ASX Release

17 JULY 2026

EMILY STAR DEVELOPMENT APPROVED, CAPITAL GUIDANCE UPDATED

Hillgrove Resources Limited (**Hillgrove** or the **Company**) (ASX: HGO) is pleased to announce that the Board has approved commencement of Emily Star development as the third underground mining front at the Kanmantoo Copper Mine (**Kanmantoo**) in South Australia.

- Emily Star development approved
  - Drilling to date confirmed geological continuity and no material geotechnical risks were identified.
  - Capital requirement of $20 - $22 million to completion, with $6.5 -7.5 million to be spent in H2 2026.
  - Updates to Emily Star Resource will be included in the December Quarter Mineral Resources and Ore Reserve (**MROR**) update.
  - Stoping is scheduled to commence in H2 2027.
- 2026 Major Capital Guidance increased to $15 – 17 million to reflect Emily Star development and Mutooroo Stage 1 Pre-Feasibility Study (**PFS**) work.

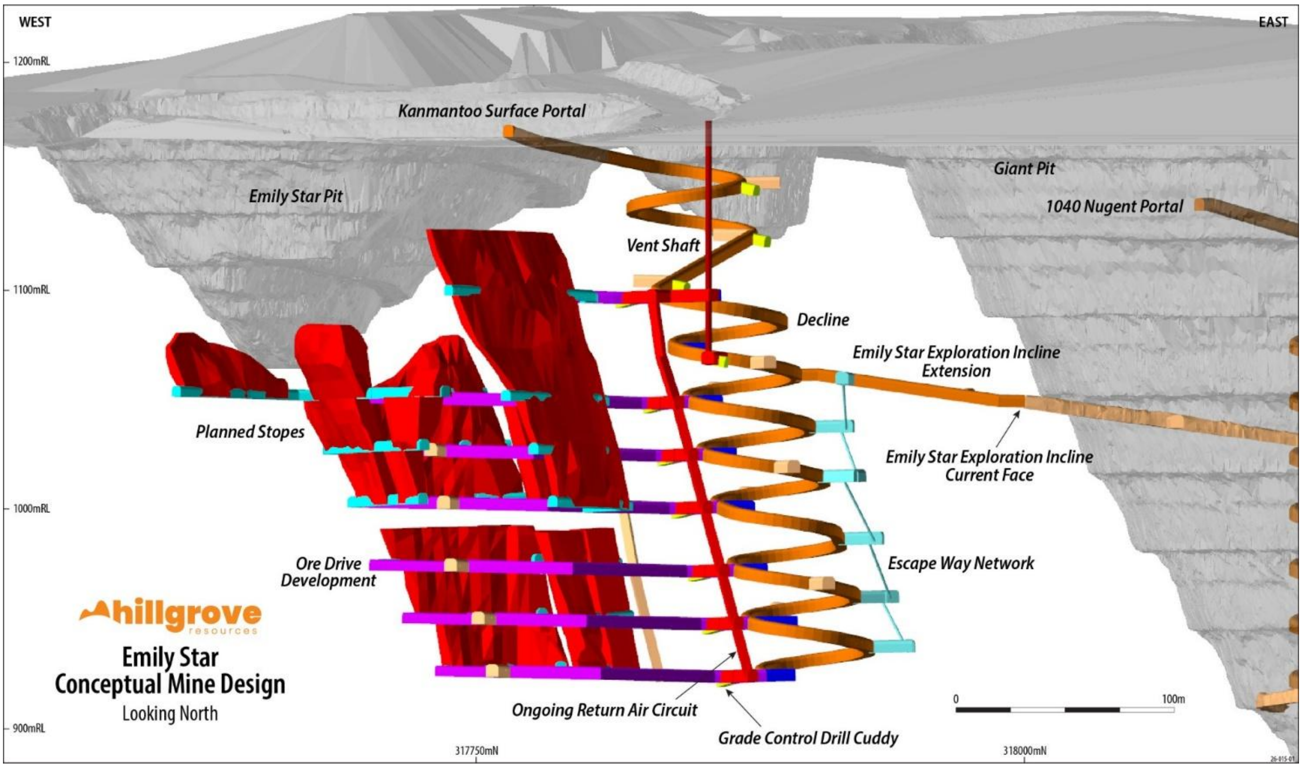

Figure 1 Emily Star development and stoping plan based on 2024 Emily Star Mineral Resource Estimate

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Commenting on Emily Star development approval, Hillgrove CEO and Managing Director, Bob Fulker said:

> *"The Board's approval of Emily Star marks another important step in unlocking the full value of the Kanmantoo system. The drilling completed to date has validated our geological model and given us the confidence to proceed with development. Emily Star provides an additional mining front, strengthens operational flexibility, and supports sustained copper production over the life of mine.*
>
> *Importantly, this investment can be funded from operating cashflows, reflecting the robustness of the Kanmantoo operation. We look forward to advancing development and continuing to build momentum through 2026."*

Emily Star Development Overview

Drilling across the upper levels of Emily Star has confirmed geological continuity and grade distribution consistent with the existing block model. The drilling results will be incorporated into the December Quarter MROR update.

Geotechnical logging and structural interpretation indicate variable ground conditions typical of the Kanmantoo system, but no geotechnical risks have been identified that would prevent development or future stoping. Mine planning assumptions have incorporated conservative ground-support and decline-advance parameters.

Once online, Emily Star is anticipated to displace a portion of lower-level Kavanagh production whilst achieving a 2 million tonne per annum run rate at Kanmantoo. As throughput increases through the processing plant, fixed costs will be absorbed over a larger production base, thus lowering the unit All-in Sustaining Cost (AISC).

Stoping is planned to commence in H2 2027, following completion of decline development and establishment of the required level accesses. Average stope size is approximately 35,000 tonnes, consistent with the broader Kanmantoo underground mining profile.

The Emily Star development will progress under the existing Programme for Environment Protection and Rehabilitation (**PEPR**), with the full PEPR update scheduled for submission later in the year. Approval of the updated PEPR is expected to be in place ahead of commencing stoping.

2026 Major Capital Guidance Update

Capital required to bring Emily Star into production is estimated to be $20 - 22 million, in addition to the $2.9 million already spent on drilling and early development. The capital profile is slightly higher than Nugent primarily due to the additional ventilation raise bore and access infrastructure required. The development of Emily Star will be fully funded from the Company's operating cash flow.

With the commencement of Emily Star development and the progression of Mutooroo PFS Phase 1, the Company has revised its 2026 Major Capital Guidance to $15 - $17 million, which remains fully funded from operating cash flow.

2026 Major Capital Guidance	$8 – 10 million
Updated 2026 Major Capital	15 – 17 million

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Authorised for release by the Board of Hillgrove Resources Limited.

Engage with this announcement at the Hillgrove Resources Investor Hub.

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Forward Looking Statement

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

Competent Persons Statement

As an Australian company with securities listed on the Australian Securities Exchange (ASX), Hillgrove is subject to Australian disclosure requirements and standards, including the requirements of the Corporations Act and the ASX. Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

The information in this report that relates to the 2025 Kanmantoo Mineral Resource Estimate and the 2025 Ore Reserve is extracted from ASX release titled 'Hillgrove Delivers Ore Reserve Extension at 1.0% CuEq", released on 30 October 2025 and is available to view at www.hillgroveresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate and Ore Reserve in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this report that relates to the 2024 Kanmantoo Mineral Resource Estimate is extracted from ASX release titled "Maiden Kanmantoo Underground Ore Reserve And 96% Increase In Copper Mineral Resource Endowment" dated 18 October 2024 and is available to view at www.hillgroveresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate and Ore Reserve in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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APPENDIX A – 2025 KANMANTOO MINERAL RESOURCE ESTIMATE

Mine Area	JORC Classification	Tonnage (kt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu Metal (kt)	Au Metal (koz)
Kavanagh (including Spitfire)	Measured	4,200	0.80	0.11	2.7	33	15
	Indicated	2,700	0.72	0.13	2.5	19	11
	Inferred [1]	5,800	0.65	0.14	2.5	38	26
	Sub-Total	**12,700**	**0.72**	**0.13**	**2.6**	**91**	**53**
North Kavanagh	Measured	-	-	-	-	-	-
	Indicated	180	0.78	0.12	3.4	1.4	0.7
	Inferred [2]	200	0.74	0.29	2.8	1.5	1.9
	Sub-Total	**380**	**0.76**	**0.21**	**3.0**	**2.9**	**2.6**
Nugent	Measured	550	0.83	0.38	2.3	4.6	6.7
	Indicated	2,300	0.75	0.37	2.0	17	28
	Inferred [3]	2,800	0.78	0.26	1.9	22	24
	Sub-Total	**5,700**	**0.77**	**0.32**	**2.0**	**44**	**59**
Valentines	Measured	-	-	-	-	-	-
	Indicated	200	0.65	0.07	1.3	1.3	0.5
	Inferred [4]	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
	Sub-Total	**2,600**	**0.77**	**0.08**	**1.6**	**20**	**7**
TOTAL		***22,000***	***0.74***	***0.17***	***2.3***	***160***	***120***

Notes:

1. Due to effects of rounding, total numbers may not sum.
2. Inferred 1 – includes Kavanagh high grade Inferred; Central Kavanagh, North Kavanagh and Valentines Categorical Indicator Kriging (CIK) Inferred.
3. Inferred 2 – includes North Kavanagh high grade Inferred only
4. Inferred 3 – includes Nugent high grade and CIK Inferred
5. Inferred 4 – includes Valentines high grade Inferred only
6. 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).
7. Tonnage and metal are rounded to the nearest 1,000 tonnes, grades are rounded to two significant figures.
8. Mineral Resource is reported at a 0.40% Cu cut-off grade for all mine areas.
9. Mineral Resource is depleted for mining to 30 June 2025.
10. Mine depletion refers to the current Kanmantoo underground operation, and historical Giant, Nugent and Emily Star open pits.

The information is extracted from the report entitled 'Hillgrove Delivers Ore Reserve Extension at 1.0% CuEq'. released on 30 October 2025 and is available to view on the Hillgrove Website https://www.hillgroveresources.com.au/announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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APPENDIX B – 2025 KANMANTOO ORE RESERVE ESTIMATE

Mine Area	Classification	Tonnes (kt)	Cu (%)	Au (ppm)	Cu Eq (%)	Ag (ppm)	Cu Metal (kt)	Au Metal (koz)
Kavanagh	Proved	1,500	0.96	0.11	1.0	2.8	14	5
	Probable	900	0.89	0.19	1.0	2.9	8	5
	Sub-Total	**2,300**	**0.93**	**0.14**	**1.0**	**2.8**	**22**	**10**
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
	Sub-Total	**1,600**	**0.73**	**0.35**	**0.9**	**1.9**	**12**	**19**
Total Ore Reserves	Proved	1,800	0.92	0.16	1.0	2.6	17	9
	Probable	2,200	0.79	0.28	1.0	2.3	17	19
	Total	**4,000**	**0.85**	**0.22**	**1.0**	**2.4**	**34**	**29**

Notes:

1. Dry metric tonnes.
2. Stope cut-off grade 0.8% CuEq (Copper Equivalent) 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. Reported grades are rounded to two decimal places. Tonnes are rounded to two significant figures.
7. Any minor apparent discrepancies for sums in the table are due to rounding.
8. The period of economic extraction is from July 2025 to April 2028.
9. Ore Reserves are converted from Mineral Resources based on October 2025 Mineral Resources, reported herewith.
10. Competent Person: Mark Hamilton MAusIMM (#221080).
11. 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$3,000/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.

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