HILLGROVE RESOURCES

ASX RELEASE

20 June 2019

DRILLING OF KANMANTOO Cu-Au DEEPS TO COMMENCE

Hillgrove Resources Limited (Hillgrove, the Company) (ASX:HGO) is pleased to provide the following underground study update.

As previously announced, Hillgrove is evaluating a possible underground mining development below the Giant Pit, that may be able to work in conjunction with the Pumped Hydro Energy Storage (PHES) development.

The objective of the underground development is to extract value from the Kanmantoo Exploration Target[1] of 5 – 10 million tonnes at 1.7% to 2.2% Cu and 0.4g/t to 1.0g/t Au, whilst AGL review the potential of the PHES project.

As part of this evaluation an exploration drilling programme will commence on 24 June to confirm the depth extension, grade and continuity of the central Kavanagh Cu-Au lode below the Giant Pit. The drilling programme is anticipated to take approximately 2 months. See figures 1 and 2 below for the location and size of the Central Kavanagh Exploration Target.

If the drilling successfully intersects the Cu-Au mineralisation of significant grade and continuity, then this drilling information will be used to assist Hillgrove to estimate an Indicated Resource and thereby enable the Company to assess the viability of establishing an underground mine before the potential PHES project is commissioned.

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[1] *The Exploration Target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource under the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve*

Figure 1: Location of the Central Kavanagh UG Exploration Target beneath the Giant Pit

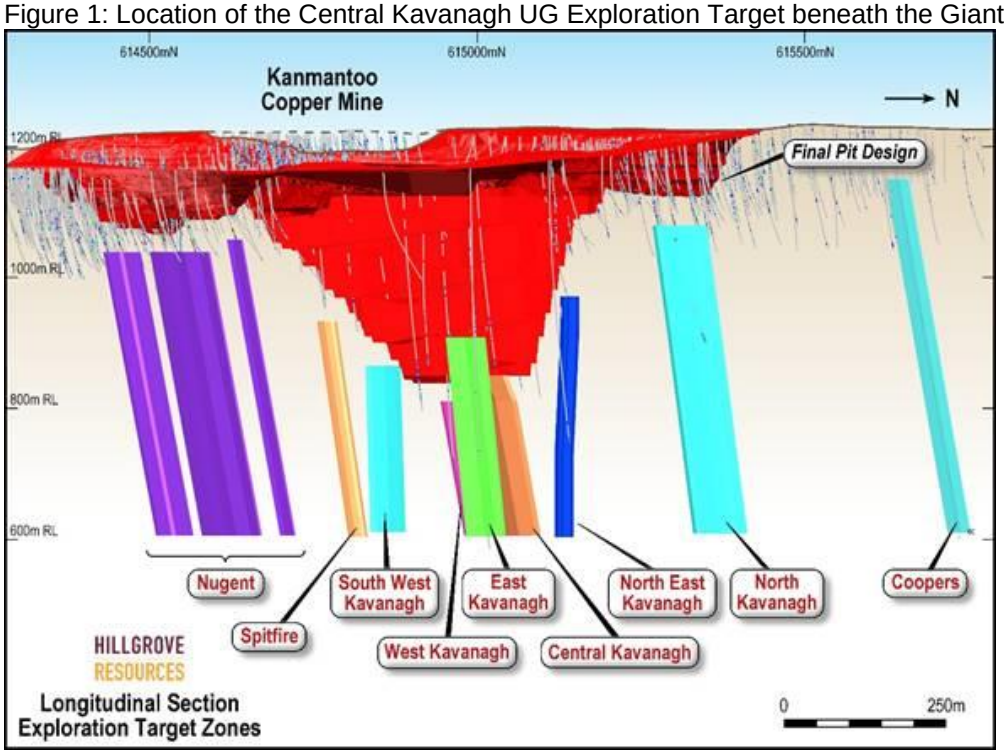


Figure 2: UG Exploration Targets at Kanmantoo from ASX release 25 May 2017

Exploration Target	DH Width Range (m)	Tonnage Range (Mt)	Grade Range Cu%	Grade Range Au g/t	Grade Range CuEq%
Coopers	6 - 10	0.1 - 0.3	1.5 - 2.0	0.4 - 0.8	1.8 - 2.5
North Kavanagh	6 - 10	0.1 - 0.7	1.5 - 2.0	0.4 - 0.8	1.8 - 2.5
North East Zone	12 - 33	0.4 - 0.7	2.0 - 2.5	0.4 - 0.8	2.2 - 3
East Kavanagh	**10 - 24**	**0.4 - 0.8**	**2.0 - 2.5**	**0.05 - 0.2**	**2.0 - 2.6**
Central Kavanagh	**13 - 30**	**1.2 - 2.2**	**1.5 - 2.0**	**0.1 - 0.4**	**1.6 - 2.2**
West Kavanagh	**11 - 28**	**0.8 - 1.6**	**2.0 - 2.5**	**0.01 - 0.05**	**2.0 - 2.5**
South West Kavanagh	7 - 22	0.8 - 1.0	1.8 - 2.2	0.1 - 0.4	1.8 - 2.4
Spitfire	16 - 37	0.4 - 0.7	1.5 - 2.0	1.5 - 3.0	2.5 - 4.0
Nugent	**8 - 15**	**0.8 - 2.0**	**1.5 - 2.0**	**1.5 - 2.5**	**2.5 - 3.5**
Totals	**6 - 37**	**5 - 10**	**1.7 - 2.2**	**0.4 - 1.0**	**2.0 - 2.8**

Competent Person's Statement

The information in this release that relates to Exploration Results is based on information compiled by Mr Peter Rolley, who is a Member of The Australian Institute of Geoscientists. Mr Rolley is a full-time employee of Hillgrove Resources Limited and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration 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 (JORC Code)'. Mr Rolley has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears. All exploration drill results, soil sampling images, and rock chip results have previously been reported to the ASX by Competent Person at the time. The results reported herein are reported in the form and context of the original ASX releases of 25 May 2017.