water inflows from intercepting diamond drill holes. Further work is required to determine a strategy to profitably mine these tonnes*
4. *Reported Ore Reserves do not include any diluting Inferred or Unclassified material. The mine schedule includes 277kt at 0.2% Cu of non-reserving material that is mined as unavoidable dilution*
5. *Reported grades are rounded to two decimal places, copper equivalent to one decimal place. Tonnes are rounded to two significant figures. Minimum stoping widths of 5m true width*
6. *Any minor apparent discrepancies for sums in the table are due to rounding*
7. *The period of economic extraction is from July 2025 to April 2028*
8. *Ore Reserves are converted from Mineral Resources based on October 2025 Mineral Resources, reported herewith*
9. *Competent Person: Mark Hamilton MAusIMM (#221080)*
10. *Over 18 months of mining actual demonstrates very good ground conditions. It is expected that this will continue, with Geotech modelling demonstrating stability over modelled life of mine*

CuEq calculation takes into account all material cost drivers that differentiate value derived from copper and gold, expressed as copper grade in-situ. Drivers applied are concentrator recoveries, metal payability and metal prices. Silver (Ag) is not included in CuEq calculation due to immaterial value contribution. The following formula is used to calculate CuEq: CuEq = Cu% + (Au g/t / 31.1034 x Au Rec x Au Pay x Au Price) / Cu Pay / Cu Price / Cu Rec.

Driving values used for 2025 ORE: Metal prices: Cu Price = US$3.85/lb, Au Price = US$3,239/oz. Metallurgical recoveries: Cu Rec = 94.5%, Au Rec = 55% Payability: Cu Pay = 95%, Au Pay = 90%. It is Hillgrove's view that all metals within this formula will be recovered and sold. Metallurgical recoveries are based on current plant performance. Metal payability is based on current concentrate quality and contracted marketing terms.

References:

1. *Further information on the 2024 Ore Reserves information can be found in the ASX announcement. "Maiden Kanmantoo Underground Ore Reserve and 96% Increase In Copper Mineral Resource Endowment" released to the ASX on 18 October 2024*

JORC Code 2012 and ASX Listing Rules, Governance and Internal controls

The annual statement of Mineral Resources and Ore Reserves has been prepared in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code 2012) and the Australian Securities Exchange (ASX) Listing Rules.

Hillgrove reports its Mineral Resources and Ore Reserves on an annual basis with Mineral Resources inclusive of Ore Reserves. All Mineral Resource and Ore Reserve estimates and procedures are subject to internal and external review by qualified professionals. All Competent Persons named by Hillgrove are suitably qualified and experienced as per minimum acceptable requirements defined in the JORC Code 2012 Edition.

Competent Persons' Statement

Mineral Resources and Ore Reserves

The information in this Report that relates to the Mineral Resources and Ore Reserves listed in Tables 3 and 4 is extracted from Hillgrove's ASX announcement titled "Hillgrove Resources Delivers Ore Reserve Extension at 1.0% CuEq*" dated 30 October 2025 available to view at www.hillgroveresources.com.au. This Report fairly represents information and supporting documentation prepared by the Competent Person whose name appears in the corresponding row of Table 5 below, and who consents to the inclusion in this report of the matters based on their information in the form and context in which it appears. Each person named in the table has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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, except for changes due to normal mining depletion during the 12 months ending 31 December 2025, 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 Persons' findings are presented have not been materially modified from the original market announcement.

Caitlin Rowett is employed on a full-time basis by Hillgrove Resources Limited and holds equity in the Company. Sonia Konopa is a full-time employee of ERM (and part of the ERM Technical Mining Services team). Mark Hamilton is a full-time employee of Strategic Mine Engineering Pty Ltd and holds equity in Hillgrove Resources Limited.

Table 5: Competent Persons list for the Kanmantoo Mineral Resources and Ore Reserves

Deposit	Competent Person	Membership	Status
Mineral Resource			
Kavanagh, North Kavanagh, Nugent, Valentines	**Sonia Konopa**	AusIMM	Fellow
	Caitlin Rowett	AusIMM	Member
Ore Reserves			
Kanmantoo	**Mark Hamilton**	AusIMM	Member

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Exploration Summary and Outlook for 2026

Exploration in 2025 was centred on strengthening the long-term production profile of the Kanmantoo Copper Mine by expanding and converting Mineral Resources, advancing near-mine infrastructure-enabled targets with potential to become future ore sources, and progressing regional opportunities across Hillgrove's South Australian tenement position. The program was designed to support a multi-decade operating outlook, leveraging existing infrastructure and the Company's growing geological understanding of the Kanmantoo Province.

Resource Conversion to Support Ongoing Operations

A major focus of the 2025 program was the systematic evaluation of Exploration Targets and Mineral Resources into mineable inventory to underpin the expanding underground operation.

- More than 69,000 metres of diamond drilling were completed during the year, exceeding the planned program and materially improving geological confidence across the Kavanagh, Nugent, Emily Star and North Kavanagh areas
- This work contributed to the 2025 MROR update, which delivered a 43% increase in Ore Reserves and a 14% increase in Mineral Resources post depletion, strengthening the production base and supporting throughput growth toward 1.7–1.8 million tonnes per annum. Of the 69,000 metres of drilling completed in 2025, only 29,000 metres were included within the 2025 MROR update due to August data cutoff. The remaining drilling information will be included in the 2026 MROR update due in December Quarter 2026
- The drilling also refined lode geometry and continuity, enabling more efficient mine planning and accelerating the conversion of known mineralisation into future stoping areas

Near-Mine Infrastructure Enabled Opportunities

Hillgrove's strategy continues to prioritise targets located within immediate proximity of the existing underground infrastructures and the 3.6 million tonnes per annum processing plant.

- The 2025 program advanced a suite of high potential targets located within 1,000 metres of the plant, including down dip extensions to previously mined open pits and untested underground positions
- The commencement of production at Nugent and the underground connection between Nugent and Kavanagh demonstrated the value of infrastructure linked exploration with the discovery of the Saddle Zone, while also enabling rapid integration of new discoveries into the mine plan
- These near-mine infrastructure-enabled opportunities remain central to Hillgrove's strategy of delivering low capital, short lead time ore sources that can be quickly brought online to support production growth and reduce unit costs

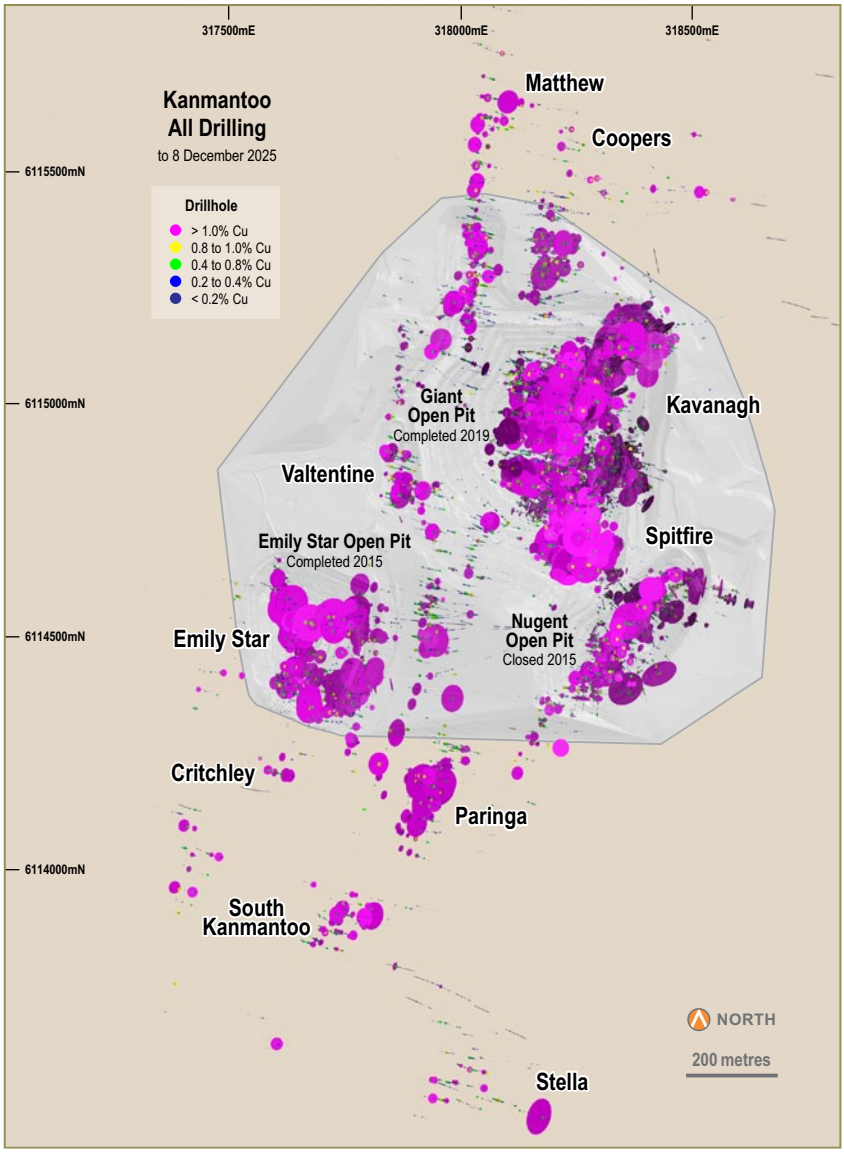


Figure 7: All drilling to 8 December 2025 at Kanmantoo

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Exploration Summary and Outlook for 2026 *(cont.)*

Near-Mine Discovery and Regional Growth Potential

Beyond resource conversion, Hillgrove continued to build a pipeline of discovery opportunities across both the immediate Kanmantoo area and the broader tenement package.

- At Kanmantoo Copper Mine, the Company refined and prioritised exploration that offered the potential to deliver additional lodes adjacent to the existing mine workings. This was facilitated by the drilling information collected on site alongside the geophysical Magneto-telluric (MT) survey completed
- Regionally, Hillgrove maintained over 4,000km² of exploration tenure across the Kanmantoo Province in 2025. Work continued to build the geological framework necessary to unlock this broader district scale opportunity
- Review of the tenement holdings commenced in 2025[1]



1. *For further information on the current tenement update can be found in the ASX Announcement "Lower Prospectivity Tenements Relinquished" released to the ASX on 3 March 2026*

Outlook for 2026

The 2026 exploration program is designed to accelerate resource growth and advance the next generation of ore sources.

Hillgrove plans approximately 63,000 metres of drilling, consisting of 58,000 metres underground and 5,000 metres of surface drilling, focused on Kavanagh, Nugent and Emily Star.

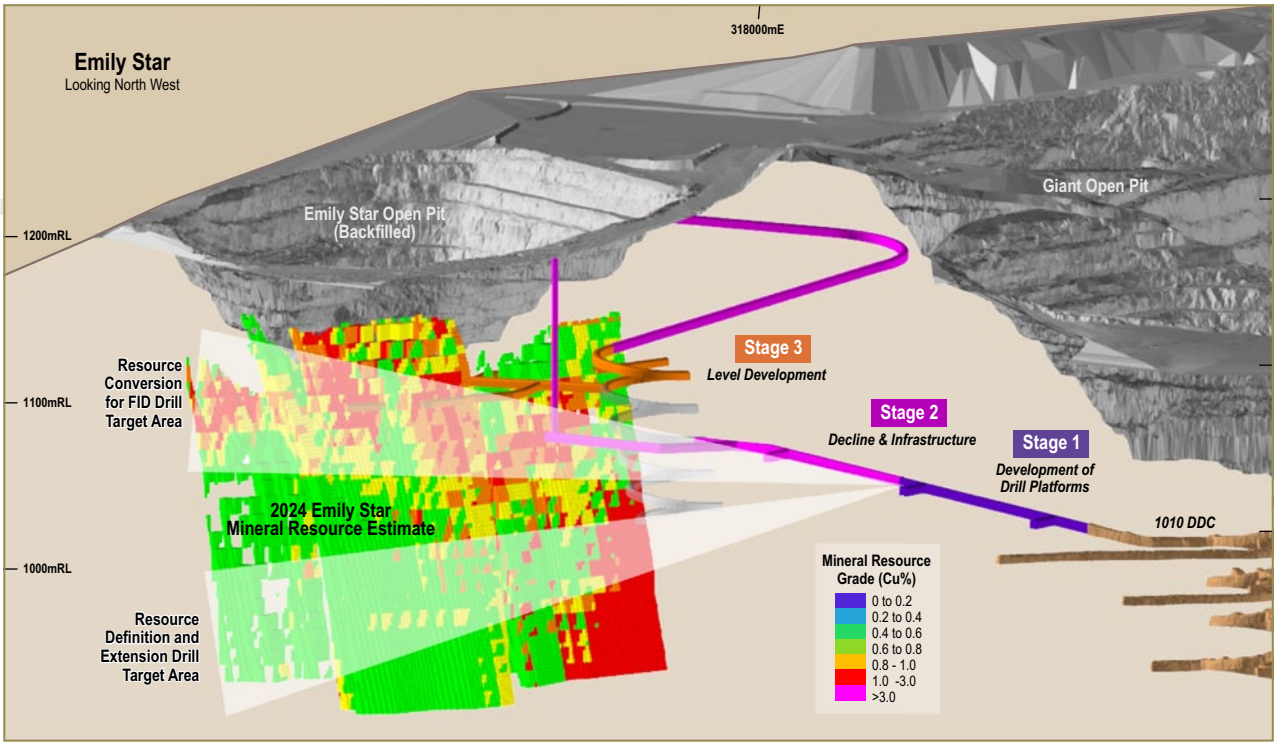


Figure 8: Planned Emily Star Development and Drilling Target Areas based on the 2024 Emily Star Mineral Resource Update

Exploration Summary and Outlook for 2026 *(cont.)*

Outlook for 2026 *(cont.)*

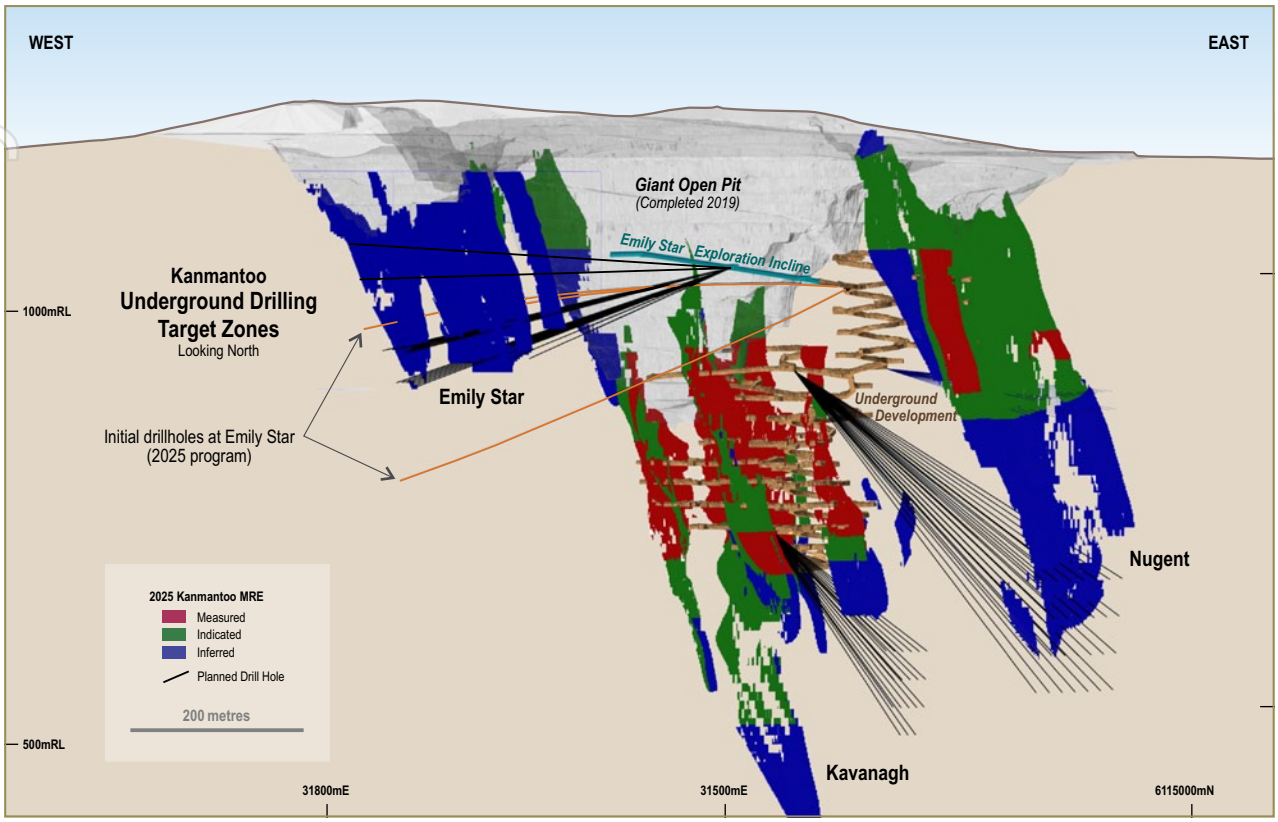


Figure 9: Planned 2026 Underground Drilling Program

Up to 12,000 metres is dedicated to Emily Star alone, reflecting its strong potential to deliver near-mine infrastructure-enabled extensions. The establishment of the Emily Star Exploration Incline is underway, with a decision to progress to Emily Star decline and ventilation infrastructure expected in the second half of 2026, depending on favourable drill results and economic assessment.

The 2026 drilling program will continue to prioritise:

- Resource conversion to support mine life extension and throughput growth
- Infrastructure proximal targets that can be rapidly integrated into production
- Near-mine and regional discovery to build a long-term pipeline of copper opportunities

Hillgrove continues to actively manage and review its tenement portfolio to ensure the Company maintains exposure to the most prospective parts of the Kanmantoo Province while allocating capital efficiently. Throughout 2025, the Company assessed its broader landholding to prioritise areas with the strongest geological potential, the greatest alignment with existing infrastructure, and the capacity to deliver future ore sources that can be rapidly integrated into the Kanmantoo operation.

This disciplined approach ensures that exploration effort is focused on targets capable of supporting long-term production growth, while lower-priority ground is continually evaluated for potential rationalisation, joint venture opportunities, or divestment [1]. The ongoing review process strengthens Hillgrove's ability to direct resources toward the highest-value opportunities and maintain a tenement position that supports both near-mine growth and regional discovery.

With a strengthened resource base, a growing inventory of near-mine targets, a district scale exploration footprint, and proactive tenement portfolio management, Hillgrove enters 2026 with a clear pathway to continued growth and value creation through exploration.

1. *For further information on the current tenement update can be found in the ASX Announcement "**Lower Prospectivity Tenements Relinquished**" released to the ASX on 3 March 2026*

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Producing Copper for a Sustainable Future

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Sustainability Report 2025

for the year ended 31 December

www.hillgroveresources.com.au

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About this Report

This Sustainability Report (Report) published on 24 April 2026 is a summary of Hillgrove Resources Limited's (ASX: HGO) material sustainability topics and performance for the calendar year, 1 January 2025 to 31 December 2025. It covers our 100% owned Kanmantoo operation and exploration activities in South Australia.

This Report should be read in conjunction with the 2025 Annual Report and 2025 Financial Report for information relating to our financial sustainability and performance.

This Report reflects the contribution of all our people in 2025 and is structured to reflect our sustainability strategy and materiality.

All references to 'Hillgrove', 'the Company', 'we', 'us' and 'our' refer to Hillgrove Resources Limited (ACN 004 297 116) and the entities it controlled, unless otherwise stated. All currency is expressed in Australian dollars.

This Report has been prepared in line with the Australian Securities Exchange (ASX) Corporate Governance Recommendation 7.4.

How to navigate this report

This interactive PDF allows you to:

- Access information easily
- Navigate to different sections of the Report by using the Contents page or bottom navigation bar
- Return to this Contents page by clicking the bottom icon
- Click on hyperlinks to reference content externally or within this Report

Feedback

We welcome your feedback and questions about our Sustainability performance and Sustainability-related disclosures. Please direct your enquiries to our Sustainability Superintendent at esgreporting@hillgroveresources.com.au.

This Report has been approved for release by the Board of Hillgrove Resources Limited.

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2025 Sustainability Overview

Governance

ZERO Fines or Sanctions

For non-compliance with environmental, social or economic laws and regulations

Progressed Preparation

For mandatory climate-related disclosures[1]

Environment

Assessment Completed

Climate change risk and opportunity

Program Continued

Kanmantoo Grassy Woodland Revegetation

› 70%

Electricity from renewables

Assessment Completed

Scope 1 and Scope 2 GHG baseline and Scope 3 emissions inventory commenced[2]

Social

TRIF[3] 20.7

December 24: 13.1

71 new employees

In 2025

Finalist

Premier's Award in Mining – Environment category

98.4%

Local workforce[4]

$32.3 million

Paid in wages

$60.4 million

Contributions to local businesses and organisations

1. *Australian Accounting Standard's Board (AASB S2)*
2. *See the Glossary on page 43 for definitions of GHG emissions*
3. *Total Recordable Injury Frequency per million hours worked*
4. *Local is defined as within a 125km radius from Kanmantoo Copper Mine*

Our Approach to Sustainability

Vision, Values and Sustainability Principles

Our strategic values of **Safety, Integrity** and **Delivery** underpin the Company's vision of being a mid-tier, multi-asset Australian copper producer unlocking value for a sustainable future.

We are committed to creating shared value for our stakeholders by operating responsibly, minimising environmental impacts, supporting social wellbeing and contributing to long-term economic value.



Safety

We operate safely, protect each other, the environment and leave a positive legacy for future generations



Integrity

We are respectful, ethical and trustworthy, we do what is 'right' not just what we have to do



Delivery

We hold ourselves accountable for the delivery of sector leading results, what we are known for

Our approach to sustainability recognises that strong environmental stewardship, respectful community relationships and sound governance are essential to maintaining our social licence to operate.

Our vision and values are further supported through alignment with the International Council on Mining and Metals (ICMM) Mining Principles, which respond to evolving societal expectations of the mining and metals industry and provide a framework for responsible business conduct.

Sustainability Policy

Our Sustainability Policy sets out the Company's commitments to sustainable and responsible operations. These commitments include:

- Prioritising the health and safety of employees, contractors, and local communities
- Actively engaging with local communities to understand and address concerns and to share benefits
- Maintaining stewardship in land disturbance and rehabilitating disturbed areas for post-mining use
- Implementing water management practices to protect local water sources from depletion or contamination
- Responsibly managing waste material to minimise environmental harm
- Conducting operations in a manner that preserves local ecosystems and biodiversity.
- Acknowledging and respecting Indigenous rights and cultural heritage
- Upholding transparency, integrity, and ethical business practices
- Contributing to the local economy through employment, skills development, and procurement from local suppliers
- Innovating to support a more sustainable future

Implementation and oversight of the Sustainability Policy is provided by the Hillgrove Audit and Risk Committee.

Sustainability Standards

We have established a suite of Sustainability Standards across Safety, Health and Wellbeing, Environmental, and Community and Social areas. These standards provide clear guidance to the Board, management, assets and projects by:

Translating the Sustainability Policy into minimum performance expectations

- Identifying areas that have the potential to materially affect business performance
- Defining risk tolerance and minimum requirements for managing environmental and social risks
- Supporting consistent day-to-day decision-making and risk management
- Enabling alignment with corporate governance and regulatory obligations
- Providing benchmark criteria for internal and external auditing
- Supporting the creation of shared value for stakeholders

Further information on our governance framework is provided in the Governance section of this Report, with key documents available on the Company's website.

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Our Approach to Sustainability *(cont.)*

Materiality Assessment

In 2024, we updated our materiality assessment to reflect the recommencement of mining operations at Kanmantoo. The assessment was supported by external sustainability consultants, JBS&G, and included a review of previously identified environmental, social and governance (ESG) topics, alongside benchmarking against recognised industry standards, including the Sustainability Accounting Standards Board (SASB) Metals and Mining Standard, the GRI 14 Mining Sector Standard and the Responsible Minerals Initiative (RMI) Risk Readiness Assessment. This work established the foundation for our 2025 sustainability disclosures and performance focus and therefore continues to underpin the reporting presented in this year's Sustainability Report.

Using these inputs, we refined topic definitions, introduced new topics where appropriate and reassessed priorities to reflect the Company's operational profile and stakeholder expectations. Newly identified material topics included Labour Practices, Sustainability Management and Reporting, Air Quality, Waste and Hazardous Materials Management, First Nations Engagement and Cultural Heritage, and Legal Compliance.

During 2025, we placed particular focus on Climate Adaptation and Resilience, reflecting both increased operational exposure following the recommencement of mining activities and evolving regulatory requirements in Australia. This has guided the Company's preparation for climate-related reporting in line with AASB S2 Climate-related Disclosures.

Consistent with our commitment to continuous improvement, external stakeholder consultation is planned for 2026 to inform and validate the updated material topics and their prioritisation. This engagement will continue in 2026 to ensure alignment with emerging expectations and best practice.

Stakeholder and Community Engagement

Our approach to stakeholder and community engagement is based on open communication, transparency and mutual respect. Meaningful engagement helps us make informed decisions, understand local priorities, and maintain our social licence to operate.

Our Community Consultation Standard provides a clear framework for engaging with communities, employees and other stakeholders throughout the life of our activities. We use stakeholder mapping to identify those who may be affected by our operations and to better understand potential impacts, concerns and opportunities for shared value.

Engagement is undertaken in good faith and in ways that are culturally appropriate, inclusive and proportionate to our operations. Site-specific Community Relations Plans guide how we consult, communicate and respond to issues.

We engage with a wide range of stakeholders, including employees and contractors, investors, government and regulators, community and environmental groups, suppliers and First Nations partners. Feedback, including complaints and grievances, is recorded and used to inform management responses, risk assessments and continuous improvement.

Where appropriate, we share engagement outcomes and emerging themes with local stakeholders to support transparency and ongoing dialogue.



Our Approach to Sustainability *(cont.)*

Our Material Sustainability Topics

In this Report, a material sustainability topic is one that reflects significant potential for environmental and/or social and economic impacts and risks arising from, and impacting, our operations and value chain, or one that has potential to substantively influence the assessments and decisions of our stakeholders and our business.

Topic	Definition
Climate Adaptation & Resilience	How an organisation contributes to and adjusts to current and anticipated climate change-related risks and opportunities, as well as how it contributes to the ability of societies and economies to withstand impacts from climate change.
Water Use & Management	Impacts related to the withdrawal and consumption of water and the quality of water discharged.
Conservation & Biodiversity	Impacts on biodiversity, including on genetic diversity, animal and plant species, and natural ecosystems.
Closure, Rehabilitation & Tailings Management	Approach to closure and rehabilitation, including how the organisation considers the impacts on the environment, local communities, and workers. Tailings are a by-product of mining that need management throughout the life of a mine and beyond closure.
Workforce Health & Safety	Impacts related to workers' health and safety, including implementation of systems to manage emergency responses, prevent and remedy adverse impact.
Waste & Hazardous Materials Management	Impacts from waste and the management of waste.
Community Relations	Community engagement strategies to manage risks and opportunities associated with socioeconomic, cultural, health, and human rights impacts on local communities.
Labour Practices	An organisation's approach to job creation, terms of employment, and working conditions for its workers. This topic also covers the employment and working conditions in an organisation's supply chain.
Business Ethics & Transparency	Management of business ethics (including anti-corruption and anti-bribery) and transparency in payments to governments or individuals.
Sustainability Management & Reporting	Corporate transparency and accountability, and promoting informed decision making through the publication of annual reports on material environmental, social and governance issues.
Air Quality	Management of pollutants that have negative impacts on air quality and ecosystems, including human and animal health.
Diversity, Equity & Inclusion	The ensuring of equity for all persons in the workplace, respecting the diversity of all workers, and fostering an organisational culture of inclusivity and respect for fundamental rights and dignity.
Sustainable Sourcing	Integration of environmental, social, and governance criteria into a company's procurement processes and decisions regarding purchased goods, services, and materials.
Legal Compliance	The implementation of high standards of business conduct through compliance with applicable national regulatory requirements, applicable cross-jurisdictional obligations and international law.
First Nations Engagement & Cultural Heritage	Consideration of the cultural rights of affected stakeholders through the implementation of a system to prevent, and remedy adverse impact to cultural heritage.

Our Approach to Sustainability *(cont.)*

Sustainability Materiality Matrix



Our Performance, Commitments and Long-Term Goals

We are committed to setting meaningful medium- and long-term targets to improve our performance and our impact linked to the Sustainability topics material to our business. Through the annual Sustainability Report, we are also committed to continually monitoring action taken in these areas and disclosing this information publicly.

For this Sustainability Report, which covers the Kanmantoo mine site, we map out the actions and achievements delivered to date based on the 2025 material topics where they are relevant, including actions and achievements delivered during the year.

Links to Relevant Documents

- Sustainability Policy
- Community and Social Sustainability Standards – Community Consultation

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Governance

Business Ethics and Transparency

Approach

Hillgrove operates in accordance with all relevant laws and regulations, reporting and disclosing accurately to stakeholders, and acting ethically and transparently.

Our Corporate Governance Statement reports against the ASX Corporate Governance Council's Fourth Edition Corporate Governance Principles and Recommendations. Throughout the reporting period that ended 31 December 2025, the Directors believe that our governance arrangements align with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

As per Recommendation 7.4, this Report details information on the management of Hillgrove's material environmental and social risks.

Our Corporate Governance Statement is available to view in the Corporate Governance section of our website.

Legal and regulatory compliance is a material component of our approach to business ethics and transparency and is embedded within our governance and risk management frameworks.

Governance Oversight

The Board of Directors holds ultimate responsibility for Hillgrove's sustainability strategy, including setting priorities and evaluating performance. The Board also reviews and approves the Sustainability Report prior to publication.

To support its responsibilities, the Board is assisted by the Audit and Risk Committee and the Nomination and Remuneration Committee. The Audit and Risk Committee oversees audit processes, internal controls and risk management, and reviews sustainability and compliance matters before making recommendations to the Board.

Legal Compliance

We maintain high standards of legal and regulatory compliance across all stages of our operations, including exploration, development, mining, rehabilitation and closure activities. Compliance with applicable laws and regulations is fundamental to maintaining our licence to operate and supporting ethical and responsible business conduct.

Our approach focuses on the identification, management and monitoring of regulatory obligations relevant to our operations, including obligations under Australian corporate law, mining and environmental legislation, work health and safety laws, employment legislation and applicable reporting requirements.

Legal and regulatory compliance is embedded in our corporate governance and Enterprise Risk Management Frameworks, overseen by the Board, Audit and Risk Committee, and senior management. Compliance risks are identified, assessed, mitigated, and tracked in our corporate risk register, which undergoes regular reviews.

We maintain policies, standards and procedures designed to support compliance and promote ethical conduct, including our Code of Conduct, Anti-Bribery, Fraud and Corruption Policy, Whistleblower Policy and Modern Slavery Policy. These documents establish clear expectations for employees, contractors and business partners and are reviewed periodically to ensure they remain fit-for-purpose.

Legal compliance has been identified as a material topic as the Company has transitioned to commercial operations, reflecting the increasing importance of strong governance, regulatory adherence and ethical conduct.

Sustainability Management and Reporting

We recognise that effective sustainability management and transparent reporting are essential to informed decision-making, accountability and long-term value creation. As the Company progresses its operations, we are strengthening our approach to integrating ESG considerations into business planning, risk management and performance monitoring.

Our sustainability management framework is guided by our Sustainability Policy, Sustainability Standards and alignment with recognised industry frameworks relevant to the mining sector, including the ICMM Mining Principles, SASB Metals and Mining Standard and the ASX Corporate Governance Council's recommendations. These frameworks support consistency, relevance and comparability of sustainability disclosures. In this regard, we have further built out our sustainability standards crosswalk to aid stakeholders in tracking our performance and continue to work towards disclosing relevant performance metrics, provided in Annexure A.

Sustainability risks and opportunities are identified and managed through Hillgrove's Enterprise Risk Management Framework, with responsibilities for implementation and reporting sitting with management.

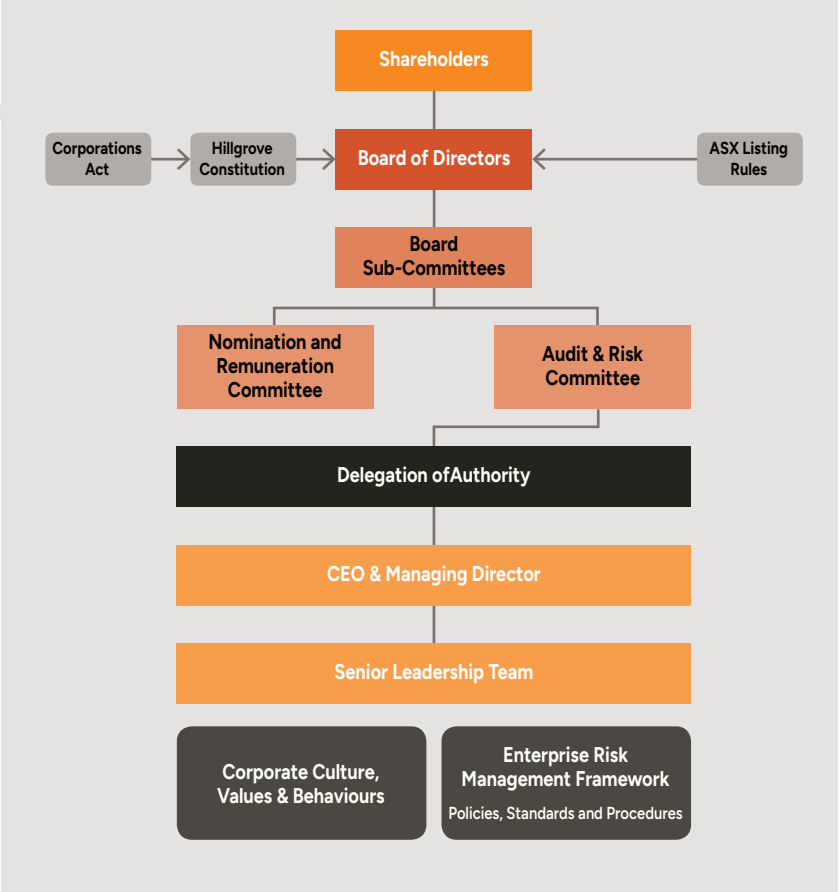
In 2024–2025, we undertook a refreshed materiality assessment, supported by external sustainability consultants, to reflect the recommencement of mining operations at Kanmantoo Copper Mine. This process identified Sustainability Management and Reporting as a material topic, recognising increasing stakeholder expectations for transparent, decision-useful sustainability disclosures.

We acknowledge that we are at an early stage of our sustainability reporting journey. Our current focus is on strengthening governance foundations, improving data quality and progressively enhancing sustainability disclosures, including preparing for future mandatory climate-related reporting under the Australian Sustainability Standards Board (AASB) S2 requirements.

Governance *(cont.)*

Corporate Governance framework

Hillgrove's 2025 Corporate Governance Framework



Review of Corporate Governance documents

The following policies (and their associated standards) were created or reviewed in 2025:

- Business Planning Policy
- People and Culture Policy
- Data and Communication Policy
- Financial Policy

The Remuneration and Nomination Charter was created (following the combining of the Nomination and Remuneration Committees) and is available to view in the Corporate Governance section of our website.

Board Diversity

As of 31 December 2025, Hillgrove's Board has four members (100% male); three are independent, non-executive Directors and one executive Director. As the Company grows and evolves, it will look to increase the participation of women on the Board, in alignment with the Australian Government's Workplace Gender Equality Agency (WGEA) and the ASX recommendations target of no less than 30% female representation on the Board.

Management and Review of Risks

We are committed to ensuring our strategic planning and business operations align with our corporate governance obligations in managing risk and enhance the development of a risk culture of informed decision making.

We evaluate risk at all levels of the organisation and base our decisions on our risk tolerance and risk appetite levels as defined by the Board and Executive Team.

We regularly monitor our risk management performance and through our Audit and Risk Committee. We undertake regular external audits and, from 2026, will implement internal audits of business performance to strengthen compliance with corporate governance obligations and improve the effectiveness of our decision-making.

Our Risk Management Policy was replaced by the Enterprise Risk Management Framework and Risk Management Standard in 2025.

The Board is responsible for the overall oversight of risk management of the Company and reviews the risk management register half-yearly, or as required upon escalation of high priority risks. The Audit and Risk Committee assist the Board in relation to risk management and reviews the adequacy and effectiveness of the risk management framework.

Anti-Bribery, Fraud and Corruption

We conduct business with integrity, transparency, and accountability. We prohibit any form of bribery, fraud, and corruption in our operations and business dealings.

Our Anti-Bribery, Fraud and Corruption policy describes our key principles and commitments regarding anti-bribery, fraud and corruption. This policy applies to all employees, directors, officers, contractors, suppliers, consultants, and any third parties acting on behalf of Hillgrove Resources in Australia and internationally.

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Governance *(cont.)*

Whistleblower

We are committed to transparency and to building an environment in which people feel free to raise legitimate issues relating to the Company's operations. The *Corporations Act 2001* (Cth) and the Taxation Administration Act 1953 (Cth) provide protections for whistleblowers (Whistleblower Protection Scheme).

Our Whistleblower Policy sets out information relating to the Whistleblower Protection Scheme and aims to help deter wrongdoing relating to our operations, by encouraging disclosure of wrongdoing and ensuring that anyone who makes a disclosure can do so safely, securely and with confidence that they will be protected and supported.

Where appropriate, the Company reports on findings of an investigation to the Audit and Risk Committee which has oversight of the Policy.

Our Whistleblower Policy applies to all employees, contractors, suppliers, and business partners engaged with Hillgrove across all operational sites and corporate offices globally.

Modern Slavery

We are committed to upholding respect for human rights and the right for people to be free from forced labour and other forms of modern slavery in our operations and supply chains.

Our commitments to eradicate modern slavery are outlined in our Modern Slavery policy. Additionally, we are currently preparing our mandatory Modern Slavery Statement having reached the threshold to report under Australia's Modern Slavery Act 2018 (Cth). As part of this process, we are currently reviewing our modern slavery policy and the procedures and management systems that relate to it. Specifically, we are conducting a gap assessment of our current practices and prioritising enhancements to our risk assessment processes, supplier screening protocols, and due diligence framework.

Performance

Actions/Achievements	Commitments	Long-term goals
Planned validation of material topics and materiality matrix with external stakeholders.	Validate material topics and materiality matrix with external stakeholders. Improve consistency, structure and transparency of sustainability disclosures year-on-year.	Continue to ensure governance is in accordance with Australian Institute of Company Directors (AICD) best practice recommendations and ASX Corporate Governance Principles.
The following policies and their associated standards were developed: Business Planning, People and Culture, Data and Communication, Financial.		
No Whistleblower complaints were received – no action required.	100% of whistleblower complaints investigated and addressed.	
Full record of legal and regulatory compliance during exploration, open pit operations, care and maintenance, and the underground mining.	Comply with all relevant laws and regulations, report and disclose accurately to stakeholders.	
Adherence to a governance framework that is reviewed regularly and upgraded or changed as appropriate to reflect the Company's interests, changes in law and what is generally regarded as sound practice.		
Completed a Climate Change Risk and Opportunity (CCRO) Assessment, and developed preliminary climate change risk and opportunity register.	Prepare systems, processes and governance structures for mandatory climate-related reporting.	
No governance incidents or concerns raised during 2025.		

Links to Relevant Documents

- 2025 Corporate Governance Statement
- Anti-Bribery Fraud and Corruption Policy
- Whistleblower Policy
- Modern Slavery Policy

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Environment

Approach

Hillgrove has a strong history of environmental stewardship and continues to focus on managing and reducing the environmental impacts of our operations. We recognise that broader environmental and climate-related factors may affect operational performance, particularly following the recommencement of mining at Kanmantoo Copper Mine, and we continue to incorporate these considerations into our risk management and operational planning frameworks.

Our local environmental focus is on minimising impacts and supporting native revegetation, biodiversity, and conservation through land management and progressive rehabilitation. To date, around 122 hectares have been rehabilitated. We also continue to provide financial and in-kind support to a regional greenbelt initiative in the Adelaide Hills.

Following the award of a $1.3 million Native Vegetation Council grant in 2023, we have remained actively involved in the project, aligning mine rehabilitation with broader regional revegetation outcomes.

The safe management of tailings storage facilities is considered a critical operational responsibility. With ore processing recommencing in 2024, we prioritise the safe and effective management of our tailings facilities to ensure long-term containment and to prevent uncontrolled environmental releases. This includes regular compliance reporting, independent inspections, and ongoing focus on structural integrity, stability, risk assessment, coordinated planning, and water management.



Environment *(cont.)*

Climate Adaptation and Resilience

Approach

Our strategic approach to climate change management focuses on managing threats and opportunities through effective climate change planning and management, regulatory compliance and reporting, and stakeholder consultation.

Through 2025 we achieved significant progress in advancing our climate change adaptation and resilience planning. This issue is highly material to our business, in terms of ensuring the viability of our mining operations, and from a regulatory perspective as a Group 2 reporter under the Australian Accounting Standards Board's Climate-related Disclosures standard (AASB S2).

Greenhouse Gas (GHG) Emissions

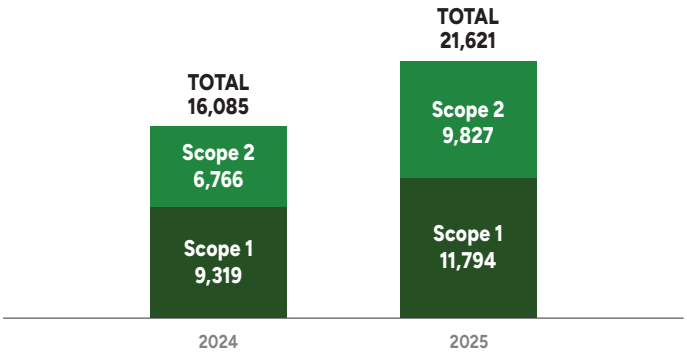
In 2025 we completed a baseline assessment of our Scope 1 and Scope 2 GHG emissions and began development of our Scope 3 emissions inventory. This work will provide the foundations of our future decarbonisation strategy aimed at achieving net-zero emissions.

In the interim, and in line with our commitment in the previous Sustainability Report, we are pleased to publish our annual Scope 1 and Scope 2 GHG emissions for the 2025 calendar year. Our Scope 1 and Scope 2 emissions footprint is comparatively low when compared with similar sized mining operations. This is due to our ability to source power from the state energy grid, meaning we have been able to displace all onsite diesel fired electricity generation, while also benefitting from the rapidly decarbonising South Australian grid. Therefore, more than 70 percent of our electricity is sourced from renewable energy.

Parameter	Kanmantoo Emissions tCO_2-e/annum	Production Emissions intensity tCO_2-e/tonnes copper
Scope 1 emissions	11,794	1.04
Scope 2 emissions	9,827	0.87
Combined Scope 1 & 2 emissions	21,621	1.91

Our Scope 1 and 2 GHG emissions are disclosed both as absolute annual totals and as intensity metrics normalised per tonne of copper produced (tCO_2-e/t Cu). The combined annual total is also offered. All numbers relate to CY 2025. For transparency and historical context our 2024 emissions are also illustrated in the chart below. The marked increase in emissions in 2025 is the result of accounting for a full year of mining operations, compared to 2024 where operations had only partially commenced.

This approach is consistent with the SASB Metals & Mining Standard guidance, and prevailing practices among leading copper producers for enhanced comparability.



Kanmantoo Copper Mine GHG (tCO_2e)



Environment *(cont.)*

Climate Adaptation and Resilience *(cont.)*

Climate Adaptation

In the last year we completed a Climate Change Risk and Opportunity (CCRO) assessment to identify priority risks and opportunities, with a preliminary climate change risk and opportunity register developed. Potential material issues surfaced through this process will be further interrogated in 2026 through focused scenario workshops.

The assessment employed industry best practice, guided by relevant Australian and ISO Standards, utilised Representative Concentration Pathways (RCPs) and the Australian Government's Resources Sector Plan for scenario analysis.

Scenarios considered included low and high greenhouse gas (GHG) emission pathways at short term (2025-2030), medium (2030-2035) and long term (2035-2050) time horizons. The assessment boundary covered our current Kanmantoo Copper Mine located in South Australia, and its haulage route to Port Adelaide. Over the next twelve months we will also expand our assessment to explore how climate change could impact our wider value chain.

In calendar year 2027, using the finding of our CCRO, we will begin tracking the financial effects (current and anticipated) of climate change on our business in advance of our first mandatory AASB S2 disclosure.

Performance

Actions/Achievements	Commitments	Long-Term Goals
Climate change		
Climate Change Risk and Opportunity assessment completed and preliminary climate change risk and opportunity register developed.	Finalise climate change risk register. Develop a climate adaptation plan.	Further embed climate change scenario analysis into business planning and risk management. Creation of resilient mining landforms and revegetation programs that consider the changing climate.
Energy use		
The speed of decarbonisation of the South Australian grid continues to accelerate our reduction in Scope 2 emissions.	Explore further strategic projects to deliver energy efficiency.	
Emissions Management including GHGs		
Completed a Scope 1 and Scope 2 GHG emissions baseline assessment and began development of our Scope 3 emissions inventory.	Develop a high-level GHG Management Plan. Establish a Scope 3 inventory and interim reduction approach.	
Meeting all GHG reporting obligations to the Clean Energy Regulator (CER) under the NGER act.	Continue to meet National Energy and Greenhouse Reporting requirements.	Consider opportunities to further reduce emissions.
Meeting all our commitments to managing air, water, land and noise emissions under the Program of Environmental Protection and Rehabilitation (PEPR) for the Mine*, including meeting our regulatory reporting requirements under the National Environmental Protection Measure (NEPM), and exceeding requirements through our agreed Community Action Plan.	Continue to meet National Pollutant Inventory Reporting Requirements. Continued implementation of existing control measures, review and improvement of these if/as conditional changes arise.	
Realtime monitors in use for continual management of dust emissions and blast vibration.		

* *The PEPR is available at SARIG (South Australian Department of Energy and Mines)*

Links to Relevant Documents

- Sustainability Policy
- Sustainability Standards – Environment – Resource Efficiency and Emission Reduction, and Climate Change

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Environment *(cont.)*

Water Use and Management

Approach

Access to safe, clean water is fundamental to human health and ecosystem protection, making effective water management integral to operations at Kanmantoo Copper Mine.

Our strategic approach to water management focuses on managing water balances, stormwater, water discharges, seasonal preparations and dewatering activities such that human health and the environment are protected.

We aim to minimise operational water consumption, effectively and efficiently use water in our processes, and ensure that any effluents are treated to meet required water quality standards.

Our Water Management Standard is implemented through a risk-based Water Management Plan that addresses water balances, stormwater, surface and groundwater, dewatering and discharges.

Performance

Actions/Achievements	Commitments	Long-Term Goals
Maximising use of recycled water including recycled effluent and recycled water from operational areas.	Continue to maximise recycled water use where commercially viable.	No reduction in water availability or quality to the environment or other users.
Implemented surface and groundwater monitoring for quality, quantity and compliance.	Ongoing monitoring surface and groundwater to assess performance and identify emerging risks.	Improve understanding of site water balances and long-term water availability under changing climatic conditions.
Designed and maintained stormwater and water infrastructure to separate clean and contact water.	Maintain water infrastructure and erosion, sediment and containment controls to approved standards.	Minimise potential off-site impacts to surface and groundwater systems over the life of mine.
Reviewed water use and discharge performance against objectives and licence conditions, with non-conformances addressed.	Investigate and remediate any water-related incidents or non-conformances.	Consistent, predictable water performance across all operational phases with no discernible impact to local ground water/ waterways/ephemeral creeks.

Links to Relevant Documents

Sustainability Policy

Sustainability Standards – Environment – Water Management



Conservation and Biodiversity

Approach

We recognise the importance of responsible land management and biodiversity conservation in minimising environmental impacts and supporting resilient ecosystems around our operations.

At Kanmantoo, biodiversity risks are managed in accordance with our Biodiversity Standard through baseline surveys, mapping and ongoing monitoring. Biodiversity considerations are integrated into land disturbance planning to minimise habitat loss and fragmentation, with a focus on protecting threatened species, controlling pests and weeds, and restricting access to sensitive areas.

Operational controls are implemented to reduce impacts on terrestrial and aquatic ecosystems, supported by procedures to manage fire risk and interactions between operations, livestock and wildlife. Rehabilitation and revegetation are key components of our approach, including the Kanmantoo Grassy Woodland Revegetation Program, which aims to restore native woodland communities and improve habitat connectivity.

During the reporting period, approximately 122 hectares of land were maintained under native revegetation. Native seed propagation programs have produced a total of 545 kilograms of seed, with additional seed supplied to support regional revegetation efforts.

Performance

Actions/Achievements	Commitments	Long-Term Goals
Implemented pest and weed control programs and restricted access to environmentally sensitive areas.	Maintain pest, weed and access controls to protect native ecosystems.	Reduce long-term invasive species pressure and improve ecosystem condition.
Continued long-standing annual surveys (15th year), mapping and ongoing biodiversity (flora & fauna) monitoring.	Conduct a risk-based review of the Biodiversity Management Plan aligned with regulatory approvals and industry standard.	Embed leading-practice biodiversity stewardship consistent with ICMM principles.
Maintained approximately 122 hectares of land under native revegetation.	Progressively rehabilitate disturbed land in line with approved plans.	Establish stable, self-sustaining native vegetation communities' post-closure.
Established native seed propagation and multiplication areas on and surrounding the site producing 545kg of seed over the past four years and supplied ~1,000kg of seed to regional businesses to support broader native revegetation over the same period.	Continue native seed collection and propagation to support rehabilitation activities.	Improve habitat connectivity at a landscape scale through sustained revegetation outcomes.
	Continue to meet all requirements under Hillgrove's PEPR as mandated by the Department for Energy and Mining, Government of South Australia.	Provide enduring protection and conservation of remnant vegetation and rehabilitated areas via legal mechanisms.

Links to Relevant Documents

- Sustainability Policy
- Sustainability Standards – Environment - Biodiversity

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Environment *(cont.)*

Closure, Rehabilitation and Tailings Management

Approach

Tailings management, rehabilitation and mine closure are integral to protecting people, the environment and communities, and to managing long-term liabilities at Kanmantoo.

Tailings storage facilities (TSFs) are planned, designed, operated and closed in accordance with our Tailings Storage, Rehabilitation and Mine Closure Standard and leading industry practice, aligned with the intent of the Global Industry Standard on Tailings Management. Governance is supported by clear accountabilities, Board oversight, a dedicated Tailings Storage Facility Supervisor and an independent Engineer of Record.

Facilities are designed to meet regulatory and engineering standards appropriate to risk, with consideration of geotechnical stability, water and seepage management, and containment capacity. Risk-based management plans guide operations, monitoring and trigger response actions.

Assurance is provided through routine inspections, monitoring and independent review during operations and into closure. Rehabilitation and closure planning are integrated with tailings management, including progressive rehabilitation, defined closure objectives and long-term performance monitoring to support safe, stable landforms and agreed post-mining land use.

Our Rehabilitation and Mine Closure Management Plan will be reviewed in 2026 to align with the updated Standard, current operations, regulatory requirements and contemporary closure practices.



Performance

Actions/Achievements	Commitments	Long-Term Goals
TSFs are planned, designed, constructed and operated to internal standards.	Maintain compliance with tailings-related regulatory approvals and internal standards.	Safe, stable and low-risk tailings facilities and integrated landforms through to closure.
Routine inspections and monitoring and independent audits in place.	Continue audits and QA/QC across construction and operations.	Leading-practice governance aligned with the Global Industry Standard on Tailings Management.
Risk-based management plans guide tailings operations, monitoring and response actions.	Regularly review and update tailings management plans based on risk and monitoring.	Proactive management that minimises long-term liabilities.
Progressive rehabilitation using native vegetation and creation of new native vegetation areas.	Continue rehabilitation to reduce disturbed areas and support closure.	Stable, rehabilitated landforms capable of supporting post-mining land use.

Links to Relevant Documents

- Sustainability Policy
- Sustainability Standards – Environment – Tailings Storage, Rehabilitation and Mine Closure

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KCCCC Master Plan – Mining and Beyond:
A Best Practice Community Approach

CASE STUDY

Kanmantoo Grassy Woodland Revegetation Program

Background

The Kanmantoo Callington Community Consultative Committee (KCCCC) and Hillgrove Resources continue their collaborative efforts to support community development around the Kanmantoo Copper Mine. Formed in 2007, the committee has evolved into a cornerstone for engagement and consultation between Hillgrove and the local communities surrounding the mine.

The 'KCCCC Master Plan – Mining and Beyond: A Best Practice Community Approach from Kanmantoo-Callington' was launched in 2019 and demonstrates a leading approach for mining companies to engage with the communities in which they operate through the gathering and collation of community feedback over time. The KCCCC Master Plan contains a vision that clearly identifies and simultaneously builds upon the areas of environment, heritage, arts and culture, and economic development. The KCCCC Master Plan has been a key enabler for important community projects, such as the war memorial in Kanmantoo and the development of the Callington Recreation Community Centre, which is a not-for-profit sports, recreation and community focused complex.

Kanmantoo Grassy Woodland Revegetation Program Update

In 2022, stakeholders including KCCCC, Hillgrove Resources, the Kanmantoo Callington Landcare Group, the Goolwa to Wellington Local Action Planning Association (GWLAP), and local landowners proposed a major revegetation project. This initiative aims to establish a multi-kilometre greenbelt across over 168 hectares, connecting existing mine rehabilitation works with regional vegetation efforts to support fauna and biodiversity.

In 2023, the KCCCC and GWLAP secured a $1.3 million grant from South Australia's Native Vegetation Council, supplemented by $695,000 in in-kind landowner contributions, to commence the project.

In 2024, Project Manager Second Nature Conservancy delivered extensive conservation works across multiple sites, including over 130 hours of professional bush care on 7.5 hectares of river red-gum woodland. More than 15,000 seedlings representing over 60 native species were planted, protected and watered, including significant numbers of nationally and regionally vulnerable plants.

Rabbit-proof fencing was installed to protect over 14 hectares, bird surveys recorded rare species, and 22 native vegetation surveys established baseline data using BUSHRat methodology. All participating landowners committed to permanent protection of the vegetation through heritage agreements.

In 2025 the following works were undertaken by Project Manager, Second Nature Conservancy:

- Delivered continued on-ground revegetation and conservation works across priority sites within the greenbelt corridor
- Undertook ongoing bush care, including weed control and maintenance, to support the establishment of native vegetation
- Completed additional native seedling planting and infill works to strengthen habitat connectivity
- Maintained and monitored fencing and protection measures to safeguard revegetated areas from grazing pressure
- Continued ecological monitoring, including vegetation and fauna surveys, to assess establishment success and inform adaptive management
- Maintained strong collaboration with local landowners, supporting long-term vegetation protection under heritage agreements



Kanmantoo and Callington Community Consultative Committee members and friends

Environment *(cont.)*

Air Quality

Approach

We manage air emissions to protect human health, both on-site and in the local community, and to minimise impacts to the environment as part of our environmental risk management at Kanmantoo Copper Mine.

Our risk-based approach identifies emission sources across the mining lifecycle and determines management controls to minimise dust and other airborne particulates, with a particular focus on nearby sensitive receptors.

Ambient air quality is monitored through monitoring programs to substantiate control effectiveness and verify no adverse public health and nuisance impacts to local residents.

In depth assessment is used where needed to inform risk management.

In 2025, monitoring and management of air quality, including dust and crystalline silica-related controls, were conducted in accordance with licence requirements and approved management plans at the operation.

Furthermore, we report our emissions to the National Pollutant Inventory (NPI) each year in accordance with applicable regulatory requirements [1].

Performance

Actions/Achievements	Commitments	Long-Term Goals
One recorded air quality (dust) complaint in 2025. Commenced a risk-based Air Quality Management Standard addressing fugitive dust and crystalline silica substances. All employees undertook Regulator approved crystalline silica training under Regulation 529CD(4) of the Work Health and Safety Regulations 2012.	Maintain air quality and silica controls in line with regulatory approvals, internal standards and WHS requirements.	Embed leading-practice management of dust and crystalline silica.
Identified activities with elevated dust and silica generation potential and applied engineering, administrative and PPE controls.	Regularly review and strengthen controls using the hierarchy of controls.	Minimise potential exposure to crystalline silica for workers and impacts to surrounding communities through robust design and operational discipline.
Conducted routine inspections and monitoring to verify control effectiveness.	Ongoing monitoring and inspections to verify control effectiveness and compliance.	Maintain predictable, well-controlled air quality performance across all operational phases.
Undertook depositional dust monitoring in line with licence conditions.	Continue monitoring in line with licence requirements and management plans.	Maintain air quality outcomes that protect human health and amenity for surrounding communities.
Inspected, maintained and upgraded real-time monitoring devices to manage fugitive dust risks.	Continue inspection and maintenance of dust control infrastructure and equipment. Continue to upgrade monitoring devices to ensure reliability, quality and effectiveness is maintained.	Reduce long-term fugitive dust risk through robust design, maintenance and operational practices.

Links to relevant documents

Sustainability Policy

Sustainability Standards - Environment – Air Quality

1. *https://www.npi.gov.au/npidata/action/load/transfer-by-individual-facility-result/criteria/state/SA/year/2024/jurisdiction-facility/SA0638*

Waste and Hazardous Materials Management

Approach

We apply a risk-based approach to identifying, characterising and handling hazardous and non-hazardous waste streams, prioritising waste minimisation, safe storage, appropriate treatment and licensed disposal where required.

Waste rock and ore are assessed and tracked to manage environmental risks, including acid rock drainage and potential contamination, while supporting geotechnical stability and protecting surface and groundwater. These practices are governed by our Waste Standard, and Waste Rock and Ore Standards and supported by site-specific management plans aligned with regulatory requirements.



Performance

Actions/Achievements	Commitments	Long-Term Goals
Identified and managed hazardous and non-hazardous waste using a risk-based approach.	Continue improving waste classification and handling as operations evolve.	Minimise environmental and human health risks from waste over the life of mine.
Assessed and tracked waste rock and ore to manage risks such as acid rock drainage and contamination.	Ongoing assessment and tracking to support risk management.	Reduce long-term environmental liabilities from waste rock and ore storage.
Implemented Waste Standard, and Waste Rock and Ore Standards with site management plan	Maintain practices aligned with regulatory approvals and internal standards.	Leading-practice waste and materials management aligned with SASB Metals & Mining guidance.
Implemented monitoring and inspection programs. Undertook progressive rehabilitation of waste rock areas where practicable.	Continue monitoring, inspections and progressive rehabilitation.	Predictable, compliant waste management performance and stable, rehabilitated landforms for post-mining land use.
Reduced surface waste through underground disposal and rehandle.	Continue to minimise waste brought to surface.	

Links to relevant documents

- Sustainability Policy
- Sustainability Standards – Environment – Waste Rock and Ore, Waste Rock and Ore

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Social

Approach

Protecting the health and safety of our employees, contractors and local communities remains our highest priority. We also continue to foster a diverse and inclusive workforce and broaden access to employment opportunities wherever possible.

We recognise the importance of maintaining and strengthening our social licence to operate through ongoing, genuine engagement with local communities, ensuring their views are heard and considered.

Supporting the local economy through employment, skills development and procurement from local suppliers are core to how we create shared value for our stakeholders.



Workforce Health, Safety and Wellbeing

Approach



We consider the health, safety and wellbeing of our people to be critical to our success and our ultimate goal is to achieve zero harm. We manage risks through a structured, risk-based system supported by our Safety and Health & Wellbeing Standards, with a focus on preventing high-consequence hazards typical in mining. Our health, hygiene and wellbeing programs, together with emergency preparedness and response planning, form key elements of this framework.

Our safety performance is monitored through inspections, audits and incident investigations, with oversight from management and the Audit and Risk Committee.

In line with the Crisis and Emergency Response Standard, we maintain site-based plans for credible scenarios such as fire, inundation, geotechnical instability, hazardous material releases and medical emergencies.

All employees, contractors and their immediate families can access our free, confidential Employee Assistance Program (EAP), offering short-term counselling and support for personal or work-related concerns.

Providing access to this support is an important part of promoting wellbeing and contributing to a healthier, more productive workplace.

Our Total Recordable Injury Frequency (TRIF) increased during the year as underground activities expanded and workforce numbers grew. While none of the incidents resulted in life-altering injuries, the increase is not aligned with our safety objectives and highlights the need for continued focus on injury prevention and workforce wellbeing in 2026.

Performance

Actions/Achievements to date	Commitments	Long-Term Goals
TRIF at 31 Dec 2025: 20.7 (2024: 13.1).	Drive TRIF below industry average.	Empowerment of the workforce to achieve zero-harm.
External review of underground procedures and standards completed.	Maintain integrated risk management with Board oversight of critical risks.	High-consequence risks reduced as far as reasonably practicable.
Fitness-for-work, hygiene monitoring, hazardous substance controls and EAP in place.	Continue health surveillance, mental health and wellbeing programs.	Prevention of occupational illness and sustained workforce wellbeing.
Injury prevention, wellbeing and Return to Work programs implemented.	Strengthen injury prevention and early, safe return to work practices.	Reduce lost time injuries and support long-term workforce participation.
Emergency response plans, training, drills and equipment upgrades.	Regularly review and test emergency preparedness.	Resilient emergency capability protecting people and communities.
Risk assessments, Job Hazard Analysis (JHAs) and critical risk planning embedded.	Ongoing systematic hazard identification and control.	Proactive prevention of high-consequence events.
Incident investigation, corrective actions and lead indicators strengthened.	Maintain robust investigation and proactive performance monitoring.	Continuous learning and improvement in safety performance.
PPE upgrades, workforce surveys and accredited training delivered to over 200 employees.	Ongoing review of PPE, training and workforce feedback.	Competent workforce and strong, engaged safety culture.

Links to relevant documents

- Sustainability Policy
- Sustainability Standards – Health and Wellbeing Sustainability Standards and Safety Standards

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Social *(cont.)*

Community Relations

Approach

Building and maintaining strong, respectful relationships with local communities are fundamental to our social licence to operate and long-term value creation. Our approach focuses on meaningful engagement, collaboration and shared benefit in the regions where we operate.

Community engagement is guided by our Community Consultation Standard and supported by site-specific Community Relations Plans. We seek to understand the social impacts of our activities, address potential concerns and work with stakeholders to identify opportunities for mutual benefit across the life of our operations.

A key part of this approach is the Kanmantoo Callington Community Consultative Committee (KCCCC), established in 2007, which provides a forum for regular and open dialogue with local representatives. In 2019, this engagement supported development of the KCCCC Master Plan to guide community initiatives. In 2024, we committed $50,000 to update the Plan and define future community priorities.

Of this amount, $22,500 was spent in 2025, with the remaining funds expected to be utilised in 2026.

In 2025, we provided $89,000 in financial contributions to support local community assets, initiatives and organisations, including the Bremer Valley Art Trail, lighting upgrades at Callington Oval, the Callington Show and local sporting clubs.

We continue to look for practical ways to deliver community benefit through day-to-day operations, such as assisting neighbouring landholders with water supply and fire break creation.

Community feedback, including concerns and complaints, is managed through established processes to ensure issues are addressed respectfully and used to inform continuous improvement. Oversight of community engagement is embedded within our governance framework, as outlined in the Governance section of this Report.

Performance

Actions/Achievements	Commitments	Long-Term Goals
Stakeholder Engagement		
Planned engagement with external stakeholders to validate material topics and materiality matrix.	Engage with stakeholders to validate material topics and materiality matrix.	
$22,500 was spent in 2025 of the $50,000 committed to update the KCCCC Master Plan and scope future community priorities.	Continue to play an active role in the KCCCC. Continue to report to the KCCCC and be accountable to agreed actions.	Continue to be recognised as an industry leader in community engagement.
Worked with the local community to use site resources to improve local amenities, including water supply support (dipping of water bores), fire break creation, diverting heavy traffic to private roads, and sharing environmental data to assist local businesses and agriculture.	Build on the KCCCC and develop further channels for individual community members and stakeholders to raise comments and concerns about the Kanmantoo Copper Mine via an independent and confidential intermediary in line with stakeholder engagement best practice.	Establish mechanisms which build local community capability that sees host communities receiving long-lasting sustainable benefits well beyond the completion of mining activities.
Community Support		
Delivery of financial support totalling $89,000 to a range of local community assets, projects and groups, including the Bremer Valley Art Trail, Callington Oval lighting upgrade, Callington Show and local sports clubs.	Maintain annual financial support to local communities.	Explore strategies to support local capacity building and skills training such as partnerships with local education institutions.
Hosting of mine site visits for university students and K4C members (mine and revegetation areas).		

Links to relevant documents

- Sustainability Policy
- Sustainability Standards – Community and Social – Community Consultation Standard

Local Employment

Approach

Local employment is fundamental to building strong community relationships and delivering shared value for both the Company and the regions in which we operate. Employing people from the local community supports workforce stability, strengthens local capability and knowledge, and fosters a sense of shared ownership in the success of our operations.

Our approach to local employment is governed by our People and Culture Policy and associated internal standards, which guide workforce planning, recruitment, development and workforce wellbeing. These standards underpin our commitment to fair, inclusive and transparent employment practices, with a focus on attracting, developing and retaining local talent wherever practicable.

We maintain respectful workplace relations through open communication, and consultation with employees and their chosen representatives, in line with the Fair Work Act 2009 (Cth). Our employment arrangements meet or exceed the National Employment Standards and comply with applicable workplace instruments, including modern awards and individual employment contracts.

We respect freedom of association. Employees may choose to join (or not join) a union or employee association and may seek representation without discrimination, disadvantage or adverse treatment.

In 2025, Kanmantoo Copper Mine maintained a predominantly residential workforce, with 186 of 189 employees residing locally (98.4%). This included 71 new local hires in 2025, reinforcing our commitment to supporting employment in the region and ensuring our workforce reflects the communities in which we operate.

Performance

Actions/Achievements to date	Commitments	Long-Term Goals
At 31 Dec 2025, 98.4% of Kanmantoo employees live within 125km of Kanmantoo Copper Mine.	Continue to maintain local hire policy where viable. Provide traineeships, apprenticeships, vacation employment and graduate roles for locals.	Explore strategies for supporting local capacity building and skills training such as partnerships with local education institutions.
Employed 7 local vacation students and 2 local graduates in 2025.		

Links to relevant documents

Sustainability Policy



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Social *(cont.)*

Diversity, Equity and Inclusion

Approach

A diverse, equitable and inclusive workforce strengthens decision-making, supports a positive workplace culture and reflects the communities in which we operate. Our approach to Diversity, Equity and Inclusion (DEI) is focused on creating a respectful and inclusive work environment where people are treated fairly and have equal access to opportunities.

DEI considerations are embedded within Hillgrove's people management practices and are governed by the Company's Diversity, Equity and Inclusion Policy and People and Culture framework. These internal policies and standards guide recruitment, workforce development, remuneration, performance management and workplace conduct, and support consistency across the business.

We value diversity across gender, age, cultural background, Aboriginal and Torres Strait Islander heritage, disability, sexual orientation, religion and other individual characteristics. Workforce planning and recruitment practices are designed to attract and retain a broad range of skills, experiences and perspectives, while ensuring selection decisions are based on merit and free from bias.

Equity is supported through policies and practices that promote fair access to career development, remuneration and professional growth. We monitor workforce composition and remuneration outcomes to identify and address potential inequities and to support transparent and consistent people management practices.

Inclusion is fostered through a workplace culture that encourages respectful behaviour, open dialogue and participation. Training and awareness initiatives, including cultural awareness and inclusive leadership development, support employees and leaders to create an environment where people feel valued and empowered to contribute.

At 31 December 2025, women represented 16.5% of Hillgrove's workforce, compared to an Australian mining industry average of approximately 22%. The Company acknowledges this gap and continues to focus on initiatives that support increased workforce diversity over time, including flexible work arrangements and leadership accountability.

Hillgrove maintains zero tolerance for discrimination, bullying and harassment. Workplace concerns can be raised through established reporting mechanisms and are addressed in accordance with Company policies and applicable legislation.

Performance

Actions/Achievements to date	Commitments	Long-Term Goals
16.5% of the workforce at Kanmantoo identified as female (31 Dec 2025).	Work to maintain and increase representation of women in the workforce.	Diverse representation across all levels of the business including Board, management, and the workforce.
Diversity, Equity and Inclusion policy monitored.	Explore viable actions and strategy to further diversify the workforce and expand access to job opportunities.	

Links to relevant documents

Diversity, Equity and Inclusion Policy

First Nations Engagement and Cultural Heritage

Approach

Hillgrove acknowledges the Traditional Owners and Custodians of the lands where we operate and respects the enduring connection of First Nations peoples to Country.

We recognise the importance of respectful engagement with relevant Traditional Owner groups and the protection of cultural heritage. To date, engagement has been informal, including discussions with the Chair of the Peramangk people. We are committed to continuing dialogue and ensuring our approach aligns with the Aboriginal Heritage Act 1988 (SA), the principles of the Minerals Council of Australia's Enduring Value framework and the ICMM Performance Expectations.

Cultural heritage risks are managed through our environmental and social management systems supported by specialist advice and clear procedures for heritage incidents and chance finds.

First Nations engagement and cultural heritage are recognised as important topics for the Company. While current impacts are limited, we are focused on building strong foundations through compliance, training and continuous improvement, and strengthening our engagement approach as operations evolve.

Performance

Actions/Achievements	Commitments	Long-Term Goals
Integrated First Nations and cultural heritage risks into the Enterprise Risk Management Framework.	Embed cultural heritage considerations into land access, exploration and operational planning.	An evolving, mature approach to First Nations engagement aligned with our operational footprint and stakeholder expectations.
Met obligations under applicable Aboriginal heritage legislation and approval conditions.	Continue respectful, good-faith engagement with relevant Traditional Owner groups.	No material cultural heritage incidents.

Links to relevant documents

- Sustainability Policy
- Sustainability Standards – Community and Social – Cultural Heritage



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Social *(cont.)*

Sustainable Sourcing

Approach

Responsible procurement and supply chain practices help us manage environmental, social and governance risks while supporting local and regional communities.

We consider ethical, social and environmental factors in our purchasing decisions in line with our Sustainability and Modern Slavery Policies, supported by clear supplier onboarding and procurement processes. Wherever possible, we prioritise local and regional Australian businesses in our supply chain.

Our exposure to modern slavery and human rights risks is considered low, therefore due diligence on new suppliers is presently focused on financial and conflict of interest considerations.

As part of our preparations for mandatory reporting under the Modern Slavery Act 2018, we are currently reviewing and enhancing our policy, procedures and management systems aimed to managing modern slavery risk in our company and supply chains. This process will be concluded in the first half of 2026 and outlined in our Modern Slavery Statement.

Performance

Actions/Achievements	Commitments	Long-Term Goals
$60.4 million spent locally in the region supporting 213 local businesses. 50% of active vendors have postcodes within 125km of Kanmantoo (213 of 423 active vendors).	Continue to monitor our sourcing and procurement approach and explore the adoption of an ethical procurement policy.	Explore the adoption of a wider approach to sustainable sourcing and engage with suppliers and customers up and downstream of our operations to drive supply chain sustainability.
Complete review and uplift of modern slavery policy, procedures and management systems, and align with good practice as defined in the Modern Slavery Act 2018.		

Links to relevant documents

Sustainability Policy

Modern Slavery Policy

Ensuring Continuity in our Sustainability Approach

At present, the monitoring of action and delivery under this reporting process is overseen by the Audit and Risk Committee, supported by Hillgrove's Chief Executive Officer and Managing Director, Chief Financial Officer and General Manager for the Kanmantoo Copper Mine.

This Committee reports to the Board on progress linked to the Sustainability Report. This governance approach underlines the fact that sustainability is seen as a business-critical issue for the Company.

From 2026 onwards we will be expanding our reporting to reflect the operational status of our Kanmantoo Copper Mine. Building on our updated materiality assessment, key performance metrics will be identified and disclosed annually, including key data linked to the new mandatory climate reporting requirements for Australian companies.

Further information on Hillgrove's sustainability approach, policies and standards is available at www.hillgroveresources.com.au/sustainability.

Glossary

Abbreviation	Explanation
%	Percentage
AASB	Australian Accounting Standards Board. Australian government agency responsible for developing, issuing and maintaining accounting standards that apply under Australian company law
AIC	All-In Cost
AICD	Australian Institute of Company Directors. Non-profit organsation for directors
AISC	All-In Sustaining Cost
ASX	Australian Securities Exchange. A listed exchange group that offers listings, trading, clearing, settlement, technical and information services
Au	Chemical symbol for gold
AUD:USD	Exchange rate between Australian dollar and the US dollar. It measures how many US dollars are needed to buy one Australian dollar. For example, if the rate is 0.65, 1 AUD equals 65 US cents
AusIMM	Australasian Institute of Mining and Metallurgy. It is the professional body for mining, minerals and metallurgical professionals in Australia and the Asia-Pacific region
BUSHRat	Bushland Rapid Assessment Technique
CCRO	Climate Change Risk and Opportunity Assessment. Assessment to align with the recommendations of the Task Force on Climate-related Disclosures (TCFD)
CIK	Categorical Indicator Kriging is a geostatistical interpolation method used to estimate the probability of a categorical variable
CO_2-e	Carbon dioxide equivalent. A standard unit for measuring carbon footprints
Cu	Chemical symbol for copper
CuEq	Copper equivalent. The general formula is CuEq = Cu% + (Secondary metal grade x factor). Factors often account for metal prices, recovery, etc
CY	Calendar year
DEI	Diversity, Equity, and Inclusion, an organizational framework designed to foster fair treatment, representation, and a sense of belonging for people of all backgrounds, particularly underrepresented or historically marginalised groups
EAP	Employee Assistance Program. This is available to employees and their families to use to assist with their health and wellbeing
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation. A financial performance measure that shows a company's operating profitability before the effects of financing, accounting and tax decisions
ESG	Environmental, Social & Governance
FID	Financial investment decision
FY	Financial year
GAAP	Generally Accepted Accounting Principles. A set of accounting rules, standards, and practices
g/t	Grams per tonne. Unit to indicate the concentration or grade of a precious metal
GHG	Greenhouse gas. Compound gases that trap heat or longwave radiation in the atmosphere
GRI	Global Reporting Initiative. Independent, international organisation that provides the world's most widely used standards for sustainability reporting
GRI 14	Mining Sector 2024 standard provided by GRI. It provides information for organisations involved in mining activities about their likely material topics
GWLAP	Goolwa to Wellington Local Action Planning Association
H1	The first half of the year
H2	The second half of the year
ICMM	International Council on Mining and Metals. An international organisation whose purpose is to bring together a safe, fair and sustainable mining and metals industry
IFRS	International Financial Reporting Standards. Global accounting standards to prepare and present financial statements
ISO	International Organisation for Standardisation. Independent, non-governmental international organisation that develops, publishes, and maintains voluntary, consensus-based, and market-relevant international standards for products, services, and systems

Abbreviation	Explanation
JHA	Job Hazard Analysis. A safety tool used to systematically identify, evaluate, and control risks associated with specific job tasks before they occur
JORC	Joint Ore Reserves Committee. It is an industry body that sets the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves, commonly called the JORC Code
K4C	Kanmantoo Callington Community Consultative Committee
Kanmantoo	Kanmantoo town is located about 1.5-2.5km north-east of the Kanmantoo Copper Mine
kg	Kilogram. International system of of units (SI) based on mass. Equivalents to 1,000 grams
km	Kilometre. Number equivalent to 1,000 metres
km^2	Square kilometre. Metric unit of area, commonly used for measuring large land areas
koz	Thousand ounces. Number unit equivalent to 1,000 oz
kt	Kilotonne. Measurement equivalent to 1,000 tonnes
lb	Pound. A unit of weight
m	Metre. International system of units (SI) base unit of length
M	Million. Number equivalent to the product of one thousand times one thousand
MRE	Mineral Resources Estimate
MROR	Mineral Resources and Ore Reserves
MT	Magneto-Telluric is a geophysical exploration method used to investigate the Earth's subsurface by measuring natural variations in the Earth's magnetic and electric fields
Mtpa	Million tonnes per annum
NPI	National Pollutant Inventory. The NPI provides the community, industry and government with free information about substance emissions in Australia
ORE	Ore Reserve Estimate
oz	Troy ounces. A unit of weight. For gold one ounce weighs approximately 31.1035 grams
PPE	Personal protective equipment. Anything used or worn on our employees to minimise risk to their health and safety
QA/QC	Quality assurance (QA) and quality control (QC) are key components of quality management to prevent and identify defects
RCPs	Representative Concentration Pathways. Greenhouse gas concentration trajectories used for climate modeling
RMI	Responsible Minerals Initiative. Organisation providing tools to improve supply chain, social, and environmental practices in mineral sourcing
S1	AASB reporting standard 1
S2	AASB reporting standard 2
SASB	Sustainability Accounting Standards Board. Non-profit organisation that creates industry-specific standards to guide companies' disclosure of financially material sustainability information
Scope 1	Category of greenhouse gas emissions. Scope 1 is sometimes referred to as direct emissions and refers to emissions released to the atmosphere as a direct result of an activity
Scope 2	Category of greenhouse gas emissions. Scope 2 are indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity
Scope 3	Category of greenhouse gas emissions. Scope 3 are indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions
t	Tonnes. Number unit of mass equivalent to 1,000 kilograms
TNFD	Taskforce on Nature-related Financial Disclosures. A market-led, science-based and government-supported global initiative
TRIF	Total recordable injury frequency. Usually forms part of the acronym TRIFR and refers to the number of fatalities, lost time injuries, alternate work, and other injuries requiring medical treatment per million hours worked
TSF	Tailings storage facility. A reservoir or dynamic structure designed to safely store left over materials from the processing of mined ore
US$	United States dollar
VOX Royalty	A returns focused mining royalty company
WGEA	Australian Government's Workplace Gender Equality Agency
WHS	Work, health and safety

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Annexure A: SASB and ICMM Alignment Crosswalks

SASB Metals and Mining Sustainability Accounting Standard

SASB Disclosure	Metric	Code	Comment
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions limiting regulations	EM-MM-110a.1	Page 28
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MM-110a.2	Page 28-29
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	EM-MM-120a.1	HGO measures and manages air pollutants relevant to its operations. Refer to page 34 for details of our approach to air quality management and details of our NPI reporting.
Energy Management	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	EM-MM-130a.1	(1) Total energy consumed – 314,187 GJ (2) Percentage grid electricity – 48.95% (3) Percentage renewable – 0%* Kanmantoo's power supply is already low GHG intensity, due to the high penetration of renewable generation (>70%) in the South Australian grid. Furthermore, Hillgrove is part of a collaborative electricity purchasing group focused on renewable energy development, that has underwritten, and continues to underwrite new renewable power generation build within South Australia.
Water Management	(1) Total water withdrawn (2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	EM-MM-140a.1	We are still developing our ability to report water metrics, refer to page 30 for details on our overall approach water management.
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	EM-MM-140a.2	In FY2025 groundwater decreases were recorded in the Kanmantoo region which triggered the need for HGO to undertake new groundwater modelling, however no impacts to local users have been identified to date. Similarly, HGO continues to monitor potential groundwater contamination onsite, but any impacts to water quality are constrained by the pit, and as such are not considered to pose a risk to offsite users.
Waste and Hazardous Materials Management	Total weight of non-mineral waste generated	EM-MM-150a.4	HGO does not currently report this metric, refer to page 35 for details of our risk-based approach to waste and hazardous materials management. As this is a newly material topic HGO is exploring potential ways to strengthen the way we report in this area.
	Total weight of tailings produced	EM-MM-150a.5	As above.
	Total weight of waste rock generated	EM-MM-150a.6	As above.
	Total weight of hazardous waste generated	EM-MM-150a.7	As above.
	Total weight of hazardous waste recycled	EM-MM-150a.8	As above.
	Number of significant incidents associated with hazardous materials and waste management	EM-MM-150a.9	As above.
	Description of waste and hazardous materials management policies and procedures for active and inactive operations	EM-MM-150a.10	Page 35
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-MM-160a.1	Page 31.
	Percentage of mine sites where acid rock drainage is: (1) Predicted to occur (2) Actively mitigated (3) Under treatment or remediation	EM-MM-160a.2	While quantitative metrics have not been disclosed this year, refer page 35 for details of how we assess and track waste rock and ore to manage risks such as acid rock drainage and contamination.
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	EM-MM-160a.3	HGO undertakes long-standing annual surveys, mapping and ongoing biodiversity (flora & fauna) monitoring. We will explore the possibility of integrating this data into future reports. Refer to page 31 for details of our 2025 actions and achievements relating to conservation and biodiversity.

Annexure A: SASB and ICMM Alignment Crosswalks *(cont.)*

SASB Metals and Mining Sustainability Accounting Standard *(cont.)*

SASB Disclosure	Metric	Code	Comment
Security, Human Rights and Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EM-MM-210a.1	Not Applicable.
	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	EM-MM-210a.2	100% of HGO's proved and probable Ore Reserves occur in or near Indigenous land.
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-MM-210a.3	Page 41-42.
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-MM-210b.1	Page 38.
	(1) Number and (2) duration of nontechnical delays	EM-MM-210b.2	There were no non-technical delays at any of our operations in 2025.
Labour Practices	Percentage of active workforce employed under collective agreements	EM-MM-310a.1	No HGO employees are employed under a collective agreement.
	(1) Number and (2) duration of strikes and lockouts	EM-MM-310a.2	(1) 0 (2) 0
Workforce Health and Safety	(1) All-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) direct employees and (b) contract employees	EM-MM-320a.1	HGO currently reports TRIF as its primary workforce health and safety metric, refer page 37.
Business Ethics and Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-MM-510a.1	Page 42.
	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-MM-510a.2	Not applicable.
Tailings Storage Facilities Management	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP	EM-MM-540a.1	HGO does not currently disclose metrics on its tailings storage facilities but continues to explore ways to strengthen our reporting in this area.
	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	EM-MM-540a.2	Page 32.
	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	EM-MM-540a.3	While site-based emergency management plans are in place to respond to tailings storage-related incidents, we have not disclosed specific Emergency Preparedness and Response Plans (EPRPs) for these facilities. Refer to page 37 for further details on plans developed in alignment with our Crisis and Emergency Response Standard.
Activity Metric	Production of (1) metal ores and (2) finished metal products	EM-MM-000.A	1.45Mt of Ore Mined and 11.3kt of copper produced.
	Total number of employees, percentage contractors	EM-MM-000.B	At 31 December 2025, Hillgrove had 190.4 full time employees (including 0.8 permanent part time), 12 casual employess and approximately 100 full time contractors, (~33%).

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Annexure A: SASB and ICMM Alignment Crosswalks *(cont.)*

ICMM Performance Expectations

ICMM Mining Principle	HGO Response	HGO Report Crosswalk
PRINCIPLE 1: Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.	We maintain high standards of legal and regulatory compliance across all stages of our operations, including exploration, development, mining, rehabilitation and closure activities. Compliance with applicable laws and regulations is fundamental to maintaining our licence to operate and supporting ethical and responsible business conduct.	Page 24.
	Our Anti-bribery, Fraud and Corruption policy describes our key principles and commitments regarding anti-bribery, fraud and corruption and the commitments of our employees. This policy applies to all employees, directors, officers, contractors, suppliers, consultants, and any third parties acting on behalf of Hillgrove Resources in Australia and internationally.	Page 25.
	Our sustainability management framework is guided by our Sustainability Policy, Sustainability Standards and alignment with recognised industry frameworks relevant to the mining sector, including the ICMM Mining Principles, SASB Metals and Mining Standard and the ASX Corporate Governance Council's recommendations.	Page 20, 24.
	The Board of Directors holds ultimate responsibility for Hillgrove's sustainability strategy, including setting priorities and evaluating performance. The Board also reviews and approves the Sustainability Report prior to publication.	Page 24.
PRINCIPLE 2: Integrate sustainable development in corporate strategy and decision-making processes.	We have established a suite of Sustainability Standards across Safety, Health and Wellbeing, Environmental, and Community and Social areas. These standards provide clear guidance to the Board, management, assets and projects by: ▶ Translating the Sustainability Policy into minimum performance expectations ▶ Identifying areas that have the potential to materially affect business performance ▶ Defining risk tolerance and minimum requirements for managing environmental and social risks ▶ Supporting consistent day-to-day decision-making and risk management ▶ Enabling alignment with corporate governance and regulatory obligations ▶ Providing benchmark criteria for internal and external auditing ▶ Supporting the creation of shared value for stakeholders	Page 20.
	We maintain policies, standards and procedures designed to support compliance and promote ethical conduct, including our Code of Conduct, Anti-Bribery, Fraud and Corruption Policy, Whistleblower Policy and Modern Slavery Policy. These documents establish clear expectations for employees, contractors and business partners and are reviewed periodically to ensure they remain fit for purpose.	Page 24-26.
PRINCIPLE 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities	We are committed to upholding respect for human rights and the right for people to be free from forced labour and other forms of modern slavery in our operations and supply chains. Our commitments to eradicate modern slavery include: ▶ Integrating and incorporating human rights due diligence steps into all other relevant existing policy documents, such as human resources or procurement policies or procedures, or employee handbooks or codes of conduct. ▶ Assessing human rights impacts and risks within the broader organisational risk profile. ▶ Undertake human rights due diligence on suppliers and service providers to identify, prevent, mitigate, and account for how suppliers and service providers address their human rights impacts. ▶ Conduct hotspot analysis to better understand the risk of causing, contributing to, or being directly linked to modern slavery. ▶ Establish processes to enable effective remediation for any adverse human rights impacts which the business causes or contributes to. ▶ Encouraging transparency and accountability in all business dealings. See our Modern Slavery Policy for information on risk identification and management; due diligence expectations of our suppliers and service providers; reporting and grievance mechanisms; and training and awareness. This Policy applies to all employees, contractors, suppliers, and business partners engaged with Hillgrove across all operational sites and corporate offices globally.	Page 26.
	Hillgrove acknowledges the Traditional Owners and Custodians of the lands where we operate and respects the enduring connection of First Nations peoples to Country. Guided by our Cultural Heritage Standard, we seek early consultation and consider cultural heritage in planning to avoid disturbance wherever possible. Cultural heritage risks are managed through our environmental and social management systems and Enterprise Risk Management Framework, supported by specialist advice and clear procedures for heritage incidents and chance finds. First Nations engagement and cultural heritage are recognised as important topics for the Company. While current impacts are limited, we are focused on building strong foundations through compliance, training and continuous improvement, and strengthening our engagement approach as operations evolve.	Page 41.
	DEI considerations are embedded within Hillgrove's people management practices and are governed by the Company's Diversity, Equity and Inclusion Policy and People and Culture framework. These internal policies and standards guide recruitment, workforce development, remuneration, performance management and workplace conduct, and support consistency across the business.	Page 40.

Annexure A: SASB and ICMM Alignment Crosswalks *(cont.)*

ICMM Performance Expectations *(cont.)*

ICMM Mining Principle	HGO Response	HGO Report Crosswalk
PRINCIPLE 4: Implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.	We are committed to ensuring our strategic planning and business operations align with our corporate governance obligations in managing risk and enhances the developing of a risk culture of informed decision making.	Page 25.
	In 2025 we completed a Climate Change Risk and Opportunity (CRRO) Assessment and developed a preliminary climate change risk and opportunity register.	Page 29.
	Cultural heritage risks are managed through our environmental and social management systems and Enterprise Risk Management Framework, supported by specialist advice and clear procedures for heritage incidents and chance finds.	Page 41.
	We manage safety risks through a structured, risk-based system supported by our Safety and Health & Wellbeing Standards, with a focus on preventing high-consequence hazards typical of mining. Our health, hygiene and wellbeing programs, together with emergency preparedness and response planning, form key elements of this framework. Our safety performance is monitored through inspections, audits and incident investigations, with oversight from management and the Audit and Risk Committee.	Page 37.
	In line with the Crisis and Emergency Response Standard, we maintain site-based plans for credible scenarios such as fire, inundation, geotechnical instability, hazardous material releases and medical emergencies.	Page 37.
PRINCIPLE 5: Pursue continual improvement in the health and safety performance with the ultimate goal of zero harm.	We consider the health, safety and wellbeing of our people to be critical to our success and our ultimate goal is to achieve zero harm. We manage risks through a structured, risk-based system supported by our Safety and Health & Wellbeing Standards, with a focus on preventing high-consequence hazards typical of mining. Our health, hygiene and wellbeing programs, together with emergency preparedness and response planning, form key elements of this framework.	Page 37.
	In 2025 HGO continued to undertake incident investigation, corrective actions and lead indicators strengthening. We also implemented PPE upgrades, workforce surveys and delivery of accredited training for employees.	Page 37.
PRINCIPLE 6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.	Tailings facilities are designed to meet regulatory and engineering standards appropriate to risk, with consideration of geotechnical stability, water and seepage management, and containment capacity. Risk-based management plans guide operations, monitoring and trigger response actions. Assurance is provided through routine inspections, monitoring and independent review during operations and into closure. Rehabilitation and closure planning are integrated with tailings management, including progressive rehabilitation, defined closure objectives and long-term performance monitoring to support safe, stable landforms and agreed post-mining land use. Tailings storage facilities (TSFs) are planned, designed, operated and closed in accordance with our Tailings Storage, Rehabilitation and Mine Closure Standard and leading industry practice, aligned with the intent of the Global Industry Standard on Tailings Management. Governance is supported by clear accountabilities, Board oversight, a dedicated Tailings Storage Facility Supervisor and an independent Engineer of Record. We apply a risk-based approach to identifying, characterising and handling hazardous and non-hazardous waste streams, prioritising waste minimisation, safe storage, appropriate treatment and licensed disposal where required.	Page 32.
	Our Scope 1 and Scope 2 emissions footprint is comparatively low when compared with similar sized mining operations. This is due to our ability to source power from the state energy grid, meaning we have been able to displace all onsite diesel fired electricity generation, while also benefitting from the rapidly decarbonising South Australian grid HGO is committed to continuing to explore further strategic projects to deliver energy efficiency.	Page 28.
PRINCIPLE 7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning.	At Kanmantoo, biodiversity risks are managed in accordance with our Biodiversity Standard through baseline surveys, mapping and ongoing monitoring. Biodiversity considerations are integrated into land disturbance planning to minimise habitat loss and fragmentation, with a focus on protecting threatened species, controlling pests and weeds, and restricting access to sensitive areas.	Page 31.
PRINCIPLE 8: Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.	We integrate lifecycle considerations into project design, operations and closure planning, focusing on efficient use of energy, water and materials, waste minimisation, and opportunities for recovery, re-use and recycling wherever practicable. At Kanmantoo, this includes maximising metal recovery, recycling process water, re-using suitable materials in construction and rehabilitation, and managing waste streams through approved recycling or disposal pathways. Hazards associated with copper concentrate are assessed in accordance with the United Nations Globally Harmonised System (GHS) and relevant Australian regulations, with Safety Data Sheets, labelling and transport controls ensuring safe handling across the supply chain. Oversight of product stewardship and resource management is embedded within our governance framework to support regulatory compliance, risk management and continuous improvement.	N/A.

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Annexure A: SASB and ICMM Alignment Crosswalks *(cont.)*

ICMM Performance Expectations *(cont.)*

ICMM Mining Principle	HGO Response	HGO Report Crosswalk
PRINCIPLE 9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.	Local employment is fundamental to building strong community relationships and delivering shared value for both the business and the regions in which we operate. Employing people from the local community supports workforce stability, strengthens local capability and knowledge, and fosters a sense of shared ownership in the success of our operations. Our approach to local employment is governed by our People and Culture Policy and associated internal standards, which guide workforce planning, recruitment, development and workforce wellbeing. These standards underpin our commitment to fair, inclusive and transparent employment practices, with a focus on attracting, developing and retaining local talent wherever practicable.	Page 39.
	Wherever possible, we prioritise local and regional Australian businesses in our supply chain.	Page 42.
	Community engagement is guided by our Community Consultation Standard and supported by site-specific Community Relations Plans. We seek to understand the social impacts of our activities, address potential concerns and work with stakeholders to identify opportunities for mutual benefit across the life of our operations. Community feedback, including concerns and complaints, is managed through established processes to ensure issues are addressed respectfully and used to inform continuous improvement. Oversight of community engagement is embedded within our governance framework, as outlined in the Governance section of this Report.	Page 21, 38.
PRINCIPLE 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.	Consistent with our commitment to continuous improvement, external stakeholder consultation regarding our sustainability material topics will continue in 2026 to ensure alignment with emerging expectations and best practice.	Page 21.
	In 2024–2025, we undertook a refreshed materiality assessment, supported by external sustainability consultants, to reflect the recommencement of mining operations at Kanmantoo. This process identified Sustainability Management and Reporting as a material topic, recognising increasing stakeholder expectations for transparent, decision-useful sustainability disclosures. We acknowledge that we are at an early stage of our sustainability reporting journey. Our current focus is on strengthening governance foundations, improving data quality and progressively enhancing sustainability disclosures, including preparing for future mandatory climate-related reporting under the Australian Sustainability Standards Board (AASB) S2 requirements.	Page 24.
	Our sustainability management framework is guided by our Sustainability Policy, Sustainability Standards and alignment with recognised industry frameworks relevant to the mining sector, including the ICMM Mining Principles, SASB Metals and Mining Standard and the ASX Corporate Governance Council's recommendations.	Page 24.

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hillgrove resources

An Australian Copper Producer

Financial Report 2025

for the year ended 31 December



www.hillgroveresources.com.au

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All dollar amounts in this report are expressed in Australian dollars unless otherwise stated.

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Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Hillgrove Resources Limited (Hillgrove or the Company) and the entities it controlled during the 12 months ended 31 December 2025.

Principal Activities

Hillgrove is an Australian mining company listed on the Australian Securities Exchange (ASX: HGO) and focused on mining the Kanmantoo Underground Copper Mine in South Australia and mineral exploration in the south-east of South Australia. The Kanmantoo Copper Mine is located 55 kilometres from Adelaide in South Australia.

Directors and Officers

The Directors and Officers of the Company during the whole of the financial year and up to the date of this report are:

Mr Derek Carter

Independent Non-Executive Chair

Chair Nomination Committee

BSc, MSc, FAusIMM

Derek has over 50 years' experience in exploration and mining geology and management. He held senior positions in Burmine Ltd and the Shell Group of Companies where he was responsible for discovering the Los Santos tungsten deposit in Spain, before founding Minotaur Gold NL in 1993. He resigned as Chair of Minotaur Exploration Ltd in November 2016. Derek was awarded AMEC's Prospector of the Year Award (jointly) in 2003 for the discovery of the Prominent Hill copper-gold deposit, the AusIMM President's Award and is a Centenary Medallist. Derek is currently the Chair of PTR Minerals Ltd (ASX: PTR).

Derek is a member of the Audit and Risk, Remuneration and Nomination Committee.

Appointed 24 April 2020.

Mr Robert Fulker

Chief Executive Officer and Managing Director

BEng (Mining), MSc (Mineral & Energy Economics), FAusIMM

Robert is a highly experienced Mining Engineer with over 40 years of experience in the minerals industry. He has held Senior Executive positions at Evolution Mining and OZ Minerals, where he was responsible for leading the safe and efficient delivery of significant operations. Robert's extensive experience spans Australia, Africa, and Canada, where he has consistently achieved outstanding results in various mineral sectors. His strategic leadership in corporate roles and operational excellence through innovative solutions have significantly enhanced safety, operations, and profitability. Throughout his career, Robert has worked with industry leaders such as Rio Tinto, Normandy Mining, BHP, OZ Minerals, and Evolution Mining.

Appointed 1 July 2024.

Mr Murray Boyte

Independent Non-Executive Director

Chair Audit and Risk Committee

BCA, CA, MAICD

Murray has over 40 years' experience in merchant banking and finance, undertaking company reconstructions, mergers and acquisitions in Australia, New Zealand, North America and Hong Kong. Murray holds a Bachelor of Commerce and Administration from the Victoria University in Wellington and is a member of the Australian Institute of Company Directors, and Chartered Accountants Australia & New Zealand. In addition, Murray has held executive positions and directorships in the transport, horticulture, financial services, investment, health services and property industries. Murray is currently Chair of National Tyre & Wheel Limited (ASX: NTD). He retired as the Chair of Eureka Group Holdings Limited (ASX: EGH) on 25 February 2025, and as a Non-Executive Director of Eumundi Group (ASX: EBG) on 14 February 2025.

Murray is a member of the Audit and Risk, Remuneration and Nomination Committee.

Appointed 10 May 2019.

Mr Roger Higgins

Independent Non-Executive Director

Chair Remuneration and Nomination Committee

BE (Hons), MSc, PhD, FAusIMM, FIEAust

Roger has over 50 years of experience in the resources industries, including being a former Managing Director of Ok Tedi Mining Limited in Papua New Guinea and Senior Vice President Copper at Canadian metals and mining company Teck Resources Limited. He was also Vice President and Chief Operating Officer with BHP Base Metals (Australia) and held senior operations and project positions with BHP in Chile. He is an Adjunct Professor with the Sustainable Minerals Institute, University of Queensland. He was previously the Chair of both Minotaur and Demetallica Limited and a Non-Executive Director of Newcrest Mining Limited and Worley Limited.

Roger is a member of the Audit and Risk, Remuneration and Nomination Committee.

Appointed 6 June 2023.

Mr Luke Anderson

Chief Financial Officer and Joint Company Secretary

BA (Acc), CA, MAICD

Luke is a Chartered Accountant with over 25 years' experience in financial management, corporate development, and executive leadership across the resources and transport sectors in Australia and the United States. He has held senior roles including CEO of One Rail Australia and Andromeda Metals, President and CEO of Unimin Corporation, and CFO of OZ Minerals. Luke brings deep expertise in executive leadership, corporate strategy and financial operations to Hillgrove Resources, supporting the Company's continued growth.

Appointed 2 June 2025.

Mr Jake van der Hoek

Joint Company Secretary

Appointed 29 November 2024.

Mr Joe Sutanto

Chief Commercial Officer
(Previously Chief Financial Officer and Joint Company Secretary)

Appointed 16 June 2023 in previous role. Appointed 2 June 2025 as Chief Commercial Officer.

Employment ceased on 31 August 2025.

Directors' Report *(cont.)*

Directors' Meetings

The attendance of Directors at Board and Committee meetings during the financial year were as follows:

Meetings Held	Board		Remuneration Committee		Audit & Risk Committee		Nomination Committee		Remuneration and Nomination Committee [2]		Treasury Committee [3]	
Director	A	B	A	B	A	B	A	B	A	B	A	B
Mr D Carter	18	17	2	2	7	7	3	3	1	1	-	-
Mr M Boyte	18	18	2	2	7	7	3	3	1	1	-	-
Mr R Higgins	18	17	2	2	7	6	3	2	1	1	-	-
Mr R Fulker	18	18	2	2[1]	7	7[1]	3	3[1]	1	1[1]	-	-

A - Number of meetings held during the time the Director was a member of the Board and/or Committee.

B - Number of meetings attended during the time the Director was a member of the Board and/or Committee.

1. *Attendance at Committee meeting by invitation.*
2. *On 22 August 2025, the Board approved the dissolution of the Remuneration Committee and the Nomination Committee, and the constitution of a combined Remuneration and Nomination Committee.*
3. *On 22 August 2025, the Board approved the dissolution of the Treasury Committee, the responsibilities of which are now overseen by the Audit and Risk Committee.*

Financial Review

Consolidated Profit or Loss Summary

	2025 ($M)	2024 Restated ($M)
Revenue from ordinary activities net of treatment costs and refining costs (TCRCs)	**167.6**	112.2
Profit / (Loss) from ordinary activities after tax attributable to the owners of Hillgrove Resources Limited	**0.1**	(14.8)
Profit / (Loss) for the year attributable to the owners of Hillgrove Resources Limited	**0.1**	(14.8)

For the year ended 31 December 2025, the net profit after tax was $0.1 million compared to a net loss after tax of $14.8 million for the year ended 31 December 2024 (restated).

Financial Review (cont.)

Consolidated Statement of Profit or Loss Overview

	Dec 2025 ($M)	Dec 2024 Restated ($M)	Change ($M)
Copper revenue	**153.9**	111.2	42.7
Gold revenue	**12.3**	5.4	6.9
Silver revenue	**4.6**	2.9	1.7
Less: TCRCs	**(3.2)**	(7.3)	4.1
NET REVENUE FROM SALE OF CONCENTRATE	**167.6**	**112.2**	**55.4**
Mining costs	**(85.2)**	(53.4)	(31.8)
Processing costs	**(23.8)**	(20.5)	(3.3)
Transport and shipping costs	**(6.4)**	(4.0)	(2.4)
Other direct costs	**(7.5)**	(5.0)	(2.5)
Movement in inventory stockpile valuation (cash costs)	**(1.2)**	2.5	(3.7)
Government royalties	**(8.3)**	(5.4)	(2.9)
Corporate costs	**(8.3)**	(4.7)	(3.6)
Exploration and project costs written off	**(1.0)**	(0.4)	(0.6)
TOTAL COSTS	**(141.7)**	**(90.9)**	**(50.8)**
Net realised gains/(losses)	**0.2**	0.2	0.0
Other income and expenses	**(0.1)**	0.8	(0.9)
EBITDA	**26.0**	**22.3**	**3.7**
Depreciation and amortisation	**(20.9)**	(31.8)	10.9
Movement in inventory stockpile valuation (non-cash costs)	**0.5**	(0.2)	0.7
EBIT	**5.6**	**(9.7)**	**15.3**
Net interest and financing charges	**(4.6)**	(4.9)	0.3
Income tax expense	**(0.9)**	(0.2)	(0.7)
NET PROFIT/(LOSS) AFTER TAX	**0.1**	**(14.8)**	**14.9**

Net revenue (inclusive of fixed pricing) increased by $55.4 million to $167.6 million, reflecting the first full year of underground mining at Kanmantoo and a step-change in mining rates to 1.45Mtpa, up from 0.9Mtpa in 2024. This uplift in throughput translated directly into higher copper, gold and silver revenues, supported by an average realised copper price of $14,321 per tonne.

Total costs increased by $50.8 million to $141.7 million, aligned with the expanded operating activities. Mining costs increased in-line with tonnes mined. Processing costs increased disproportionately to the change in production volumes with some economies of scale being realised, but the prior year also included additional non-recurring plant start up expenditure.

EBITDA increased to $26.0 million (2024: $22.3 million), reflecting stronger operating performance and improved revenue scale. Profitability in 2025 was moderated by the average mined grade of 0.83%, reflecting the scheduled progression through the lower-grade Kavanagh "pinch zone" in the second half of the year.

Net profit after tax for 2025 of $0.1 million, represented a $14.9 million increase from the $14.8 million loss recorded in 2024. This largely reflected the reduction in depreciation and amortisation of $10.9 million due to an increase in the estimated mine life.

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Financial Review (cont.)

Consolidated Cash Flow Overview

	Dec 2025 ($M)	Dec 2024 ($M)	Change ($M)
Net cash flows from operating activities	**20.4**	21.0	(0.6)
Net cash used in investing activities	**(40.3)**	(32.0)	(8.3)
Net cash flows from financing activities	**37.6**	4.1	33.5
Net increase in cash held	**17.7**	**(6.9)**	**24.6**
Cash and cash equivalents at the end of the year	**21.0**	**3.3**	**17.7**

Cash Flows from Operating Activities

For the year ended 31 December 2025, the Group generated net cash flows from operating activities of $20.4 million, broadly in line with the prior year (2024: $21.0 million). This outcome reflects the first full year of underground production at Kanmantoo, higher copper production volumes and improved realised prices, offset by higher operating costs associated with increased mining and processing activity. Additionally, 2024 had a higher proportion of mine development costs capitalised, which is included in investing activities.

Cash receipts from customers increased to $159.9 million, compared with $106.8 million in the prior period, reflecting the transition to steady-state underground production. Operating cash outflows increased in line with higher production levels and expanded operational activity.

Cash Flows used in Investing Activities

Net cash outflows from investing activities were $40.3 million (2024: $32.0 million), primarily comprising of major capital for mine development at Nugent, as well as other surface and underground sustaining capital to support increased copper production for 2025 and beyond. Exploration and evaluation expenditure totalled $0.5 million during the year.

Cash Flow from Financing Activities

The Group recorded net cash inflows from financing activities of $37.6 million (2024: $4.1 million), driven by $43.0 million raised through equity issuances, net of transaction costs. These inflows were partially offset by $4.9 million of lease repayments and $0.8 million of borrowing transaction costs associated with the Freepoint standby facility. Interest income of $0.3 million was received during the year.

As a result, cash and cash equivalents increased by $17.7 million, from $3.3 million at 31 December 2024 to $21.0 million at 31 December 2025, strengthening the Group's liquidity position and providing funding capacity to support ongoing operations and growth initiatives.

Financial Review (cont.)

Consolidated Statement of Financial Position Overview

	31 Dec 2025 ($M)	31 Dec 2024 Restatement ($M)	Change ($M)
Cash and cash equivalents	**21.0**	3.3	17.7
Trade and other receivables	**9.2**	3.7	5.5
Inventories	**7.5**	7.3	0.2
Property, plant and equipment	**100.0**	76.9	23.1
Right-of-use assets	**6.0**	9.2	(3.2)
Exploration and evaluation expenditure	**6.5**	7.0	(0.5)
Total assets	**150.2**	**107.4**	**42.8**
Trade and other payables	**26.1**	26.1	-
Provisions	**9.1**	9.5	(0.4)
Lease liabilities	**4.6**	8.7	(4.1)
Employee benefits payable	**4.8**	3.4	1.4
Other liabilities	**9.6**	9.2	0.4
Total Liabilities	**54.2**	**56.9**	**(2.7)**
NET ASSETS/EQUITY	**96.0**	**50.5**	**45.5**

At 31 December 2025, the Group's total assets increased by $42.8 million to $150.2 million, reflecting continued investment in the Kanmantoo underground operation and a materially strengthened cash position.

Property, plant and equipment increased by $23.1 million to $100.0 million, primarily due to underground mine development at Nugent and other capital works to support production growth. Cash and cash equivalents increased by $17.7 million to $21.0 million, reflecting operating cash generation and equity capital raised during the year. Trade and other receivables increased by $5.5 million, largely due to the timing of concentrate shipments and provisional pricing at period end.

Inventory levels increased modestly by $0.2 million to $7.5 million, with a higher stockpile value on hand at year end offset by lower concentrate inventories. Exploration and evaluation assets decreased by $0.5 million, reflecting additions less impairment charges recognised in the consolidated statement of profit or loss during the year.

Total liabilities decreased by $2.7 million to $54.2 million. This reduction was primarily driven by a $4.1 million decrease in lease liabilities, reflecting repayments, and early lease terminations. Provisions reduced by $0.4m following updates to rehabilitation estimates, partially offset by higher employee-related liabilities associated with workforce growth.

As a result of these movements, net assets increased by $45.5 million to $96.0 million, underpinned by equity capital raisings completed during the year to invest in capital expansions of the mine and a return to operational profitability. The Group closed the year with a strong balance sheet, no drawn debt, and enhanced financial flexibility to support ongoing operations and future growth.

Other liabilities - retrospective application of a change in accounting policy

During the year ended 31 December 2025, the Group voluntarily restated its prior period financial information to reflect a change in the accounting treatment of a revenue-linked royalty arrangement. The restatement followed a reassessment of the substance of the arrangement and was not the result of the correction of an error. The Directors determined that the revised accounting policy appropriately reflects the economic substance of the arrangement and provides more reliable and relevant information to users of the financial statements in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The impact of the restatement was limited to the presentation and measurement of certain balance sheet and profit or loss items and did not affect cash flows. Further details of the nature of the change and the quantitative impact on prior period balances are set out in Note 1(h) to the consolidated financial statements.

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Operating Review

2025 represented the first full year of operation from the underground mine. The Company expanded its operating footprint through the year, delivering higher copper production volumes and advancing the development required to sustain and grow the Kanmantoo operation. Underground performance strengthened, supporting more consistent ore delivery and enabling the processing plant to operate at increased throughput. Despite lower grade as the operation moves through the Kavanagh "pinch" zone, the fourth quarter copper production of 2,962 tonnes was a record for the underground operation. This uplift in mine and mill performance underpinned operational stability and provides the foundation for improved financial outcomes.

A major achievement for the year was the development of the Nugent mining area to provide a second mining front that is expected to increase operational flexibility and support the ramp-up of processing throughput. Along with Kavanagh, Nugent will support the planned Kanmantoo ramp-up to 1.7-1.8Mtpa by H1 2026.

Development and geological work also progressed on future growth areas, with the Company advancing drilling and planning for the Emily Star deposit. Emily Star represents the next logical expansion step for Kanmantoo, with the potential to support the mine to beyond 1.8Mtpa. Work completed in 2025 focused on preparatory work including the commencement of the Emily Star exploration drive, which will support the planned drilling and economic assessment in 2026.

Across the operation, the Company continued to invest in infrastructure, mine services and operational readiness to support higher production. Upgrades in ventilation, material handling and underground services strengthened the mine's capacity to sustain multiple active mining fronts. The processing plant delivered consistently strong metallurgical performance.

By year-end, the Company has established a more resilient and scalable operating system. The addition of Nugent as a second mining front, combined with advancing Emily Star as the next potential ore source, created a clear pathway for continued organic growth across Kanmantoo in the years ahead.

Kanmantoo Production Metrics	Units	2025 Total	Dec 2025 Quarter	Sep 2025 Quarter	Jun 2025 Quarter	Mar 2025 Quarter
Mining Physicals						
Total Development	m	**7,823**	2,116	1,879	2,011	1,817
Inventory Mined	kt	**1,451**	402	375	336	338
Grade Mined*	%	**0.83**	0.75	0.82	0.78	0.96
Processing Physicals						
Tonnes Processed	kt	**1,445**	410	366	353	316
Grade Processed*	%	**0.83**	0.76	0.81	0.77	0.99
Recoveries	%	**94.9**	95.5	94.5	95.2	94.2
Production						
Copper Produced	t	**11,315**	2,962	2,808	2,593	2,952
Gold Produced	oz	**2,749**	753	711	555	730
Silver Produced	oz	**85,721**	20,899	20,321	19,604	24,897

* *Weighted average grade.*

Outlook and Future Developments

The Company enters 2026 with a defined pipeline of growth opportunities. The immediate focus is on completing the ramp-up of Nugent and increasing the mine throughput to 1.7-1.8Mtpa by the end of H1 2026. The full benefit of the Nugent investment is expected to be realised in the second half of 2026, with higher mining rate supporting lower unit costs and increased by-product credits reflecting Nugent's higher gold content. In parallel, the Emily Star Exploration Drive is progressing to enable resource definition drilling and extensional drilling to enable completion of the economic assessment of the resource. Emily Star has the potential to become a third mining front, supporting throughput beyond 1.8Mtpa and further enhancing operational flexibility. Subject to positive drilling results and a favourable economic assessment, an investment decision for Emily Star, Stage 2, is expected in second half of 2026.

The Company continues to advance a suite of near-mine Exploration Targets that leverage existing underground access and surface infrastructure. These opportunities provide a low-cost pathway to extend mine life, increase production optionality, and unlock the broader potential of the Kanmantoo province. The Company is also undertaking assessments of its tenement holding to ensure the portfolio remains strategically aligned with the future development priorities and long-term value creation. Together, these initiatives position the Company to continue to increase copper and gold production, improving unit costs, and delivering long-term value from its established operating base in South Australia.

Material Business Risks

The Company prepares its business plan based on estimates of production and financial performance, using a range of assumptions and forecasts. However, these assumptions and forecasts, due to the nature of the business, are subject to inherent uncertainties, and variations from them may result in actual performance differing from expected outcomes. The Company recognises that business risks can evolve over time and therefore continuously reviews key risks and uncertainties that have the potential to impact its operations. These uncertainties arise from various factors, including the inherent characteristics of the mining industry and broader economic conditions.

The Group actively manages material risks, along with other operational risks, through a range of structured and formal processes, including oversight by Board Committees, risk assessments conducted by leadership teams, and formal risk reporting mechanisms. The key business risks that may impact the Group's operational and financial performance as of 31 December 2025 are outlined below.

Fluctuations in Metal Prices and Exchange Rate Risk

The Group's revenues are exposed to fluctuations in copper, gold, and silver prices as well as USD:AUD exchange rate. The volatility of metal prices creates revenue uncertainty and necessitates proactive management to ensure that operating cash margins are maintained in the event of a decline in the Australian dollar price of these commodities. Given copper, gold and silver are sold in US dollars, changes in the USD:AUD exchange rate can impact the Australian dollar revenue received and may either mitigate or amplify the impact of metal price fluctuations and associated commodity cost inputs. A sustained decline in metal prices could also impact operational decisions, including the need to reassess the economic feasibility of particular exploration activities or the Kanmantoo mine.

Mineral Resources and Ore Reserves

The estimation of Mineral Resources and Ore Reserves requires the application of geological, technical, and economic assumptions. This process involves determining the size, shape, and depth of mineralised ore bodies through the analysis of geological data, such as drilling samples. Given the complexity of geological formations, these estimations often require intricate geological interpretations and calculations.

Economic assumptions underpinning Mineral Resource and Ore Reserve estimates may vary from year to year. Additionally, as new geological data is obtained through ongoing exploration and mining activities, these estimates may be subject to change. Variations in reported Mineral Resources and Ore Reserves can have either a positive or negative impact on the Group's financial performance.

There is no certainty that current or future exploration programs will result in the discovery of additional mineral resources. There is also a risk that Ore Reserves may be depleted without sufficient replacement through new discoveries, conversions or acquisitions. Should the Mineral Resource base decline without adequate replenishment, the Group may be unable to sustain production levels beyond the current mine life, based on existing production rates.

Mining Risks and Insurance Risks

The mining industry is subject to a range of significant risks and hazards. These include environmental incidents, industrial accidents, unforeseen geological conditions, shortages of materials and equipment, pit wall failures, rock bursts, seismic events, cave-ins, and adverse weather conditions such as flooding and bushfires, many of which are beyond the Group's control. Such events have the potential to cause substantial costs or operational delays, which could materially affect the Group's financial performance, liquidity, and overall results.

To mitigate these risks, the Group maintains insurance coverage for some mining-related hazards. The level of insurance coverage is assessed based on the nature of each identified risk, with consideration given to factors such as property and liability exposure. However, it is important to note that insurance may not be economically available or may not always provide full coverage for losses associated with these or other unforeseen risks and hazards.

Production and Cost Estimates

The Group prepares estimates of future production, cash costs, and capital costs for its operations. However, there is no assurance that these estimates will be achieved. Failure to meet production or cost targets, or material increases in costs, could negatively impact the Group's future cash flows, profitability, operational results, and overall financial condition.

Actual production and costs may differ from estimates due to numerous factors, including:

- Variations between estimated and actual ore grades, tonnage, dilution, and metallurgical characteristics;
- Short-term operational factors related to Ore Reserves, such as the need for sequential development of ore bodies and processing of different ore grades;
- Revisions to mine plans;
- Mining-related risks and hazards;
- Natural phenomena such as adverse weather conditions, water availability, and flooding; and
- Unexpected labour shortages.

Production costs may also be influenced by factors such as labour costs, commodity price fluctuations, general inflationary pressures, and exchange rate volatility.

Environmental Regulatory Risk

The Group's operations are subject to environmental regulations at both the Commonwealth and State levels, covering areas such as air and water quality, waste management, emissions control, environmental impact assessments, mine rehabilitation, and access to ground and surface water. Some operations must also comply with environmental protection legislation and development consents specific to their jurisdiction.

The Directors are not aware of any material breaches of the Company's licences, and all mining and exploration activities are conducted in compliance with relevant environmental regulations. However, the Company's projects remain subject to evolving environmental laws and regulations, which may create regulatory risk.

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Material Business Risks (cont.)

The Company is committed to complying with all applicable environmental laws and regulations and conducts its activities in a responsible manner to minimise environmental impact.

Climate Change

The Group recognises that climate change is occurring and acknowledges its potential to impact communities, business operations, financial performance, cash flows, and investment decisions. Key climate-related risks include:

- Physical risks: Energy and emissions management, water security, and the effects of extreme weather events or health-related incidents.
- Transition risks: Legislative and regulatory changes, reputational considerations, technological advancements, market shifts, and increased shareholder activism.

The Group is committed to proactively managing these risks and integrating climate considerations into its business strategy and decision-making processes.

Financial Solvency Risks

The Group seeks to maintain an adequate cash balance to ensure sufficient liquidity for ongoing operations. Given the substantial working capital requirements associated with commodity sales and price volatility, maintaining liquidity is a critical factor in the financial stability of the Company.

Operational and financial risk factors impact liquidity, and the Board and management continuously monitor the Group's solvency position. The Company aims to maintain an appropriate level of working capital to mitigate solvency risks and ensure business continuity.

Operational Risk

The Company produces copper, gold, and silver under commercial contracts, with ongoing production essential for funding planned expenditures. Operational success depends on efficient resource management, production continuity, and effective risk mitigation.

Potential risks include:

- Operational disruptions: Underground mining issues, reserve variability, machinery failures, power outages, and supply chain issues; and
- Environmental hazards: Spills, emissions, noise, and extreme weather; and
- Industrial incidents: Workplace accidents and unforeseen cost escalations; and
- Regulatory and market risks: Government policy changes, inflation, and commodity price fluctuations.

Sustained production also requires resource discovery, efficient exploration, and securing necessary permits and approvals. The Group actively manages operational risks through structured governance and contingency planning.

Capital Raisings

In March 2025, the Company completed a combined equity raising of $18.0 million (before costs) comprising placement to institutional and sophisticated investors, and a Share Purchase Plan ("SPP") to existing shareholders. The combined equity raise funded the Nugent Acceleration and general working capital requirements. The combined equity raise was completed at 3.5 cents per share with 515,275,666 new ordinary shares issued. All proceeds were received in 2025.

In September 2025, the Company completed a placement of $28.0 million (before costs), to Australian and international institutional and sophisticated investors. Proceeds raised were to advance exploration drilling and development at Emily Star, complete development of the Nugent ore body, and support working capital requirements. The placement was completed at 3.5 cents per share, and 800,000,000 new ordinary shares were issued. All proceeds were received in 2025.

Dividends

There were no dividends paid, recommended or declared during the current or prior financial period.

Significant Changes in the State of Affairs

Other than those matters listed in this report there have been no significant changes in the affairs of the Group during the period.

Events Subsequent to Balance Date

No material events have occurred post the reporting period until the date of signing.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group in the short to medium term will largely be focussed on production from the Kanmantoo Underground and increasing the mine life.

Environmental Regulation

Closure of an operation brings with it potential significant financial, environment, and social impacts. Recognising this, a closure management plan for Kanmantoo has been prepared, which includes long term monitoring to verify that controls are effective, and standards are maintained.

The Group has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration and development activities. There have been no reports of material breaches of environmental regulations in the financial period at the date of this report, however elevated metals in groundwater detected in a borehole on the mining lease was reported to the Regulator in October 2021. Whilst this is currently immaterial, and there were no notable changes to the levels during 2025, Hillgrove Resources continues to monitor the borehole to ensure that it does not lead to a material breach of any environmental regulations.

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Indemnification and Insurance of Officers

Officers' Indemnity

Article 102 of the Company's Constitution provides that "To the extent permitted by law and subject to the restrictions in section 199A of the Corporations Act, the Company indemnifies every person who is or has been an officer of the Company against any liability reasonably incurred by that person as an officer of the Company (including liabilities incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment)."

Indemnity of Auditors

Hillgrove Resources Limited has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from Hillgrove Resources Limited's breach of their agreement. The indemnity stipulates that Hillgrove Resources Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Directors' and Officers' Insurance

During the financial year, the Company paid a premium in respect of a contract for directors' and officers' liability insurance. It is a condition of this Policy that each Insured and/or any persons at their direction or on their behalf shall not disclose the existence of any Coverage Section, its Limits of Liability, the nature of the liability indemnified, or the premium payable.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important. Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the period are set out in Note 7(e).

The Audit and Risk Committee has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001*.

None of the services provided undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards. A copy of the Auditors' Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 72.

Corporate Governance

The Board is committed to following ASX Corporate Governance Council Corporate Governance Principles and Recommendations. The Company adopts these best practice recommendations in its policies and procedures where it is appropriate to do so, given the size and type of Company and its operations.

The Board has a process of reviewing all policies and corporate governance processes. Charters are reviewed and updated periodically. These charters provide the framework and roles of respective committees for the appointment of Non-Executive Directors to undertake specific responsibilities on behalf of the Board.

Details of the corporate governance policies adopted by the Company and referred to in this statement are available on the Company's website at www.hillgroveresources.com.au.

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Remuneration Report (Audited)

The Directors of Hillgrove Resources Limited and its Consolidated Entities present the Remuneration Report for the Company for the year ended 31 December 2025, which forms part of the Director's Report and has been audited in accordance with section 308 (3C) of the *Corporations Act 2001*.

1.0 Key Management Personnel

Details of the key management personnel are set out in the table below.

Executive Director	Title (At Year End)	Change In 2025 Financial Year
Mr R Fulker	Chief Executive Officer and Managing Director	No changes.
Non-Executive Directors	**Title (At Year End)**	**Change In 2025 Financial Year**
Mr D Carter	Chair Member Remuneration and Nomination Committee Member Audit and Risk Committee	No changes.
Mr M Boyte	Director Chair Audit and Risk Committee Member Remuneration and Nomination Committee	No changes.
Mr R Higgins	Director Chair Remuneration and Nomination Committee Member Audit and Risk Committee	No changes.
Other Key Management Personnel	**Title (At Year End)**	**Change In 2025 Financial Year**
Mr L Anderson	Chief Financial Officer and Joint Company Secretary	Appointed 2 June 2025
Mr J Sutanto	Chief Commercial Officer[1]	Employment ceased on 31 August 2025

1. *Title as at the last day of Mr Sutanto's employment.*

2.0 Role of the Board and the Remuneration and Nomination Committee

The Board is responsible for the Company's remuneration strategy and policy. Consistent with this responsibility, the Board has established a Remuneration and Nomination Committee which is chaired by an Independent Non-Executive Director.

The role of the Remuneration and Nomination Committee, in respect of remuneration strategy, is set out in its Charter and in summary is to:

- Review and approve the Company's remuneration strategy and policy;
- Consider and propose to the Board the remuneration of the CEO and consider and approve the remuneration of all designated senior executives;
- Review and approve Hillgrove Resources' short-term incentive (STI) and long-term incentive (LTI) schemes, including amounts, terms and offer processes and procedures;
- Determine and approve equity awards in accordance with policy and shareholder approvals, including testing of vesting and termination provisions; and
- Review and make recommendations to the Board regarding remuneration of non-executive directors.

Further information on the Remuneration Committee's role, responsibilities and membership is contained on the Company's website www.hillgroveresources.com.au.

2.1 Remuneration and Benefits Policy

The Company's approach to remuneration is outlined in the Remuneration and Benefits Policy and is based on providing competitive rewards that motivate talented employees to deliver superior results.

The Remuneration and Benefits policy aims to:

- Align employee remuneration to the principles and measurement of Total Shareholder Return (TSR);
- Present progressive incentive structures to encourage outstanding performance, and hence improved TSR; and
- Mitigate the business risks associated with poor performance, market movements and employee turnover.

The Remuneration Committee Charter and Remuneration and Benefits Policy can be viewed in the Company's website www.hillgroveresources.com.au.

Remuneration Report (Audited) (cont.)

2.2 Use of Remuneration Consultants

The Remuneration Committee is briefed by management, however, it makes all decisions free of influence of management.

Further to the management briefings, to assist in its decision making, the Committee may, from time to time, seek independent advice from remuneration consultants, and in so doing will directly engage with the consultant without management involvement.

In the year ending 31 December 2025, no external consultants were used in relation to remuneration advice.

3.0 Non-Executive Director Remuneration

Elements	Details		
Aggregate Board and Committee Fees	The total amount of fees paid to non-executive directors in the year ended 31 December 2025 is within the aggregate amount approved by shareholders of $450,000 a year. Non-executive Directors receive a fixed remuneration consisting of a base fee and additional fees for Committee roles.		
Board and Committee Fees Per Annum (including super)		2025	2026
	Board Chair Fee	$140,000	$142,500
	Board NED Base Fee	$85,000	$87,000
	Remuneration and Nomination Committee Chair Fee	$7,000	$7,000
	Audit and Risk Committee Chair Fee	$7,000	$7,000
Post-Employment Benefits			
Superannuation	Superannuation contributions for Non-Executive Directors are made in accordance with the Superannuation Guarantee legislation. Contributions were made at a rate of 11.5% of base fees until 30 June 2025 and at 12.0% from 1 July 2025 (subject to the Government's prescribed maximum contribution limits). These contributions are included within the total fees disclosed. Mr Higgins is exempt from the Superannuation Guarantee requirements. Accordingly, no superannuation contributions were made on his behalf. Instead, an equivalent amount is paid directly to Mr Higgins as part of his directors' fees, and the remuneration disclosed in Table 4.6 represents the total fee paid, including superannuation.		
Other Benefits			
Equity Instruments	Non-Executive Directors may receive equity instruments, including options or performance rights for alignment purposes. Equity instruments granted to Non-Executive Directors are intended to align directors' interest with long-term shareholder value and do not form part of a performance incentive framework. The Board considers that the use of equity instruments for Non-Executive Directors supports alignment with shareholders while preserving the independence of directors' judgment. In May 2021, there were two LTI Plans granted to Mr Derek Carter and Mr Murray Boyte. Subsequently, Mr Roger Higgins was granted performance rights in June 2024. At balance date, the following remains outstanding: ▶ Tranche 2 = 9,000,000 options In 2025, Non-Executive Directors were each granted LTI plans (2025 PRP). These grants are subject to vesting conditions as detailed in Section 4.4.3. This is designed to support alignment with long-term shareholder outcomes.		
		T2 (2021)	T2 (2024)	2025 PRP
	Exercise Price	$0.15/share	$0.15/share	-
	Grant Date	14 May 2021	3 June 2024	16 June 2025
	First Exercise Date	14 May 2024	3 June 2024	31 Dec 2027
	Last Exercise Date	14 May 2026	14 May 2026	31 Dec 2027
Other Fees/Benefits	No payments were made to Non-Executive Directors during the 2025 financial year for extra services or special exertions. Directors are entitled to be reimbursed for approved Company related expenditure e.g. flights and expenses to attend Board meetings.		

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Remuneration Report (Audited) (cont.)

4.0 Executive Remuneration

4.1 Executive KMP Remuneration Framework

Hillgrove Resources' executive remuneration strategy is designed to attract, retain and motivate a highly qualified and experienced group of Executives.

4.2 Total Fixed Remuneration

Total Fixed Remuneration (TFR) includes all remuneration and benefits paid to an Executive KMP calculated on a Total Employment Cost (TEC) basis and includes base salary and superannuation benefits paid in line with the prevailing statutory Superannuation Guarantee legislation.

4.3 Remuneration Composition Mix and Timing of Receipt

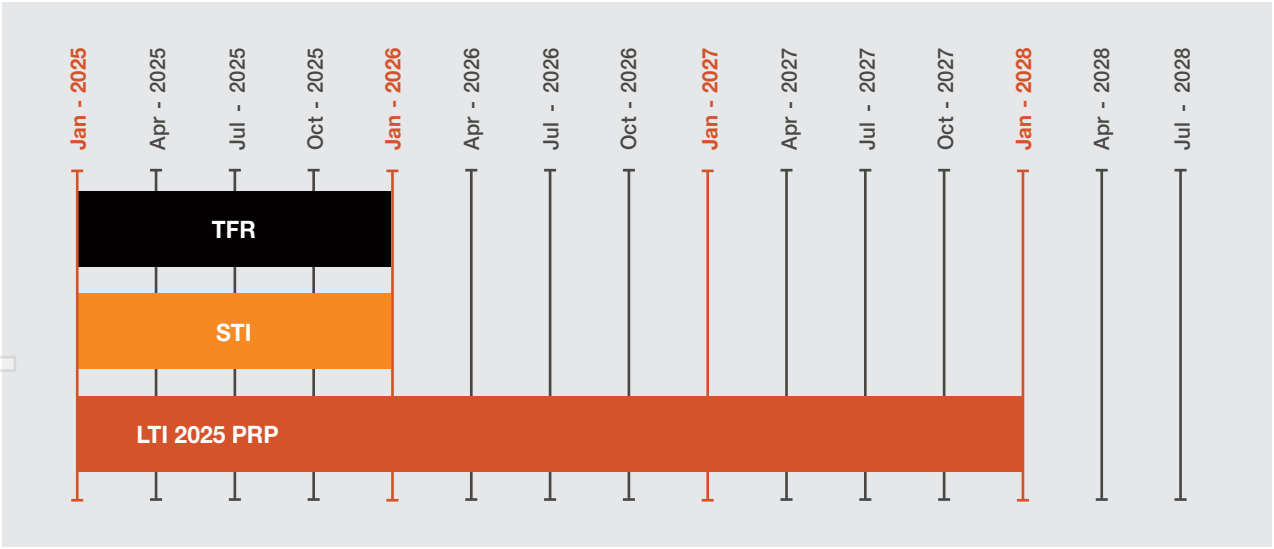
The Company endeavours to provide an appropriate and competitive mix of remuneration components balanced between fixed and 'at risk'. The remuneration composition mix of the Company's Executive KMP can be illustrated as follows:

Remuneration Mix for 2025

Position	TFR	Variable STI as a % of TFR at			Variable LTI as % of TFR
		Threshold	Target	Stretch	
CEO & MD	Refer to Section 6.0	41.25%	55.00%	82.50%	Up to 200%
CFO	Refer to Section 6.0	26.25%	35.00%	52.50%	Up to 150%
CCO	$393,038	26.25%	35.00%	52.50%	Up to 150%

Note: KMPs are classified as Executives for the purposes of remuneration disclosures under the Corporations Act

The three complementary components of Executive KMP remuneration are 'earned' over multiple time ranges. This is illustrated in the following chart, with the dates referring to the first day of each respective month.



Remuneration Report (Audited) (cont.)

4.4 Variable 'At Risk' Remuneration

As set out in Section 4.3, variable remuneration forms a portion of the CEO & MD's and CFO's remuneration. Apart from being market competitive, the purpose of variable remuneration is to direct Executive's behaviours towards maximising Hillgrove Resources' value and return value to shareholders, by targeting short, medium and long- term performance measures. The key aspects are summarised below.

4.4.1 Short Term Incentives (STI)

STI Programme	
Purpose	The STI arrangements are designed to reward executives for the achievement against annual performance targets set by the Board at the beginning of the performance period. The STI programme is reviewed annually by the Remuneration Committee and approved by the Board.
Performance Target Areas	The key performance objectives of the Company vary by level but are currently directed to achieving ambitious targets. The Board adopted a Balanced Scorecard approach to determine 2025 STI performance. The Balanced Scorecard measures performance against the Company's internal goals, which includes safety, physical delivery of development metres and copper production, resource and reserves, and cash flow generation.
Rewarding Performance	A threshold (75% of target STI), target (100%), and stretch (150% of target STI) measure is set for each STI performance metric. Specific performance metrics are not provided in detail due to commercial sensitivity. Validation of performance against the Balanced Scorecard measures set for the KMPs involves a review calculation and recommendation by the CEO & MD, which is reviewed and approved by the Remuneration Committee with final Board sign-off.

4.4.2 Performance Based Remuneration Granted During the Year

Details of STI to be made to Executive KMP in relation to the current year are included in the table below:

KMP	Maximum possible value ($)[1]	Percentage of maximum awarded	Total Awarded ($)	Percentage of maximum not awarded
Mr R Fulker	528,000	44.3%	233,973	55.7%
Mr L Anderson[2]	137,219	44.3%	60,806	55.7%
Mr J Sutanto[3]	135,113	44.3%	59,873	55.7%

(1) The maximum possible value is inclusive of any superannuation requirements and represents the achievement of stretch measures (150% of target measures), apportioned based on the time served as a KMP during the period. The minimum potential value is nil.

(2) Mr L Anderson was appointed on 2 June 2025.

(3) Mr J Sutanto's employment ceased on 31 August 2025.

4.4.3 Long Term Incentives (LTI) Plans

The LTI provides an annual opportunity for executives and key staff to receive an equity award that is intended to align a significant portion of an executive's overall remuneration to shareholder value over the longer term. All LTI awards remain at risk and subject to clawback (forfeiture or lapse) until vesting and must meet or exceed performance hurdles over the vesting period.

As at the end of the 2025 financial year, there were four LTI Plans outstanding to Executive KMP:

- 2022 Option and Performance Rights Plan (2022 OPRP) = 3,000,000 performance rights
- 2023 Option and Performance Rights Plan (2023 OPRP) = 3,000,000 performance rights
- 2024 Option and Performance Rights Plan (2024 OPRP) = 15,317,500 performance rights; and
- 2025 Performance Rights plan (2025 PRP) = 36,702,697 performance rights.

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Remuneration Report (Audited) (cont.)

4.4.3 Long Term Incentives (LTI) Plans (cont.)

2022, 2023, 2024 and 2025 OPRP Description

Detail	2022 OPRP	2023 OPRP	2024 OPRP
Purpose	To retain key executives and align their remuneration with shareholder value.		
Award	Under the LTI, executives and key staff are offered options and/or performance rights (to acquire ordinary shares of Hillgrove Resources Limited).		
Exercise Price	Exercise price of nil in the event performance hurdles are met.		
Voting Rights	There are no voting rights attached to options or performance rights.		
LTI Allocation	The size of individual LTI grants for the KMP is determined in accordance with the Board approved remuneration strategy mix. See Section 4.3.		
Service Period	To the later of 1 March 2025 or when the Performance Hurdles are met	To the later of 1 March 2026 or when the Performance Hurdles are met	To the later of 1 March 2027 or when the Performance Hurdles are met
Performance Hurdles			
- **Measurement Price**	10.0 cents	12.0 cents	14.0 cents
- **Price Calculation**	10 day VWAP	10 day VWAP	10 day VWAP
- **Start of Testing Date**	1 March 2024	1 March 2025	1 March 2026
- **First Exercise Date**	1 March 2025	1 March 2026	1 March 2027
- **Last Exercise Date**	30 March 2026	30 March 2027	30 March 2028

The LTI granted in 2025 differs from prior years and reflects the introduction of a revised performance framework as outlined below:

Detail	2025 PRP
Purpose	To align executive remuneration with long-term shareholder value creation by linking equity rewards to a balanced set of market-based and operational performance outcomes over the long term.
Award	Under the LTI, executives and key staff performance rights (to acquire ordinary shares of Hillgrove Resources Limited).
Exercise Price	Exercise price of nil in the event performance hurdles are met.
Voting Rights	Performance rights do not carry any voting rights prior to vesting and conversion into ordinary shares.
LTI Allocation	The size of individual LTI grants for the KMP is determined in accordance with the Board approved remuneration strategy mix, refer to Section 4.3.
Service Period	Continued employment with the Group from the grant date through to the vesting date, subject to the terms of the plan and the Board's discretion in the event of cessation of employment.
Testing Period	Three-year testing period from 1 January 2025 to 31 December 2027, with vesting determined based on the extent to which the relevant performance criteria have been satisfied.

Remuneration Report (Audited) (cont.)

4.4.3 Long Term Incentives (LTI) Plans (cont.)

Performance Criteria for 2025 PRP	Criteria Description		Weighting
Relative TSR	Relative TSR in respect of the Performance Period shall mean the TSR performance of the Company relative to the TSR performance of the 'Comparator Group' which is made up of selected peer companies. Vesting outcomes are determined as follows:		33.33%
	TSR of the Company relative to TSRs of constituents of the nominated peer group	**Proportion of Performance - related Performance Rights that vest**	
	Below 50th percentile	0%	
	50th percentile	50%	
	Between 50th percentile and 75th percentile (not inclusive)	Straight line vesting between 50% and 100%	
	75th percentile	100%	
Absolute Share Price Growth	This hurdle is assessed based on the Company's share price at the conclusion of the Performance Period. Vesting outcomes are determined as follows:		33.33%
	Company Share at the conclusion of the Performance Period	**Proportion of Performance - related Performance Rights that vest**	
	Less than 6 cents	0%	
	Between 6 cents and 8 cents	50%	
	Between 8 cents and 10 cents	75%	
	Greater than 10 cents	100%	
Resource Growth	This hurdle is assessed based on the Company's Resource growth over the Performance Period. Vesting outcomes are determined as follows:		33.33%
	Resource growth over the Performance Period	**Proportion of Performance - related Performance Rights that vest**	
	Less than 15%	0%	
	15% to 25%	50%	
	25% or greater	100%	

4.4.4 Hedging and Margin Lending Prohibition

Under the Company's Share Trading Policy and in accordance with the *Corporations Act 2001*, equity granted under the Company's equity incentive schemes must remain at risk until vested or exercised. It is a specific condition of the policy that no schemes are entered into, by an individual or their associates, that specifically protects the unvested value of shares, options or performance rights allocated.

The Company, as required under the ASX Listing Rules, has a formal policy outlining how and when employees may deal in Hillgrove Resources securities.

Hillgrove Resources Limited's Share Trading Policy is available on the Company's website www.hillgroveresources.com.au.

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Remuneration Report (Audited) *(cont.)*

4.5 Relationship Between Performance and KMP Remuneration

4.5.1 Hillgrove Resources Financial Performance (31 December 2021 to 31 December 2025)

	12 Months to 31 December				
	2021	2022	2023	2024 Restated	2025
Sales Revenue *($M)*	-	-	-	112.2	**167.6**
Underlying EBITDA *($M)*	(5.4)	(4.4)	(14.1)	22.3	**26.0**
Reported net profit / (loss) *($M)*	(5.9)	(6.0)	(16.3)	(14.8)	**0.1**
Return on equity (ROE) %[1]	(19.1%)	(17.0%)	(37.3%)	(28.0%)	**0.1%**
Basic earnings per share (EPS) *(cents)*	(0.6)	(0.5)	(1.0)	(1.2)	**0.0**
Diluted EPS *(cents)*	(0.6)	(0.5)	(1.0)	(1.2)	**0.0**
Dividends paid *(cents per share)*	-	-	-	-	**-**
Share price as at 31 December *(cents)*	5.4	5.4	9.4	5.2	**4.6**
Total shareholder return (TSR) % (Annual)	68.8%	0%[2]	74.0%	(44.7%)	**(11.5%)**

(1) Based on average total equity.

(2) Share price as at 31 December was 5.4c in 2021 and 2022, which results in a 0% TSR in 2022.

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Remuneration Report (Audited) (cont.)

4.6 KMP Remuneration Tables – Audited

		Fixed Remuneration ($)					
		Short-term		Long-term			
	Year	Base Salary and Fees[5]	Non-monetary Benefits	Super-annuation Benefits[6]	Termination Benefits	Long Service Leave[7]	Total
Directors							
Mr R Fulker[1]	**CY25**	**648,851**	**-**	**23,783**	**-**	**-**	**672,634**
	CY24	305,000	-	16,825	-	-	321,825
Mr D Carter	**CY25**	**118,807**	**-**	**13,975**	**-**	**-**	**132,782**
	CY24	112,612	-	12,669	-	-	125,281
Mr M Boyte	**CY25**	**77,107**	**-**	**9,073**	**-**	**-**	**86,180**
	CY24	72,072	-	8,108	-	-	80,180
Mr R Higgins	**CY25**	**86,000**	**-**	**-**	**-**	**-**	**86,000**
	CY24	71,853	-	3,733	-	-	75,586
Mr L Wallace[2]	**CY25**	**-**	**-**	**-**	**-**	**-**	**-**
	CY24	253,329	-	4,581	-	13,139	271,049
Total (Directors)	**CY25**	**930,765**	**-**	**46,831**	**-**	**-**	**977,596**
	CY24	814,866	-	45,916	-	13,139	873,921
Other Key Management Personnel							
Mr L Anderson[3]	**CY25**	**255,170**	**-**	**18,868**	**-**	**-**	**274,038**
	CY24	-	-	-	-	-	-
Mr J Sutanto[4]	**CY25**	**252,581**	**-**	**34,503**	**230,649**	**9,826**	**527,559**
	CY24	352,083	-	22,201	-	22,763	397,047
Total (Other KMP)	**CY25**	**507,751**	**-**	**53,371**	**230,649**	**9,826**	**801,597**
	CY24	352,083	-	22,201	-	22,763	397,047
Total	**CY25**	**1,438,516**	**-**	**100,202**	**230,649**	**9,826**	**1,779,193**
	CY24	1,166,949	-	68,117	-	35,902	1,270,968

1. *Mr R Fulker was appointed on 1 July 2024.*
2. *Mr L Wallace ceased being a KMP on 30 June 2024, employment ceased on 31 December 2024.*
3. *Mr L Anderson was appointed on 2 June 2025.*
4. *Mr J Sutanto's employment ceased on 31 August 2025.*
5. *These amounts are inclusive of the net accrual movement for Annual Leave over the twelve month period.*
6. *Represents direct contributions to superannuation funds. Any amount greater than the superannuation cap is paid as cash salary, unless otherwise requested by the KMP.*
7. *Represents the net accrual movement for Long Service Leave over the twelve month period.*

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Remuneration Report (Audited) (cont.)

4.6 KMP Remuneration Tables – Audited (cont.)

		Variable Remuneration ($)			Total ($)	Proportion of Total Remuneration	
	Year	STI	LTI	Total	Fixed and Variable	Fixed (%)	Variable (%)
Directors							
Mr R Fulker[1]	**CY25**	**387,397**	**280,789**	**668,186**	**1,340,820**	**50%**	**50%**
	CY24	-	89,369	89,369	411,194	78%	22%
Mr D Carter	**CY25**	**-**	**18,937**	**18,937**	**151,719**	**88%**	**12%**
	CY24	-	-	-	125,281	100%	0%
Mr M Boyte	**CY25**	**-**	**12,119**	**12,119**	**98,299**	**88%**	**12%**
	CY24	-	-	-	80,180	100%	0%
Mr R Higgins	**CY25**	**-**	**12,119**	**12,119**	**98,119**	**88%**	**12%**
	CY24	-	118,391	118,391	193,977	39%	61%
Mr L Wallace[2]	**CY25**	**-**	**-**	**-**	**-**	**-**	**-**
	CY24	-	83,952	83,952	355,001	76%	24%
Total (Directors)	**CY25**	**387,397**	**323,964**	**711,361**	**1,688,957**	**58%**	**42%**
	CY24	-	291,712	291,712	1,165,633	75%	25%
Other Key Management Personnel							
Mr L Anderson[3]	**CY25**	**60,806**	**59,650**	**120,456**	**394,494**	**69%**	**31%**
	CY24	-	-	-	-	-	-
Mr J Sutanto[4]	**CY25**	**59,873**	**428,485**	**488,358**	**1,015,917**	**52%**	**48%**
	CY24	-	196,382	196,382	593,429	67%	33%
Total (Other KMP)	**CY25**	**120,679**	**488,135**	**608,814**	**1,410,411**	**57%**	**43%**
	CY24	-	196,382	196,382	593,429	67%	33%
Total	**CY25**	**508,076**	**812,099**	**1,320,175**	**3,099,368**	**57%**	**43%**
	CY24	-	488,094	488,094	1,759,062	72%	28%

1. *Mr R Fulker was appointed on 1 July 2024. During the year, Mr Fulker was paid an STI bonus of $153,424 related to 2024, additionally, $233,973 was accrued in respect of his 2025 STI.*
2. *Mr L Wallace ceased being a KMP on 30 June 2024, employment ceased on 31 December 2024.*
3. *Mr L Anderson was appointed on 2 June 2025.*
4. *Mr J Sutanto's employment ceased on 31 August 2025. As Mr Sutanto was classed as a good leaver he was entitled to a portion of his long term incentives, therefore the maximum value for future years was brought forward and expensed in the current year.*

Remuneration Report (Audited) (cont.)

5.0 Equity Plan Disclosures

5.1 Employee Share Schemes (ESS) Operated by the Group

Plan Details	Type of Instruments	Details	Purpose
General Employee Share Plan (GESP)	Shares	N/A	To incentivise and align part of employee remuneration to shareholder value. KMPs are excluded from the GESP.
Option and Performance Rights Plan (OPRP)	Option and Performance Rights	Refer 4.4.3	To provide equity and/or cash incentives subject to meeting predetermined service and performance conditions.
Performance Rights Plan (PRP)	Performance Rights	Refer 4.4.3	To provide equity incentives subject to meeting predetermined service and performance conditions.

5.2 Analysis of Share-Based Payments Granted as Remuneration to KMP

Details of the vesting profile of the options and performance rights granted as remuneration to each Key Management Personnel, and the movements during the period are set out below:

		Balance held at 31/12/24							Balance held at 31/12/25		
KMP	Grant Date	Vested	Unvested	Granted	Number Vested and Exercised	% Vested	Number Forfeited	% Forfeited	Vested	Unvested	Maximum value for future years
Mr D Carter	May-21	-	7,000,000	-	-	0%	4,000,000	57%	-	3,000,000	-[3]
	Jun-25	-	-	2,455,617	-	0%	-	0%	-	2,455,617	$69,466
Mr M Boyte	May-21	-	7,000,000	-	-	0%	4,000,000	57%	-	3,000,000	-[3]
	Jun-25	-	-	1,571,595	-	0%	-	0%	-	1,571,595	$44,458
Mr R Higgins	May-24	-	7,000,000	-	-	0%	4,000,000	57%	-	3,000,000	-[3]
	Jun-25	-	-	1,571,595	-	0%	-	0%	-	1,571,595	$44,458
Mr L Wallace[1]	Jul-22	-	3,731,135	-	-	0%	-	0%	-	-	-
Mr R Fulker	Jul-24	-	-	5,000,000	-	0%	-	0%	-	5,000,000	$43,038
	Jul-24	-	-	6,800,000	-	0%	-	0%	-	6,800,000	$28,714
	Jun-25	-	-	25,145,517	-	0%	-	0%	-	25,145,517	$711,329
Total (Directors)		**-**	**24,731,135**	**42,544,324**	**-**	**0%**	**12,000,000**	**49%**	**-**	**51,544,324**	**$941,463**
Mr L Anderson	Jun-25	-	-	7,735,193	-	0%	-	0%	-	7,735,193	$218,817[2]
Mr J Sutanto[2]	Jul-22	-	3,000,000	-	-	0%	-	0%	-	3,000,000	-
	Jul-23	-	3,000,000	-	-	0%	-	0%	-	3,000,000	-
	May-24	-	5,250,000	-	-	0%	1,732,500	33%	-	3,517,500	-
	Jun-25	-	-	11,581,780	-	0%	7,759,793	67%	-	3,821,987	-
Total (KMP)		**-**	**11,250,000**	**19,316,973**	**-**	**0%**	**9,492,293**	**84%**	**-**	**21,074,680**	**$218,817**
Total		**-**	**35,981,135**	**61,861,297**	**-**	**0%**	**21,492,293**	**60%**	**-**	**72,619,004**	**$1,160,280**

1. *Mr L Wallace ceased being a KMP on 30 June 2024, employment ceased on 31 December 2024 hence the balance held at 31 December 2025 is not disclosed. No rights or options were granted in the period prior to ceasing to be a KMP.*
2. *Mr J Sutanto's employment ceased on 31 August 2025. As Mr Sutanto was classed as a good leaver he was entitled to a portion of his long term incentives, therefore the maximum value for future years was brought forward and expensed in the current year.*
3. *No service conditions and therefore these were fully expensed in the year they were granted.*

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Remuneration Report (Audited) (cont.)

5.3 Value of Options and Performance Rights Granted and on Foot to KMP as at 31 December 2025

KMP[3]	Outstanding options and rights	Face Value per right[1] ($)	Fair Value per right[2] ($)	Fair Value ($)
Directors				
Mr D Carter				
2021 Options Tranche 2	3,000,000	0.046	0.0355	$106,353
Mr M Boyte				
2021 Options Tranche 2	3,000,000	0.046	0.0355	$106,353
Mr R Higgins				
2024 Options Tranche 2	3,000,000	0.046	0.0169	$50,739
Mr R Fulker				
2024 Sign-On Rights	5,000,000	0.046	0.0360	$180,000
2024 OPRP	6,800,000	0.046	0.0100	$68,000
2025 PRP	25,145,517	0.046	0.0360	$905,239
Total (Directors)	**45,945,517**			**$1,416,684**
Other Key Management Personnel				
Mr L Anderson				
2025 PRP	7,735,193	0.046	0.0360	$278,467
Mr J Sutanto				
2022 OPRP	3,000,000	0.046	0.0694	$208,200
2023 OPRP	3,000,000	0.046	0.0390	$117,000
2024 OPRP	3,517,500	0.046	0.0580	$204,015
2025 PRP	3,821,987	0.046	0.0360	$137,592
Total (Other KMP)	**21,074,680**			**$945,274**

1. *The Face Value is the closing share price on 31 December 2025.*
2. *The Fair Value has been based on a valuation in accordance with accounting standard AASB 2 "Share Based Payments". The fair values are used for accounting purposes only. These have been rounded to four decimal places for presentation in the above table.*

5.4 Movement in Equity Held

The movement during the reporting period in the number of ordinary shares of Hillgrove Resources Limited held, directly, indirectly or beneficially, by each specified Director and executive KMP, including their personally related entities:

		Held as at 31/12/24	Exercise of Options and Rights	Net Other Changes	Held as at 31/12/25
Directors and Other KMP					
Mr D Carter	Shares	2,371,247	-	2,114,286	4,485,533
Mr M Boyte	Shares	4,048,253	-	1,685,714	5,733,967
Mr R Higgins	Shares	1,200,000	-	3,400,000	4,600,000
Mr R Fulker	Shares	700,000	-	1,131,428	1,831,428
Mr L Anderson	Shares	-	-	3,510,000	3,510,000
Mr J Sutanto	Shares	8,070,765	-	(3,549,025)	4,521,740[1]

1. *As at 31 August 2025, the date Mr J Sutanto's ceased employment.*

Remuneration Report (Audited) *(cont.)*

6.0 Service Contracts and Employment Agreements

The Company does not enter into service contracts for KMP. The following sets out details of the employment contract for the Executive KMPs as at 31 December 2025.

Employee	Mr R Fulker	Mr L Anderson
Position	Chief Executive Officer and Managing Director	Chief Financial Officer and Joint Company Secretary
Commencement	1 July 2024	2 June 2025
Total Fixed Remuneration (TFR)	$640,000 per annum reviewed periodically	$450,000 per annum reviewed periodically
Short-term Incentive	41.25% to 82.50% of TFR	26.25% to 52.50% of TFR
Long-term Incentive	Up to 200% of fixed remuneration	Up to 150% of fixed remuneration
Contract Length	Indefinite	Indefinite
Notice Periods for Resignation or Termination	6 months	6 months
Redundancy Benefit	National Employment Standards and Group Redundancy Policy	National Employment Standards and Group Redundancy Policy
Death or Total and Permanent Disability Benefit	No specific benefit	No specific benefit
Termination for Serious Misconduct	No notice required, remuneration to the day less advance payments and return of Company property. No payment of STI/LTI	No notice required, remuneration to the day less advance payments and return of Company property. No payment of STI/LTI
Statutory Entitlements	All leave and benefits due per National Employment Standards	All leave and benefits due per National Employment Standards
Post-Employment Restraints	Must not make adverse comments or actions. Additionally, must not recruit employees for 6 months.	Must not make adverse comments or actions. Additionally, must not recruit employees for 6 months.

Corporate Governance Statement

The Company's Board is committed to achieving the highest standards of corporate governance.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 72.

Signed in accordance with a resolution of the Directors:

Dated at Adelaide this 25th day of February 2026.



Mr Derek Carter
Chair



Mr Robert Fulker
Chief Executive Officer and Managing Director

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Auditor's Independence Declaration

As lead auditor of Hillgrove Resources Limited's financial report for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report.

Julian McCarthy
Partner
PricewaterhouseCoopers

Adelaide
25 February 2026

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Consolidated Statement of **Profit or Loss and Other Comprehensive Income** *For the year ended 31 December 2025*

	Note	31 Dec 2025 $'000	31 Dec 2024 Restated* $'000
Revenue	5	**167,616**	112,174
Other income	6	**605**	838
Expenses	7(a)	**(160,953)**	(122,269)
Interest and finance charges	7(b)	**(5,244)**	(4,907)
Impairment charges	7(c)	**(1,033)**	(380)
Profit/(Loss) before income tax		**991**	(14,544)
Income tax expense	8	**(899)**	(227)
Profit/(Loss) for the year attributable to owners		**92**	(14,771)
Comprehensive income			
Items that may be reclassified to profit or loss:		**-**	-
Total comprehensive income for the period attributable to equity holders of Hillgrove Resources Limited		**92**	(14,771)
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	10	**0.0**	(0.7)
Diluted earnings per share (cents)	10	**0.0**	(0.7)

* *See note 1(h) for details regarding the restatement due to a voluntary change in accounting policy.*

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the consolidated financial statements set out on pages 77 to 100.

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Consolidated Statement of **Financial Position** *As at 31 December 2025*

	Note	31 Dec 2025 $'000	31 Dec 2024 Restated* $'000	1 Jan 2024 Restated* $'000
Current assets				
Cash and cash equivalents	11	**20,953**	3,260	10,240
Trade and other receivables	12	**9,210**	3,715	1,461
Inventories	13	**7,518**	7,330	3,137
		37,681	14,305	14,838
Non-current assets				
Property, plant and equipment	14	**100,004**	76,881	69,089
Right-of-use assets	18	**6,033**	9,237	11,800
Exploration and evaluation expenditure	15	**6,526**	6,962	5,328
		112,563	93,080	86,217
Total assets		**150,244**	107,385	101,055
Current liabilities				
Trade and other payables	16	**26,072**	26,133	13,694
Provisions	17	**1,170**	1,114	1,090
Lease liabilities	18	**2,054**	4,343	4,311
Employee benefits payable	19	**4,842**	3,383	1,594
Other current liabilities	21	**2,168**	2,635	2,727
		36,306	37,608	23,416
Non-current liabilities				
Provisions	20	**7,950**	8,334	8,500
Lease liabilities	18	**2,536**	4,342	7,506
Other non-current liabilities	21	**7,423**	6,608	7,095
		17,909	19,284	23,101
Total liabilities		**54,215**	56,892	46,517
Net assets		**96,029**	50,493	54,538
Equity				
Contributed equity	22	**346,813**	302,711	292,947
Reserves	23	**26,959**	32,128	31,166
Accumulated losses	24	**(277,743)**	(284,346)	(269,575)
Total equity		**96,029**	50,493	54,538

* *See note 1(h) for details regarding the restatement due to a voluntary change in accounting policy.*

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the financial statements set out on pages 77 to 100.

Consolidated Statement of **Changes in Equity** *For the year ended 31 December 2025*

	Note	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance 1 January 2024		292,947	31,166	(269,237)	54,876
Voluntary change in accounting policy (net of tax)		-	-	(338)	(338)
Restated total equity at the beginning of the financial year		292,947	31,166	(269,575)	54,538
(Loss) for the period (restated*)		-	-	(14,771)	(14,771)
Transactions with owners:					
Contributions of equity, net of transaction costs and tax	*22*	9,764	-	-	9,764
Share-based payments	*33*	-	962	-	962
Balance 31 December 2024 (restated*)		**302,711**	**32,128**	**(284,346)**	**50,493**
Profit for the period				92	92
Transactions with owners:					
Contributions of equity, net of transaction costs and tax	*22*	44,102	-	-	44,102
Share-based payments	*33*	-	1,342	-	1,342
Transfer from Share Based Payments Reserve to accumulated losses	*23*		(6,511)	6,511	-
Balance 31 December 2025		**346,813**	**26,959**	**(277,743)**	**96,029**

* *See note 1(h) for details regarding the restatement due to a voluntary change in accounting policy.*

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the consolidated financial statements set out on pages 77 to 100.

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Consolidated Statement of **Cash Flows** *For the year ended 31 December 2025*

	Note	31 Dec 2025 $'000	31 Dec 2024 $'000
Cash flows from operating activities			
Cash receipts in the course of operations (inclusive of GST)		**159,898**	106,838
Cash payments in the course of operations (inclusive of GST)		**(139,496)**	(85,835)
Net cash from operating activities	*28*	**20,402**	21,003
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		**(475)**	(2,272)
Payments for property, plant and equipment		**(39,836)**	(29,950)
Proceeds on disposal of property, plant and equipment		**-**	200
Net cash used in investing activities		**(40,311)**	(32,022)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)		**42,950**	9,697
Borrowing transaction costs		**(798)**	-
Lease payments		**(4,875)**	(5,719)
Interest paid		**(8)**	-
Interest received		**333**	61
Net cash from financing activities		**37,602**	4,039
Net increase/(decrease) in cash and cash equivalents		**17,693**	(6,980)
Cash and cash equivalents at the beginning of financial period		**3,260**	10,240
Cash and cash equivalents at the end of the financial period	*11*	**20,953**	3,260

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the consolidated financial statements set out on pages 77 to 100.

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1. Statement of Material Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. Where an accounting policy is specific to one Note, the policy is described in the Note to which it relates. The financial statements are for the Group consisting of Hillgrove Resources Limited and its subsidiaries.

(a) Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

For the year ended 31 December 2025, the Group recorded a net profit after tax of $0.1 million (31 December 2024: net loss after tax of $14.8 million, restated) and generated net cash inflows from operating activities of $20.4 million (31 December 2024: $21.0 million). As at 31 December 2025, the Group held cash and cash equivalents of $21.0 million and had net assets of $96.0 million.

At the reporting date, the Group's current assets totalled $37.7 million (31 December 2024: $14.3 million) and current liabilities totalled $36.3 million (31 December 2024: $37.6 million), resulting in a current ratio of 1.04 (31 December 2024: 0.38). The improvement in the current ratio reflects increased cash balances and trade receivables arising from higher production volumes and equity capital raisings completed during the year.

The Group has no drawn debt facilities at the reporting date. Operations are funded through cash generated from production at the Kanmantoo underground copper mine together with existing cash reserves. During the year, the Group further demonstrated access to capital markets through successful equity raisings completed in March and September 2025.

In assessing the appropriateness of the going concern basis, the Directors have considered the Group's detailed cash flow forecasts for a period of at least twelve months from the date of approval of the financial statements. These forecasts incorporate assumptions relating to production volumes, operating costs, capital expenditure and commodity prices. Production forecasts reflect multiple underground mining areas operating concurrently, with forecast increases in tonnage and grades consistent with the current life-of-mine plan. Commodity price assumptions are based on broker consensus pricing, which is below prevailing spot prices at the reporting date.

Sensitivity analyses, including downside scenarios, have been performed on key assumptions. These analyses indicate that the Group is expected to maintain positive cash balances and sufficient liquidity throughout the forecast period and be able to meet its obligations as and when they fall due.

Based on this assessment, the Directors consider that the Group will be able to meet its debts as and when they fall due and, accordingly, the financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate.

(b) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, Hillgrove Resources Limited is a for-profit entity.

(i) Compliance with International Financial Reporting Standards

Compliance with Australian Accounting Standards ensures that the consolidated financial statements and notes of Hillgrove Resources Limited comply with International Financial Reporting Standards (IFRS).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified, when necessary, by the revaluation of certain financial assets and liabilities to fair value through other comprehensive income or through profit or loss.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 2.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Hillgrove Resources Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

For the purpose of presenting consolidated financial statements, the assets and liabilities of Hillgrove Resources Limited's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange rate differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

1. Statement of Material Accounting Policies *(cont.)*

(d) Impairment of assets

The carrying value of property, plant and equipment is assessed for impairment whenever there is an indicator that the asset may be impaired. Determining whether property, plant and equipment is impaired requires an estimation of the recoverable value of the Cash Generating Unit ("CGU") to which property, plant and equipment has been allocated. Impairment is recognised in the consolidated statement of profit or loss when the carrying amount exceeds the recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use (VIU). In its impairment assessment, the Group determined the recoverable amount based on VIU. The assessment was undertaken using a discounted cash flow approach. Cash flow projections are based on the CGU's life of mine plan. In assessing the VIU, the estimated future post-tax cash flows are discounted to their present value using a post-tax discount rate that reflects the current market assessment of the time value of money and business risk. The valuation is considered level 3 in the fair value hierarchy due to unobservable inputs (the Group's internal data and estimates) used in the valuation. Assets that have undergone an impairment charge are reviewed for possible reversal of the impairment at each reporting date.

The specific methods and assumptions used to estimate the discounted future cash flows of the Group's CGU are outlined in more detail in Note 2 "Critical accounting estimates and judgements".

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(f) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. The recognition treatment of the grant depends on the purpose of the grant as follows:

i. Relating to an expense item – recognised as a reduction of the expense to which it relates.

ii. Relating to property, plant and equipment – recognised as deferred income within the Consolidated Statement of Financial Position and released to the Consolidated Statement of Profit or Loss and Other Comprehensive Income over the life of the associated asset.

iii. Relating to exploration activities – recognised as a reduction in the carrying value of the associated exploration asset.

The Group previously presented government grants as deferred income in the consolidated statement of financial position and in the related note disclosures. Management has reassessed the presentation and determined that it is more appropriate for government grants to be reclassified to be within other liabilities.

Accordingly, prior year comparatives have been reclassified to conform with the current year presentation. This reclassification has no impact on profit or loss, total assets, total liabilities or net assets, and relates solely to presentation within the statement of financial position and related notes.

(g) Rounding of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated).

(h) Restatement due to a voluntary change in Accounting Policy

During the year ended 31 December 2025, the Group reassessed the accounting treatment applied to its royalty arrangement following a change in ownership of the entity to which the royalty is payable. While the contractual terms of the arrangement were unchanged, the change in ownership prompted a refreshed assessment of the accounting interpretation applied to the arrangement.

There is no specific Australian Accounting Standard that directly addresses royalty funding arrangements of this nature. Accordingly, the Group considered relevant accounting principles collectively, including those in AASB 116 Property, Plant and Equipment, AASB 15 Revenue from Contracts with Customers, and AASB 101 Presentation of Financial Statements, to determine the accounting policy that most appropriately reflects the substance of the arrangement. For additional background information refer to Note 21.

Previous accounting policy

In prior reporting periods, the royalty arrangement was accounted for as 'other financial liabilities' in accordance with AASB 9 Financial Instruments, initially recognised at fair value (net of transaction costs) and subsequently measured at amortised cost using the effective interest method.

The unwinding of the discount was recognised within interest and finance charges, and the liability was included within the Group's financial risk management disclosures relating to the maturity analysis of financial liabilities.

New accounting policy

Following reassessment, the Group determined that the royalty arrangement is more appropriately accounted for as a partial disposal of a mineral interest in accordance with AASB 116, rather than as a financial liability.

In applying AASB 116, the Group assessed the timing of recognition of the partial disposal using the transfer-of-control and "over time" concepts in AASB 15.

1. Statement of Material Accounting Policies *(cont.)*

Accordingly:

- the upfront proceeds received are recognised as deferred revenue (presented as other liabilities);
- the deferred revenue is released to profit or loss over time as sales occur;
- the liability is adjusted for the time value of money, with the unwinding of interest recognised as a finance cost; and
- amounts payable are recognised as a reduction of revenue (contra-revenue) in the period in which the related sales are recognised.

The Directors consider that this change in accounting policy provides more reliable and more relevant information for the users of the financial statements, as it better reflects the substance of the arrangement as a partial disposal of a mineral interest.

Retrospective application

The change in accounting policy has been applied retrospectively in accordance with AASB 108, and comparative information has been restated. In accordance with AASB 101 Presentation of Financial Statements, the Group has presented a third statement of financial position as at 1 January 2024, being the beginning of the earliest comparative period presented.

Quantitative impact of restatement

(a) Consolidated statement of financial position

The following table summarises the impact of retrospective application on the Group's consolidated statement of financial position:

Statement of financial position ($'000)	31 December 2024	Increase/ (Decrease)	31 December 2024 (Restated)	31 December 2023	Increase/ (Decrease)	1 January 2024 (Restated)
Other financial liabilities	16,176	(16,176)	**-**	7,484	(7,484)	**-**
Other liabilities	-	7,254	**7,254**	-	7,822	**7,822**
Net Assets	41,571	8,922	**50,493**	54,876	(338)	**54,538**
Accumulated Losses	(293,268)	8,922	**(284,346)**	(269,237)	(338)	**(269,575)**
Total Equity	41,571	8,922	**50,493**	54,876	(338)	**54,538**

(b) Consolidated statement of profit or loss and other comprehensive income

The following table summarises the impact of retrospective application on the Group's Consolidated Statement of Profit or Loss for the year ended 31 December 2024:

Consolidated statement of profit or loss ($'000)	2024	Change	2024 (Restated)
Revenue	112,388	(214)	**112,174**
Interest and finance charges	(14,381)	9,474	**(4,907)**
(Loss) for the year attributable to owners	(24,031)	9,260	**(14,771)**

(c) Consolidated statement of cash flows

The restatement did not impact the consolidated statement of cash flows for the prior year ended 31 December 2024.

Standards and interpretations in issue

(i) Mandatory standards adopted in the current reporting period

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these mandatory standards has not had a material impact on the Group's accounting policies, or the amounts reported during the year.

(ii) Early adoption of standards

There are no standards on issue that are expected to have a material impact on the Group in the current or future reporting periods.

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2. Critical Accounting Estimates and Judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

(a) Recoverability of non-current assets

The Group has a single Cash Generating Unit (CGU) being the Kanmantoo Copper Mine. The recoverable amount is based on value in use calculations which require the use of assumptions. The estimates of discounted future cash flows for the Kanmantoo CGU are based on significant assumptions including:

- Estimates of the quantities of resources, and the timing of access to those resources;
- Future production levels based on plant throughput and recoveries;
- Future copper, gold and silver prices based on spot pricing;
- Future exchange rates for the Australian dollar to US dollar based on spot prices;
- Future operating costs of production, capital expenditure and rehabilitation expenditure;
- The discount rate most appropriate to the CGU; and
- The timing and amounts to be received from the sale of processing equipment and land following completion of mining and processing activities.

(b) Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether future economic benefits are likely, either from development and commercial exploitation, or sale of the respective areas. Estimates and assumptions made may change if new information becomes available.

(c) Restoration, rehabilitation and environmental obligations

Provision is made for the costs of decommissioning and site rehabilitation costs when the related environmental disturbance takes place. Provisions are recognised at the net present value of future expected costs as outlined in Notes 17 and 20.

The provision represents management's best estimate of the costs that will be incurred, but significant judgement is required on cost estimates including inflation and discount rates and changes to the lives of operations, as many of these costs will not crystallise until the end of the life of the mine.

(d) Deferred revenue – disposal of mineral interest

The Group has a royalty arrangement under which it received upfront proceeds and is required to make ongoing payments calculated by reference to net smelter returns.

Following a reassessment of the accounting treatment applied to this arrangement, the Group accounts for the royalty arrangement as a partial disposal of a mineral interest, with the upfront proceeds recognised as deferred revenue and released to profit or loss over time as sales occur.

The deferred revenue is initially recognised at fair value, which was equal to the consideration received, net of transaction costs. The subsequent release is recognised in profit or loss on a units-of-sales basis, reflecting the pattern in which the economic benefits associated with the partial disposal are transferred.

Where applicable, the deferred revenue includes a time value of money component. In such cases, the carrying amount of the deferred revenue is increased over time to reflect the passage of time, with the unwinding recognised as a finance cost in the consolidated statement of profit or loss and other comprehensive income. The effective interest rate is the rate that discounts estimated future cashflows to the initial fair value and this was calculated to be 24.06%, which does not change throughout the life of the liability.

The measurement of the deferred revenue requires estimates and assumptions regarding future production volumes, mine life and the timing of cash flows. Changes in these estimates may result in changes to the timing of recognition of deferred revenue and the amount of finance costs recognised in future periods.

(e) Lease liabilities

Certain contractual arrangements not in the form of a lease require the Group to apply significant judgement in evaluating whether the Group controls the right to direct the use of assets and therefore whether the contract contains a lease. Management considers all facts and circumstances in determining whether the Group or the supplier has the rights to direct how, and for what purpose, the underlying assets are used in certain mining contracts. Judgement is used to assess which decision-making rights mostly affect the benefits of use of the assets for each arrangement. Where a contract includes the provision of non-lease services, judgement is required to identify the lease and non-lease components.

Where the Group cannot readily determine the interest rate implicit in the lease, estimation is involved in the determination of the incremental borrowing rate to measure lease liabilities. The incremental borrowing rate reflects the rates of interest a lessee would have to pay to borrow over a similar term, with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. Under the Group's portfolio approach to debt management, the Group does not specifically borrow for asset purchases. Therefore, the incremental borrowing rate is estimated referencing the latest data available to management based on relevant contracts that offer interest applied credit facilities.

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2. Critical Accounting Estimates and Judgements *(cont.)*

(f) Reserve and resource estimates

The estimation of ore reserves and resources (reserves) involves judgement and is based on estimates and assumptions relating to a range of technical and economic factors, including quantities and grades of mineralisation, production methods, recovery factors, production and transportation costs, commodity supply and demand, copper prices and foreign exchange rates. Estimates of reserves are based on geological data obtained through drilling and sampling, together with interpretations of geophysical and other geological information. The process of estimating reserves requires complex geological judgement to interpret the available data and to determine the size, shape and depth of ore bodies. The economic assumptions used in estimating reserves may change from period to period as additional technical, operational and geological information becomes available. Accordingly, estimates of reserves may also change over time. Changes in reserve estimates may affect the Group's financial position and financial performance in a number of ways, including:

- the carrying values of mine properties, plant and equipment, where changes in estimated future production levels impact recoverable amounts;
- depreciation, depletion and amortisation expense, where such charges are determined using the units of production method or where the estimated useful lives of assets change; and
- rehabilitation provisions, where changes in reserves estimates affect expectations regarding the timing or cost of mine closure and rehabilitation activities.

(g) Amortisation of mine development asset

Major mine development costs incurred that are capitalised that benefit the entire ore body are amortised using a units of production ("UOP") method and amortised over the reserves of the entire ore body. Sustaining mine development costs incurred that are capitalised that benefit specific areas of the ore body are also amortised on a UOP basis and amortised over the reserves specific to that area. There are significant assumptions involved in estimating reserve data, that is defined under the JORC code, that drives forecast recoverable tonnes which involves complex and difficult geological judgements to interpret the data.

3. Dividends

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Franked dividends paid	-	-
Amount of franking credits available to shareholders for subsequent financial years	**17,556**	17,556

4. Financial Reporting by Segment

The Group has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. Management currently identifies the Group as having only one reportable segment, being exploration, development and operations for minerals through its ownership of the Kanmantoo Copper Mine. All assets are located in Australia.

5. Revenue

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
Copper	**153,904**	111,204
Gold	**12,256**	5,382
Silver	**4,598**	2,936
Treatment and refining deductions	**(3,142)**	(7,348)
Total revenue	**167,616**	112,174

Revenue is measured at the fair value of the consideration received or receivable and recognised at a point in time, net of the disposal of mineral interest (refer to Note 21 for further information).

The Group sells copper concentrate through an offtake agreement and uses CIF terms (cost, insurance, and freight) for vessel chartering. Under AASB 15, the Group has three performance obligations regarding the concentrate sale: delivering and transferring title at the loading port, loading onto the ship, and transporting to the destination port.

The price for delivering concentrate to the port includes its value adjusted for treatment and refining charges.

The price can be declared at the option of the Group's offtake partner, as either one of: one month before the month of shipment or synthetically spread adjusted to five months after the month of arrival at the discharge port.

6. Other Income

	31 Dec 2025 $'000	31 Dec 2024 $'000
Interest	**395**	67
Release of government grant deferred income	**194**	730
Sale of excess seed	**-**	25
Other	**16**	16
Total other income	**605**	838

7. Expenses

Profit or loss before income tax includes the following expenses:

(a) Expenses per profit or loss

	Note	31 Dec 2025 $'000	31 Dec 2024 $'000
Mining costs	*(i)*	**85,233**	53,368
Processing costs	*(ii)*	**23,782**	20,465
Transport and shipping	*(iii)*	**6,407**	4,024
Other site costs		**7,830**	5,246
Movement in inventory stockpile valuation (cash costs)		**1,163**	(2,500)
Government royalties	*(iv)*	**8,295**	5,383
Corporate costs	*(v)*	**8,270**	4,736
Depreciation and amortisation		**20,884**	31,763
Movement in inventory stockpile valuation (non-cash costs)		**(477)**	210
Rehabilitation provision adjustment	*(vi)*	**(328)**	(262)
Gain on sale of fixed assets		**(205)**	(167)
Foreign exchange loss		**99**	3
Total expenses		**160,953**	122,269

(i) Mining costs

Mining costs refers to non-capitalised development, drilling and blasting, loading and hauling, underground diamond drilling, mine services, labour, supervision, and technical support.

(ii) Processing costs

Includes costs related to crushing, grinding, flotation and other associated processing activities excluding treatment and refining charges.

(iii) Transport and shipping

All charges related to the transport and shipment of saleable concentrate from site and port.

(iv) Government royalties

The accrued expenditure relating to the royalty payable to the South Australian government, directly linked to the revenue generated from operations less any allowable deductions.

(v) Corporate costs

Reflects costs mainly associated with running the corporate head office, board of directors, and employee share-based expenses.

(vi) Rehabilitation provision adjustment

Reflects the expense associated with the reduction in the rehabilitation provision due to a change in model. This is part of the reduce provision recognised in Note 20.

(b) Interest and finance charges

	31 Dec 2025 $'000	31 Dec 2024 Restated $'000
Discount on unwind of other liabilities	**1,633**	1,698
Discount on unwind of rehabilitation provision	**392**	350
Interest on leases	**609**	1,103
Borrowing costs, bank fees and charges	**8**	8
Interest on other liabilities	**2,602**	1,748
Total interest and finance charges	**5,244**	4,907

(c) Impairment charges

	31 Dec 2025 $'000	31 Dec 2024 $'000
Exploration assets	**1,033**	380

Expenditure on exploration areas of interest where the prospect of recoupment of costs capitalised through successful development and commercial exploitation is no longer considered likely, is charged to the profit or loss as an impairment charge.

(d) Other required disclosures

	31 Dec 2025 $'000	31 Dec 2024 $'000
Employee benefits (excluding share-based payments)	34,914	24,764
Employee share-based payments (see Note 33)	1,261	752

7. Expenses *(cont.)*

(e) Remuneration of auditors

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the parent entity, Hillgrove Resources Limited, by PwC's related network firms and by non-related audit firms:

(i) Auditors of the Group - PwC

	31 Dec 2025	31 Dec 2024
	$	$
Audit and review of financial reports		
Group	**331,107**	224,080
Controlled entities	**16,680**	-
Total audit and review of financial reports	**347,787**	224,080
Other services		
Tax advice and compliance	**12,495**	30,000
Other non-audit services	**37,760**	-
Total other non-audit services	**44,135**	30,000
Total services provided by PwC	**398,042**	254,080

8. Income Tax

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
(a) Income tax expense		
Income tax expense comprises:		
- Current tax expense	**-**	-
- Deferred tax expense	**899**	227
Income tax expense	**899**	227
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense/(benefit)	**991**	(14,544)
Tax at the Australian tax rate of 30%	**297**	(4,363)
Tax effect of amounts which are not deductible in calculating taxable income:		
- Share based payments	**452**	226
- Non-deductible expenses	**4**	-
- Non-assessable income	**-**	(219)
- Tax temporary differences (recognised) / not recognised	**146**	4,595
Income tax expense	**899**	227
(c) Amounts recognised directly in equity		
Deferred tax – recognised directly in equity	**899**	227

(d) Tax consolidation legislation

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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8. Income Tax *(cont.)*

(d) Tax consolidation legislation *(cont.)*

Hillgrove Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Hillgrove Resources Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right. The entities in the tax-consolidated group entered into a tax sharing agreement and a tax funding agreement. On adoption of the legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity. The entities have also entered a tax funding agreement under which the wholly-owned entities fully compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to it under the tax consolidation legislation.

9. Deferred Tax

(i) Deferred tax assets have been recognised to the extent of the deferred tax liability. As such there are no deferred tax balances on the consolidated statement of financial position.

(ii) Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(iii) Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable future taxable amounts will be available to utilise those temporary differences and losses.

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
Tax losses and credits	**84,028**	84,761
Business related costs	**1,135**	686
Provisions and accruals	**4,184**	3,860
Accrued expenses	**223**	216
Deferred income	**2,655**	2,557
Lease liability	**1,377**	2,606
Total deferred tax assets	**93,602**	94,686

The balance of deferred tax liabilities comprises temporary differences attributable:

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
Exploration expenditure	**1,370**	1,639
Right-of-use assets	**1,810**	2,771
Total deferred tax liabilities	**3,180**	4,410
Net deferred tax assets	**90,422**	90,276
Deferred tax assets not recognised	**(90,422)**	(90,276)
Recognised net deferred tax assets	**-**	-

The Group has unrecognised capital losses of $11.3 million (2024: $11.3 million).

10. Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

Classification of securities as ordinary shares

Ordinary shares have been classified as ordinary shares and included in basic earnings per share.

10. Earnings Per Share *(cont.)*

Classification of securities as potential shares

Outstanding performance rights have been classified as potential ordinary shares and included in diluted earnings per share.

(a) Weighted average number of shares used as the denominator

	31 Dec 2025	31 Dec 2024
	Number	Number
Weighted average number of ordinary shares used in calculating basic and dilutive EPS	**2,655,759,452**	2,062,272,006

(b) Reconciliation of earnings used in calculating earnings per share

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
(i) Basic earnings		
Profit/(Loss) from continuing operations attributable to the ordinary equity holders of the Company:	**92**	(14,771)
(ii) Diluted earnings		
Profit/(Loss) from continuing operations attributable to the ordinary equity holders of the Company:	**92**	(14,771)

	31 Dec 2025	31 Dec 2024 Restated
	Cents	Cents
(i) Basic earnings per share		
Profit/(Loss) from continuing operations attributable to the ordinary equity holders of the Company:	**0.0**	(0.7)
(ii) Diluted earnings per share		
Profit/(Loss) from continuing operations attributable to the ordinary equity holders of the Company:	**0.0**	(0.7)

11. Cash and Cash Equivalents

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Cash at bank and on hand	**20,601**	2,908
Restricted cash	**352**	352
	20,953	3,260

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted cash cannot be accessed without consent and comprises of two bank guarantees, and a bond.

12. Trade and Other Receivables

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Trade receivables	**6,617**	1,487
Prepayments	**230**	211
Other receivables	**1,021**	764
GST receivable	**1,342**	1,253
	9,210	3,715

13. Inventories

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Current assets		
Consumable inventory and spares	**4,937**	4,063
ROM stockpiles	**704**	97
Concentrates	**1,877**	3,170
Total current inventory	**7,518**	7,330

Consumable Inventory and Spares

Stores and consumables comprise of materials used in the mining and production process. These inventories are valued at the lower of cost and net realisable value (NRV), with cost determined using the weighted average method. Cost includes purchase price, transportation, and other directly attributable costs incurred to bring the inventory to site.

Obsolescence and slow-moving stock are reviewed annually, with appropriate provisions made as necessary. The current inventory balance is net of any provisions made.

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13. Inventories *(cont.)*

Run-of-Mine (ROM) Stockpiles

ROM stockpiles relate to unprocessed ore extracted from mining operations. The cost of ROM stockpiles is determined by allocating costs between production and development activities, with costs and activities monitored at each stage of the production process and assigned to physical units accordingly. These are costs that are incurred to date and estimated future costs to process the stockpiles.

ROM stockpiles are valued at the lower of cost and NRV. NRV is based on the estimated amount expected to be realised when the inventory is fully processed and sold. This estimation requires judgement regarding the quantity of recoverable metal, future commodity prices, production costs, and selling costs.

Concentrates

Concentrates represent processed mineral products that are ready for sale. These inventories are recorded at the lower of cost and NRV, with cost determined using the weighted average method. Cost includes direct production costs, an allocation of processing costs, and transport costs to the point of sale. NRV is based on estimated future sales prices, less selling costs.

Stockpile and concentrate valuations are reviewed regularly, considering fluctuations in commodity prices, processing recoveries, and cost structures to ensure appropriate valuation adjustments are made when necessary.

14. Property, Plant and Equipment

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Land and buildings		
At cost	**5,840**	5,840
Accumulated depreciation and impairment	**(379)**	(379)
	5,461	5,461
Plant and equipment		
At cost	**94,838**	87,025
Accumulated depreciation and impairment	**(72,000)**	(64,568)
	22,838	22,457
Motor vehicles		
At cost	**1,585**	1,075
Accumulated depreciation	**(975)**	(550)
	610	525
Mine development		
At cost	**157,701**	231,134
Accumulated depreciation and impairment	**(87,452)**	(182,881)
	70,249	48,253
Capital work in progress		
At cost	**846**	185
Accumulated depreciation	**-**	-
	846	185
Total property, plant and equipment	**100,004**	76,881

During the current year, fully depreciated items of property, plant and equipment were removed from the asset register which resulted in the derecognition of $105.9m of 'at cost' and $105.7m of 'accumulated depreciation'. The net carrying amount of approximately $0.2 million was recognised as a non-cash disposal in the consolidated statement of profit or loss.

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing assets into use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

14. Property, Plant and Equipment *(cont.)*

The units of production basis is used when depreciating mine specific assets which results in a depreciation charge proportional to the depletion of the forecast remaining life of mine production. Changes in factors such as estimates of proven and probable reserves that affect the unit of production calculations are applied on a prospective basis.

The straight line method of depreciation to allocate cost, net of residual values, is used for all remaining assets over estimated useful lives as follows:

- Motor Vehicles 3 years
- Plant & Equipment 3 – 10 years

The duration reflects the specific nature of the assets. Freehold land is not depreciated. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Mine development includes development costs incurred related to the Kanmantoo mine.

When proven mineral reserves are determined and development is approved, capitalised exploration and evaluation expenditure is reclassified as mine development within property, plant and equipment. All subsequent development expenditure is capitalised and classified as mine development, provided commercial viability conditions continue to be satisfied. On completion of development, all relevant assets included in mine development are reclassified as plant and equipment.

Reconciliations of the carrying amounts for each class of asset are set out below:

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Land and buildings		
Carrying amount at beginning of period	**5,461**	5,461
Additions	**-**	-
Depreciation	**-**	-
Carrying amount at end of period	**5,461**	5,461
Plant and equipment		
Carrying amount at beginning of period	**22,457**	21,673
Additions	**645**	4,569
Depreciation	**(2,976)**	(4,387)
Transfers	**2,712**	744
Disposals	**-**	(142)
Carrying amount at end of period	**22,838**	22,457
Motor vehicles		
Carrying amount at beginning of period	**525**	496
Additions	**26**	314
Depreciation	**(331)**	(231)
Transfers	**390**	17
Disposals	**-**	(71)
Carrying amount at end of period	**610**	525
Mine development		
Carrying amount at beginning of period	**48,253**	41,459
Additions	**26,724**	28,335
Depreciation	**(14,849)**	(22,822)
Transfers	**10,137**	1,281
Disposals	**(16)**	-
Carrying amount at end of period	**70,249**	48,253
Capital work in progress		
Carrying amount at beginning of period	**185**	-
Additions	**13,900**	2,227
Transfers	**(13,239)**	(2,042)
Carrying amount at end of period	**846**	185
Total property, plant and equipment	**100,004**	76,881

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15. Exploration and Evaluation Expenditure

The Group accumulates certain costs associated with exploration activities on specific areas of interest where the Group has rights of tenure and where exploration and evaluation activities in the area of interest have not reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves.

Exploration and evaluation assets are initially measured at cost and include acquisition and renewal of rights to explore, drilling, sampling, assaying and depreciation of assets used in exploration and evaluation activities. General and administrative costs are only included where they are directly related to a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any).

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous periods.

Expenditure on exploration areas of interest where the prospect of recoupment of costs capitalised through successful development and commercial exploitation is no longer considered likely, is charged to the profit or loss as an impairment charge.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, and the balance is then reclassified to development.

	31 Dec 2025 $'000	31 Dec 2024 $'000
Exploration and evaluation expenditure	**6,526**	6,962
Carrying amount at beginning of period	**6,962**	5,328
Additions	**610**	1,996
Impairment	**(1,033)**	(362)
Transfers	**(13)**	-
Carrying amount at end of period	**6,526**	6,962

16. Trade and Other Payables

	31 Dec 2025 $'000	31 Dec 2024 $'000
Trade payables	**12,063**	17,203
Other payables and accruals	**14,009**	8,930
	26,072	26,133

Information about the Group's exposure to liquidity risk is provided in Note 25(c).

17. Provisions – Current

	31 Dec 2025 $'000	31 Dec 2024 $'000
Rehabilitation provision	**1,170**	1,114
	1,170	1,114
Movement in provisions		
Carrying amount at the beginning of the year	**1,114**	1,090
Payments charged against provision	**(402)**	(172)
Transfer from non-current provision	**458**	196
Carrying amount at the end of the year	**1,170**	1,114

The rehabilitation provision is based on estimates for tenements held and refers to the measures and actions required to repair land disturbed by exploration and mining activities. The current balance is in respect of the Kanmantoo mine tenement.

18. Leases

(i) Amounts recognised in the consolidated statement of financial position

	31 Dec 2025 $'000	31 Dec 2024 $'000
Right-of-use assets		
Plant and equipment	**6,033**	9,237
Closing carrying amount at 31 December	**6,033**	9,237
Lease liabilities		
Current lease liability	**2,054**	4,343
Non-current lease liabilities	**2,536**	4,342
Closing balance at 31 December	**4,590**	8,685

Additions to the right-of-use assets during current year were $0.6 million (2024: $7.2 million).

The total cash outflow for these leases in the current year was $4.9m (2024: $4.2 million).

(ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Depreciation charge of right-of-use assets – Plant and equipment	**2,301**	4,558
Expense relating to short-term leases (included in expenses)	**547**	1,178
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in expenses)	**21**	27
Interest expense (included in interest and finance charges)	**609**	1,103
Expense relating to variable lease payments not included in lease liabilities (included in expenses)	**15,654**	8,375

Contractual maturities of lease liabilities

The maturity profile of lease liabilities based on the undiscounted contractual amounts is as follows:

At 31 December 2025	Less than 1 year $'000	1 to 2 years $'000	Over 2 years $'000	Total cash flows $'000	Carrying amount $'000
Lease liabilities	2,556	1,524	1,175	5,255	4,590

19. Employee Benefits Payable

	31 Dec 2025 $'000	31 Dec 2024 $'000
Employee benefits payable – current	**4,842**	3,383

The current provision for employee benefits includes accrued annual leave, long service leave, and other accrued remuneration.

The entire amount of employee benefits payable of $4.8 million (2024: $3.4 million) is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past utilisation, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

	31 Dec 2025 $'000	31 Dec 2024 $'000
Leave obligations expected to settle after 12 months	**1,510**	1,418

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20. Provisions – Non-Current

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Rehabilitation provision	**7,950**	8,334
Movement in provisions		
Carrying value at the beginning of the period	**8,334**	8,500
Charged/(credited) to profit or loss		
Discount on unwind of rehabilitation provision	**392**	350
Transfer to current provisions	**(458)**	(196)
Reduce provision recognised	**(318)**	(320)
Balance at end of period	**7,950**	8,334

The rehabilitation provision is based on estimates for tenements held and refers to the measures and actions required to remediate land disturbed by exploration and mining activities. Closing and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Closing and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during mine development or during the production phase, based on the net present value of estimated future costs.

The costs are estimated based on a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals. The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the consolidated statement of profit or loss and other comprehensive income and shown as a financial cost.

The Group has obligations to restore land disturbed under exploration and mining licences. The maximum obligation to the South Australian Government in respect of the Kanmantoo Copper Mine has been assessed at a value of $9.2 million and is secured by the South Australian Government on a first ranking basis against the assets of the Group.

Included in the rehabilitation provision is a payment of approximately $1.5 million to be made to the Native Vegetation Fund over a period of two years, which has commenced in 2025.

21. Other Liabilities

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
Current		
Deferred revenue - Sales	**742**	719
Deferred revenue - Disposal of mineral interest	**1,267**	1,277
Deferred income - Government grant income	**159**	639
	2,168	2,635
Non-Current		
Deferred income - Government grant income	**940**	631
Deferred revenue - Disposal of mineral interest	**6,483**	5,977
Total other liabilities	**7,423**	6,608

Deferred revenue - Sales

This derives from the prices allocated to second and third revenue performance obligations, including the loading costs and vessel charter costs required to transport the shipment to its destination.

Deferred revenue – Disposal of mineral interest

During August 2022, the Group entered into a royalty funding arrangement with Freepoint Metals and Concentrates LLC (Freepoint), under which the Group received upfront proceeds of $5.9 million. In exchange, the Group transferred to Freepoint an economic interest in a portion of future production from the Kanmantoo underground project, entitling Freepoint to 2.5% of net smelter returns on the first 85,000 tonnes of payable copper produced, reducing to 0.5% thereafter. In 2025, ownership of the royalty interest was transferred by Freepoint to VOX Royalty Ltd. This transfer did not result in any changes to the underlying contractual terms of the arrangement.

The arrangement represents a partial disposal of a mineral interest, whereby the Group no longer retains the economic benefits associated with the specified portion of future net smelter returns. Accordingly, the upfront proceeds received are accounted for as deferred revenue, reflecting the consideration received for the transferred interest, and are recognised in profit or loss over time as sales occur, consistent with the pattern in which the economic benefits of the disposed interest are transferred to the counterparty (refer Notes 1(h) and 2(d) for further details on this and the voluntary restatement).

To the extent the arrangement includes a significant financing component, the carrying amount of the deferred revenue is adjusted over time to reflect the time value of money, with the unwinding recognised as finance costs in the consolidated statement of profit or loss and other comprehensive income.

21. Other Liabilities *(cont.)*

Government grant income

A $2 million grant was received in 2023 from the South Australian Government to assist with the trial of new underground mining technology. In accordance with AASB 120 Accounting for Government Grants and Disclosure of Government Assistance, the grant was disclosed as deferred income. Since commencement of underground mining operations, the income has been released to the consolidated statement of profit or loss and other comprehensive income over the life of the associated mine development asset.

22. Contributed Equity

Share capital

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Issued and paid-up capital for 3,414,092,137 fully paid shares (31 December 2024: 2,095,555,567)	**346,813**	302,711

Ordinary shares issued – movements during the period

	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	No. of shares		$'000	
Opening balance	**2,095,555,567**	1,911,971,009	**302,711**	292,947
Employee option schemes / issues	**3,260,904**	11,940,313	**166**	-
Capital raise	**1,315,275,666**	171,644,245	**46,035**	10,335
Less – transaction costs (net of tax)	**-**	-	**(2,099)**	(571)
Balance at end of period	**3,414,092,137**	2,095,555,567	**346,813**	302,711

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any net proceeds of liquidation.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

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23. Reserves

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Share based payments reserve	**4,877**	10,046
Profit reserve	**22,082**	22,082
	26,959	32,128
Movements:		
Share based payments reserve (i)		
Opening balance	**10,046**	9,084
Share based compensation expense	**1,342**	962
Transfer to retained earnings	**(6,511)**	-
Closing balance	**4,877**	10,046
Profit reserve (ii)		
Opening balance	**22,082**	22,082
Transfer of current year profit	**-**	-
Dividend paid	**-**	-
Closing balance	**22,082**	22,082

Nature and purpose of reserves

(i) Share based payments reserve

The share based payments reserve is used to recognise the fair value of:

- Share performance rights issued to employees
- Options granted to the non-executive directors
- Unlisted options issued to the joint lead managers for placement and share purchase plans.

(ii) Profit reserve

The profit reserve is used to accumulate distributable profits, preserving the characteristics of profit by not appropriating against prior year accumulated losses. The reserve can be used to pay taxable dividends.

24. Accumulated Losses

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
At beginning of the period	**(284,346)**	(269,575)
Net profit/(loss) (not carried forward to profit reserve)	**92**	(14,771)
Transfer from Share Based Payment Reserve	**6,511**	-
Accumulated losses at end of the period	**(277,743)**	(284,346)

25. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, foreign exchange risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by senior management under direction of the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

(a) Market Risk

(i) Foreign exchange risk

The Group has exposure to FX changes in relation to AUD payments made for a lease charged in USD.

Additionally, at 31 December 2025, the Group has US$ denominated receivables of $4,428,850 (31 December 2024: $924,628). An increase/decrease in AUD:USD foreign exchange rates of 10% will result in US$443k impact to net assets and pre-tax profit.

(b) Credit Risk

Credit risk is managed on a group basis. Credit risk can arise from cash and cash equivalents, deposits with banks and financial institutions, derivative financial instruments and receivables. The group holds its cash with Westpac Banking Corporation and Commonwealth Bank of Australia which both have a high credit rating.

The group has trade receivables of $6,617,136 (31 December 2024: $1,487,258). The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Applying the principles of the expected credit loss model and historical recovery rates, the Group has not recognised a provision against trade receivables and contract assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

GST refunds are receivable from a government agency and are deemed to have no significant credit risk.

For banks, financial institutions and third party debtors, management assesses the credit quality of the counterparty, considering its financial position, experience and other relevant factors.

25. Financial Risk Management *(cont.)*

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Liquidity risk is managed on a group basis. The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The group monitors its cash flow on a regular basis to ensure adequate funds are in place to maintain its payment obligations when they fall due. The group and the parent entity had no drawn borrowing facilities at the reporting date.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and includes future interest on borrowings.

31 December 2025 $'000	Less than 1 year	1 to 2 year(s)	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total cash flows	Carrying amount
Trade and other payables	26,072	-	-	-	-	-	26,072	26,072
Total	**26,072**	**-**	**-**	**-**	**-**	**-**	**26,072**	**26,072**

31 December 2024 (Restated) $'000	Less than 1 year	1 to 2 year(s)	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total cash flows	Carrying amount
Trade and other payables	26,133	-	-	-	-	-	26,133	26,133
Total	**26,133**	**-**	**-**	**-**	**-**	**-**	**26,133**	**26,133**

Lease liabilities are excluded from the table above and are disclosed separately in Note 18 in accordance with AASB 16.

26. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Hillgrove Resources Limited (the "parent entity") as at 31 December 2025 and the results of all subsidiaries for the period then ended. Hillgrove Resources Limited and its subsidiaries together are referred to in this financial report as the Group. Subsidiaries are all entities controlled by the Group. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. Cost is measured as the fair value of the assets given, shares issued, or liabilities incurred or assumed at the date of exchange. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Profit or loss and each component of other comprehensive income are attributed to owners of Hillgrove Resources Limited and to the non-controlling interests where applicable.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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26. Subsidiaries *(cont.)*

The proportion of ownership interest is equal to the proportion of voting power held. The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries;

Name of controlled entity	Country of incorporation	Class of share	Equity holding 31 Dec 2025 %	Equity holding 31 Dec 2024 %
Hillgrove Copper Pty Ltd	Australia	Ordinary	**100**	100
Hillgrove Copper Holdings Pty Ltd	Australia	Ordinary	**100**	100
Hillgrove Exploration Pty Ltd	Australia	Ordinary	**100**	100
Hillgrove Mining Pty Ltd	Australia	Ordinary	**100**	100
Hillgrove Operations Pty Ltd	Australia	Ordinary	**100**	100
Hillgrove Wheal Ellen Pty Ltd	Australia	Ordinary	**0**	100
Kanmantoo Properties Pty Ltd	Australia	Ordinary	**100**	100
Mt Torrens Properties Pty Ltd	Australia	Ordinary	**0**	100
SA Mining Resources Pty Ltd	Australia	Ordinary	**100**	100
Hillgrove Indonesia Pty Ltd	Australia	Ordinary	**100**	100
PT Hillgrove Indonesia	Indonesia	Ordinary	**100**	100

During the year, Hillgrove Wheal Ellen Pty Ltd and Mt Torrens Properties Pty Ltd have been dissolved.

In November 2025, an application was submitted to dissolve Hillgrove Mining Pty Ltd and SA Mining Resources Pty Ltd. This application was approved in January 2026, subsequent to the financial year.

There were no transactions with non-controlling interests during the period.

27. Commitments

(a) Non-cancellable commitments

Future commitments not provided for in the financial statements and payable:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Within one year	**73**	76
One to five years	**104**	-
	177	76

(b) Exploration expenditure commitments

To maintain current rights of tenure to exploration tenements, the Group is required to perform exploration work to meet the minimum expenditure requirements under the various exploration licences which are held. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount. The SA State Government has the authority to defer, waive or amend the minimum expenditure requirements. Eligible exploration expenditure includes an appropriate allocation of overhead costs.

	31 Dec 2025 $'000	31 Dec 2024 $'000
Within one year	**225**	45
One to five years	**220**	359
	445	404

(c) Capital commitments

At 31 December 2025, there were no contracted capital commitments (31 December 2024: Nil).

28. Notes to the Consolidated Statement of Cash Flows

(a) Reconciliation of cash

For the purposes of the consolidated statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as set out in Note 11.

(b) Reconciliation of operating profit after income tax to net cash provided by operating activities

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
Operating profit/(loss) after income tax	**92**	(14,771)
Add/(remove) items classified as investing/financing activities		
Borrowing transaction costs	**798**	-
Net interest paid/(received)	**(335)**	61
Tax expense (non-cash) on capital raise costs	**899**	(227)
Gain on disposal of fixed assets (cash and non-cash)	**(205)**	(167)
Add/(remove) non-cash items		
Depreciation and amortisation	**20,884**	31,763
Movement in stockpile non-cash valuation	**(477)**	210
Write-off of assets	**1,033**	380
Interest on lease liabilities	**609**	1,103
Non-cash other liabilities restatement	**-**	(6,317)
Share based payments	**1,507**	753
Discount on unwind of rehabilitation provision	**392**	350
Rehabilitation provision adjustment	**(328)**	(262)
Unrealised foreign exchange gain on lease liability	**41**	(3)
Changes in operating assets and liabilities		
(Increase)/decrease in receivables, prepayments & inventory	**(5,683)**	(6,446)
Increase/(Decrease) in trade and other payables	**(61)**	12,439
Increase/(Decrease) in other operating assets and liabilities	**168**	579
Increase/(Decrease) in provisions & employee benefits	**1,068**	1,558
Net cash from/(used) by operating activities	**20,402**	21,003

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29. Notes to the Consolidated Statement of Cash Flows *(cont.)*

(c) Net funds/debt reconciliation

This section sets out an analysis of net funds/debt and the movements for each of the periods presented.

	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
Cash and cash equivalents	**20,953**	3,260
Lease Liabilities (undiscounted) – repayable within one year	**(1,834)**	(4,343)
Lease Liabilities (undiscounted) – repayable after one year	**(2,756)**	(4,342)
Net funds/(debt)	**16,363**	(5,425)

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Other assets		Liabilities from financing activities (undiscounted)		
	Cash & bank	Liquid investments	Lease liabilities due within 1 year	Lease liabilities due after 1 year	Total
Net debt as at 1 January 2024	10,240	-	(4,311)	(7,506)	**(1,577)**
Cash flows	(6,980)	-	-	-	**(6,980)**
Other non-cash movements	-	-	(32)	3,164	**3,132**
Net funds/(debt) as at 31 December 2024	**3,260**	**-**	**(4,343)**	**(4,342)**	**(5,425)**
Cash flows	17,693	-	-	-	**17,693**
Other non-cash movements	-	-	2,289	1,586	**4,095**
Net funds/(debt) as at 31 December 2025	**20,953**	**-**	**(2,054)**	**(2,756)**	**16,363**

Non-cash movements represent accrued interest, repayment timing movements between current and non-current and revaluations.

30. Key Management Personnel Disclosures

Key management personnel compensation

	31 Dec 2025	31 Dec 2024
	$	$
Short-term employee benefits	**1,438,516**	1,166,949
Post-employment benefits	**110,028**	104,019
Cash bonus (accrued)	**354,652**	-
Cash bonus (paid)	**153,424**	-
Termination payments	**230,649**	-
Share based payments	**812,099**	488,094
	3,099,368	1,759,062

Further detail regarding key management personnel compensation can be found in the Remuneration Report.

31. Related Party Transactions

(a) Parent entities

The parent entity within the Group is Hillgrove Resources Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 26.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 30.

(d) Related parties

Loans to controlled entities are eliminated on consolidation.

Hillgrove Copper Pty Ltd is the banker for the Group and re-allocates via loan account all costs that relate to the Group. Some assets and liabilities previously recognised in the parent Company, mainly consisting of property, plant, equipment and exploration related assets, have been transferred to the controlled entities via loan account. All these transactions were recorded at carrying value.

31. Events After the Reporting Period

There were no events subsequent to balance date.

32. Contingent Liabilities

Guarantees

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Electranet performance bond to support the build, own, operate and maintain agreement for installation of transmission infrastructure at the Kanmantoo site	**767**	600
Security bond on exploration tenement (restricted cash, note 11)	**5**	5
Bank guarantees (restricted cash, note 11)	**347**	312
	1,119	917

The Group had no other contingent liabilities at 31 December 2025.

33. Share-Based Payments

(a) Movements in options and performance rights during the year

	31 December 2025		31 December 2024	
	Number of options and performance rights	Weighted average exercise price ($)	Number of options and performance rights	Weighted average exercise price ($)
Balance at beginning of year	**47,888,903**	**0.12**	53,802,800	0.12
Granted – employees	**78,202,308**	**-**	9,657,768	-
Granted – non-executive directors	**5,598,807**	**-**	7,000,000	0.12
Forfeited during the year	**(12,304,201)**	**-**	(10,631,352)	-
Exercised during the year	**-**	**-**	(11,940,313)	-
Expired during the year	**(12,000,000)**	**-**	-	-
Balance at end of year	**107,385,817**	**0.12**	47,888,903	0.12
Exercisable at end of year	**-**	**-**	-	-

The weighted average exercise price is calculated on options only and does not factor in performance rights.

At the end of the year there were 107,385,817 options and performance rights outstanding and the weighted average remaining contractual life at the end of the period was 1.51 years (31 December 2024: 1.31 years).

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33. Share-Based Payments *(cont.)*

(b) Summary of options and performance rights outstanding

	31 December 2025		31 December 2024	
	Number of options and performance rights	Last exercise date	Number of options and performance rights	Last exercise date
2021 OPRP (Tranche 2)	-	-	-	30 March 2025
2022 OPRP (Tranche 3)	**9,731,135**	**30 March 2026**	9,731,135	30 March 2026
2023 OPRP (Tranche 1)	**7,500,000**	**30 March 2027**	7,500,000	30 March 2027
2024 OPRP (Tranche 1)	**18,067,500**	**30 March 2028**	9,657,768	30 March 2028
2025 PRP - Employees	**57,488,375**	**31 December 2027**	-	-
Director Options T1 (2021)	-	**14 May 2025**	8,000,000	14 May 2025
Director Options T2 (2021)	**6,000,000**	**14 May 2026**	6,000,000	14 May 2026
Director Options T1 (2024)	-	**14 May 2025**	4,000,000	14 May 2025
Director Options T2 (2024)	**3,000,000**	**14 May 2026**	3,000,000	14 May 2026
2025 PRP - Directors	**5,598,807**	**31 December 2027**		
Total	**107,385,817**		47,888,903	

(b) Summary of options and performance rights outstanding (continued)

Further information for each of the outstanding plans are as follows:

	2022 OPRP	2023 OPRP	2024 OPRP	2025 PRP
Consideration	-	-	-	-
Exercise price	-	-	-	-
Method of settlement	Equity	Equity	Equity	Equity
Performance hurdles				
- Share price target (cents)	10.0	12.0	14.0	See note 34(c)
- Price calculation methodology	10 day VWAP	10 day VWAP	10 day VWAP	
- Start of testing date	1 March 2024	1 March 2025	1 March 2026	1 January 2025
- First exercise date	1 March 2025	1 March 2026	1 March 2027	31 December 2027
- Last exercise date	30 March 2026	30 March 2027	1 March 2028	31 December 2027

In addition, further information for each of the outstanding director options are as follows:

	T2 (2021)	T2 (2024)
Consideration	-	-
Exercise price	$0.15/share	$0.15/share
Method of settlement	Equity	Equity
Grant date	14 May 2021	3 June 2024
First exercise date	14 May 2024	3 June 2024
Last exercise date	14 May 2026	14 May 2026

33. Share-Based Payments *(cont.)*

(c) Additional information on options and performance rights issued during the year

	2025 PRP
Grant date	**16 June 2025**
Valuation date	**16 June 2025**
Consideration	**-**
Exercise price	**-**
Number of rights granted	**72,001,115**
Performance criteria	
- Start of testing date	**1 January 2025**
- First exercise date	**31 December 2027**
- Last exercise date	**31 December 2027**
Valuation	
- Methodology	**Monte Carlo**
- Share price volatility	**62.90%**
- Expected dividend yield	**0%**
- Risk free interest rate	**3.30%**
- Valuation per right - cents	**3.6**

Vesting of the performance rights are subject to the satisfaction of service and performance criteria in accordance with the terms of the 2025 PRP set out in the Remuneration Report.

(d) Movements in options during the year – capital raise lead managers

	31 December 2025		31 December 2024	
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Balance at beginning of year	**45,000,000**	**0.0807**	55,000,000	0.0790
Granted	**18,571,428**	**0.0525**	10,000,000	0.0900
Forfeited during the year	**-**	**-**	-	-
Exercised during the year	**-**	**-**	(2,000,000)	-
Expired during the year	**-**	**-**	(18,000,000)	-
Balance at end of year	**63,571,428**	**0.0724**	45,000,000	0.0807

At the end of the year there were 63,571,428 options outstanding and the weighted average remaining contractual life at the end of the period was 1.05 years (31 December 2024: 1.51 years).

(e) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	31 Dec 2025	31 Dec 2024
	$'000	$'000
Performance rights issued under the OPRP and PRP:		
Equity based	**1,095**	752
Cash based	**-**	-
Shares issued under GESP:		
Equity Based	**166**	-
	1,261	752

The amount above does not include non-employee share based payment arrangements.

During the period, the expensed share based payment amounts were calculated based on an adjusted form of the Black Scholes Model, Monte Carlo simulation, or share price on the date of issue.

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34. Parent Entity Information

The financial information for the parent entity, Hillgrove Resources Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries are accounted for at cost in the financial statements of Hillgrove Resources Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Set out below is the supplementary information about the parent entity.

	Parent	
	31 Dec 2025	31 Dec 2024 Restated
	$'000	$'000
Profit / (loss) after income tax	**(21,571)**	(15,109)
Total comprehensive income	**(21,571)**	(15,109)
Statement of financial position		
Total current assets	**17,277**	530
Total non-current assets	**57,823**	50,319
Total assets	**75,100**	50,849
Total current liabilities	**684**	695
Total liabilities	**684**	695
Net assets	**74,416**	50,154
Shareholder's equity		
Contributed equity	**346,812**	302,711
Reserves	**11,742**	16,912
Accumulated losses	**(284,138)**	(269,469)
Total equity	**74,416**	50,154

Material Accounting Policies

The accounting policies of the parent entity are consistent with those of the Group, disclosed throughout the report and notes. Investments in subsidiaries are accounted for at cost, less any impairment.

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Consolidated Entity Disclosure Statement As at 31 December 2025

Name of controlled entity[1]	Trustee, partner or participant in JV	% of share capital	Place of incorporation	Australian resident	Foreign jurisdiction(s)
Hillgrove Resources Limited	-	n/a	Australia	Yes	N/A
Hillgrove Copper Pty Ltd	-	100	Australia	Yes	N/A
Hillgrove Copper Holdings Pty Ltd	-	100	Australia	Yes	N/A
Hillgrove Exploration Pty Ltd	-	100	Australia	Yes	N/A
Hillgrove Mining Pty Ltd	-	100	Australia	Yes	N/A
Hillgrove Operations Pty Ltd	-	100	Australia	Yes	N/A
Kanmantoo Properties Pty Ltd	-	100	Australia	Yes	N/A
SA Mining Resources Pty Ltd	-	100	Australia	Yes	N/A
Hillgrove Indonesia Pty Ltd	-	100	Australia	Yes	N/A
PT Hillgrove Indonesia	-	100	Indonesia	Yes	Indonesia

(1) All entities are body corporate entities.

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Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 73 to 100 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) the consolidated entity disclosure statement on page 101 is true and correct

Note 1(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Managing Director, and the Chief Financial Officer and Joint Company Secretary required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Dated at Adelaide this 25th day of February 2026



Mr Derek Carter
Chair



Mr Robert Fulker
Chief Executive Officer & Managing Director

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Independent auditor's report

To the members of Hillgrove Resources Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Hillgrove Resources Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year then ended;

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information;
- the consolidated entity disclosure statement as at 31 December 2025;
- the directors' declaration.

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Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the* financial report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Mine development expenditure (Refer to note 14) We considered the additions to mine development expenditure recognised during the year to be a key audit matter, given the financial significance of this balance arising from material capital expenditure incurred during the underground mine development phase.	We performed the following procedures, amongst others: • Considered the latest available information regarding the project through inquiries of management and the directors, and inspection of relevant press releases; • For a sample of additions to mine development expenditure, we: ◦ Assessed the appropriateness of the additions to mine development expenditure in accordance with the requirements of Australian Accounting Standards; and ◦ Tested the accuracy of the additions to mine development expenditure by comparing the amounts capitalised to invoices or other relevant supporting documents. • Evaluated the reasonableness of the disclosures against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2025, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2025.

In our opinion, the remuneration report of Hillgrove Resources Limited for the year ended 31 December 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Julian McCarthy
Partner

Adelaide
25 February 2026

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Shareholder Information For Listed Public Companies

The following additional information is required by the Australian Securities Exchange Limited in respect of listed public companies only.

As at the reporting date the most recent Shareholder information available for disclosure is as follows:

(a) Voting rights and classes of equity securities

As at 25 March 2026, the Company has 3,414,092,137 listed fully paid ordinary shares. Each fully paid share carries on a poll one vote. The Company also has 145,907,966 unquoted performance rights and 72,571,428 options on issue which do not carry voting rights.

(b) Unmarketable parcels

The number of shareholders holding less than a marketable parcel of ordinary shares was 2,294 as at 25 March 2026.

(c) Distribution schedule of Fully Paid Ordinary Shares as at 25 March 2026.

Size of Holdings	Number of Shareholders
1 - 1,000	418
1,001 - 5,000	898
5,001 - 10,000	669
10,001 - 100,000	3,537
100,001 and over	2,152
Totals	**7,674**

(d) Securities exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited. The ASX code is HGO.

(e) Company Secretary

Mr Luke Anderson and Mr Jake van der Hoek are Joint Company Secretaries

(f) On-market buy-back

There is no current on-market buy-back.

(g) Substantial shareholders 25 March 2026

An extract of the Company's register of Substantial Shareholders (who hold 5.0% or more of the issued capital) in accordance with Form 604 Notices is set out below:

Name	Issued capital
Freepoint Metals and Concentrates	14.42%
Ariadne Australia Limited	7.11%

Twenty largest listed shareholders

The twenty largest shareholders hold 49.93% of the total ordinary shares issued.
The 20 largest shareholders as at 25 March 2026 are listed below:

	Shareholder	No. of ordinary shares held	% of issued shares
1	Bell Potter Nominees Ltd	492,429,452	14.42%
2	Citicorp Nominees Pty Limited	325,565,328	9.54%
3	BNP Paribas Noms Pty Ltd	146,876,319	4.30%
4	Mr Raymond Edward Munro & Mrs Susan Roberta Munro	97,550,000	2.86%
5	J P Morgan Nominees Australia Pty Limited	89,900,336	2.63%
6	BNP Paribas Nominees Pty Ltd	86,954,263	2.55%
7	Portfolio Services Pty Ltd	70,908,496	2.08%
8	Portfolio Services Pty Ltd	69,812,355	2.04%
9	HSBC Custody Nominees (Australia) Limited	68,706,877	2.01%
10	Portfolio Services Pty Ltd	37,735,850	1.11%
11	Morgan Stanley Australia Securities (Nominee) Pty Limited	30,207,260	0.88%
12	Portfolio Services Pty Ltd	25,961,163	0.76%
13	Eyeon No 2 Pty Ltd	24,986,497	0.73%
14	Warbont Nominees Pty Ltd	24,920,267	0.73%
15	Emerald Street Pty Ltd	24,000,000	0.70%
16	Mr Vincent Patrick Gauci & Mrs Evelyn Leonie Gauci	18,685,714	0.55%
17	Mr Malcolm Neil Nichols & Mr Andrew William Constantine	18,178,115	0.53%
18	Horrie Pty Ltd	18,114,286	0.53%
19	Radell Pty Limited	17,999,999	0.53%
20	Mr Andrew Lenox Hewitt	15,000,000	0.44%
		1,704,492,577	**49.93%**

(h) Interests in Mining Tenements as at 31 December 2025

Tenement	Location	Percentage
ML 6345	Kanmantoo, South Australia	100%
ML 6436	Kanmantoo, South Australia	100%
EML 6340	Kanmantoo, South Australia	100%
EL 6526	Kanmantoo, South Australia	100%
EL 6174	Coomandook, South Australia	100%
EL 6175	Coonalpyn, South Australia	100%
EL 6207	Tintinara, South Australia	100%
EL 6294	Wynarka, South Australia	100%
EL 6397	Laffer, South Australia	100%

(i) Other information

Hillgrove Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

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CORPORATE DIRECTORY

Corporate and Registered Office

5-7 King William Road,
Unley S.A. 5061, Australia
Tel: + 61 8 7070 1698

Kanmantoo Copper Mine

440 Mine Road
Kanmantoo S.A. 5252, Australia
Tel: + 61 8 8538 6800

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney N.S.W. 2000, Australia
Tel: + 61 2 9290 9600
Fax: + 61 2 9279 0664

Bankers

Westpac Banking Corporation
31 Willoughby Road
Crows Nest N.S.W. 2065, Australia

Auditors

PricewaterhouseCoopers
70 Franklin Street
Adelaide S.A. 5000, Australia

Website

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General Enquiries

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