

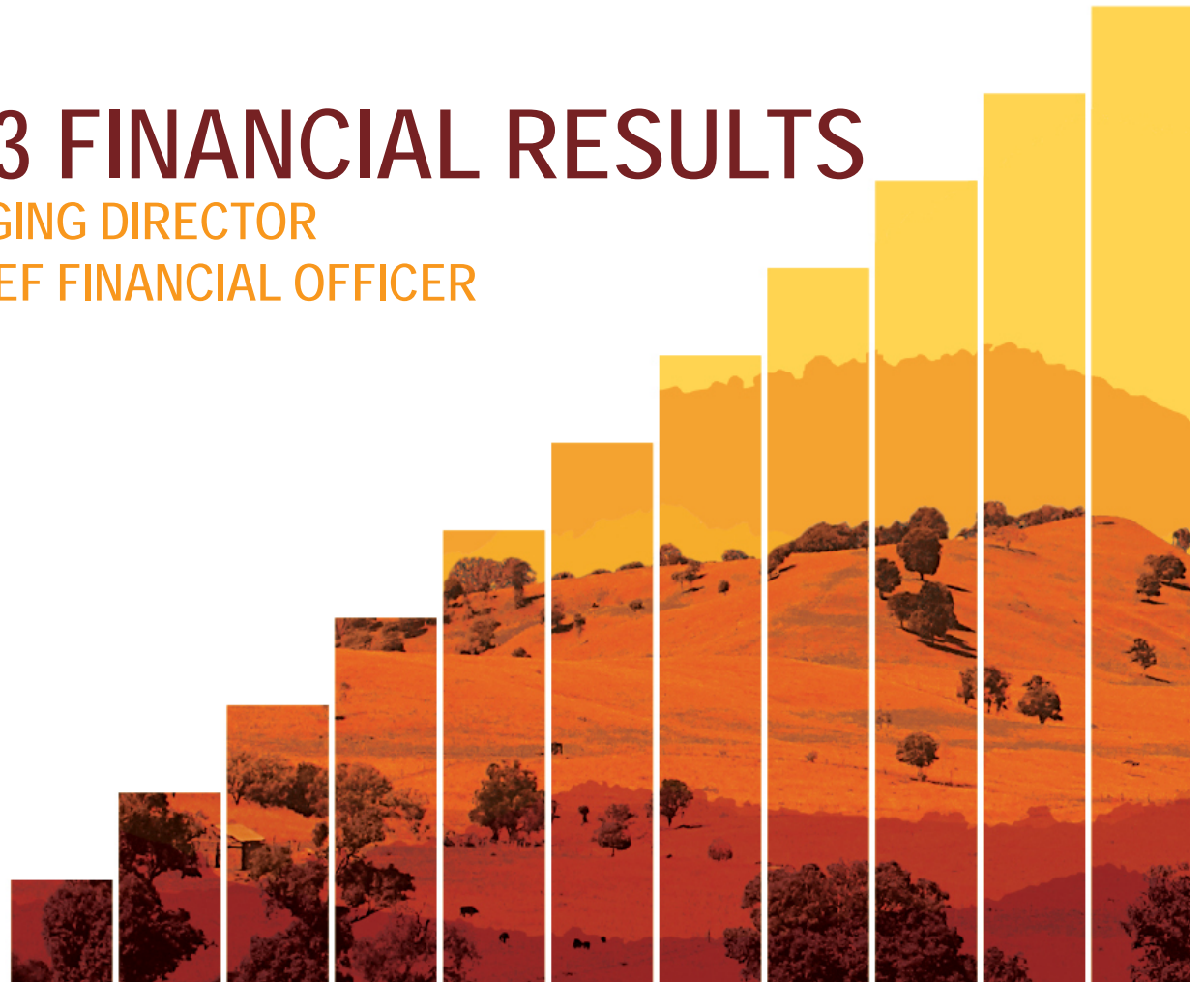
HILGROVE RESOURCES

FULL YEAR FY13 FINANCIAL RESULTS

GREG HALL ||||| CEO & MANAGING DIRECTOR

RUSSELL MIDDLETON ||||| CHIEF FINANCIAL OFFICER

30 APRIL 2013



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All currency referred to is Australian Dollars (AUD) unless otherwise indicated.

Hillgrove has a 31 January Year End, therefore quarter references are Q1 February-April, Q2 May-July, Q3 August-October and Q4 November-January.



- Revenue for the full year of \$115.4 million – and EBITDA at \$17.1 million
- Full year Net Loss after tax of \$11.8 million, second half profit of \$2.9 million
- Significant investment in CAPEX for Kanmantoo project with new primary crusher and tailings dam extension
- Production of 13,744t contained copper and throughput capability demonstrated with consistent mill performance
- New Life of Mine finalised with significant increase in Kanmantoo mine life, potentially to 2023
- Safety performance shows continued trend of improvement
- Drilling campaigns in Indonesia confirm epithermal gold mineralisation on Sumba and widespread molybdenum mineralisation and elevated copper values consistent with near-porphyry environment on Birds Head



Period		FY 2012	H1	H2	FY 2013
Ore to ROM from Pit	(kt)	495	1,030	1,191	2,221
Ore to long term stockpiles	(kt)	1,267	546	303	849
Mined Waste	(kt)	7,446	5,322	6,455	11,777
Total Tonnes Mined	(kt)	9,208	6,898	7,949	14,847
Mining Grade to ROM	(%)	0.75	0.77	0.76	0.76
Ore Milled	(kt)	331	1,060	1,243	2,303
Milled Grade	(%)	0.56	0.65	0.67	0.66
	Au (g/t)	0.11	0.13	0.19	0.16
	Ag (g/t)	2.22	3.18	2.77	2.96
Recovery	Cu (%)	69.6	88.8	90.7	89.9
	Au (%)	67.5	53.9	54.7	54.7
	Ag (%)	46.6	48.8	62.0	55.4
Cu Concentrate Produced	Tonnes	4,774	23,596	32,834	56,431
Concentrate Grade	Cu (%)	30.2	26.1	23.1	24.4
	Au (g/t)	6.0	3.3	3.9	3.6
	Ag (g/t)	79.9	69.7	65.1	67.0
Contained Metal In Concentrate	Cu (t)	1,481	6,154	7,589	13,744
	Au (oz)	816	2,491	4,078	6,570
	Ag (oz)	12,194	52,858	68,798	121,656
Total Concentrate Sold	Dry metric t	4,263	24,052	32,474	56,526

H1 vs H2 Analysis

- Significant increase in total tonnes mined
- Mined grade in line with Resource model
- Milled grade in H2 lower than ROM grade due to low grade ore used to meet milling throughput
- Mill throughput rates and mill run time continue to improve
- Metal recovery continues to improve
- Concentrate sales increased in H2



- Revenue of \$115.4 million
- Hillgrove Resources underlying EBITDA of \$17.1 million – a year of two halves:

Period	H1 \$'000	H2 \$'000	FY 2013 \$'000
Revenue	50,149	65,246	115,395
EBITDA	1,458	15,604	17,062
CAPEX	15,079	23,937	39,016
NPAT	-14,651	2,866	-11,785

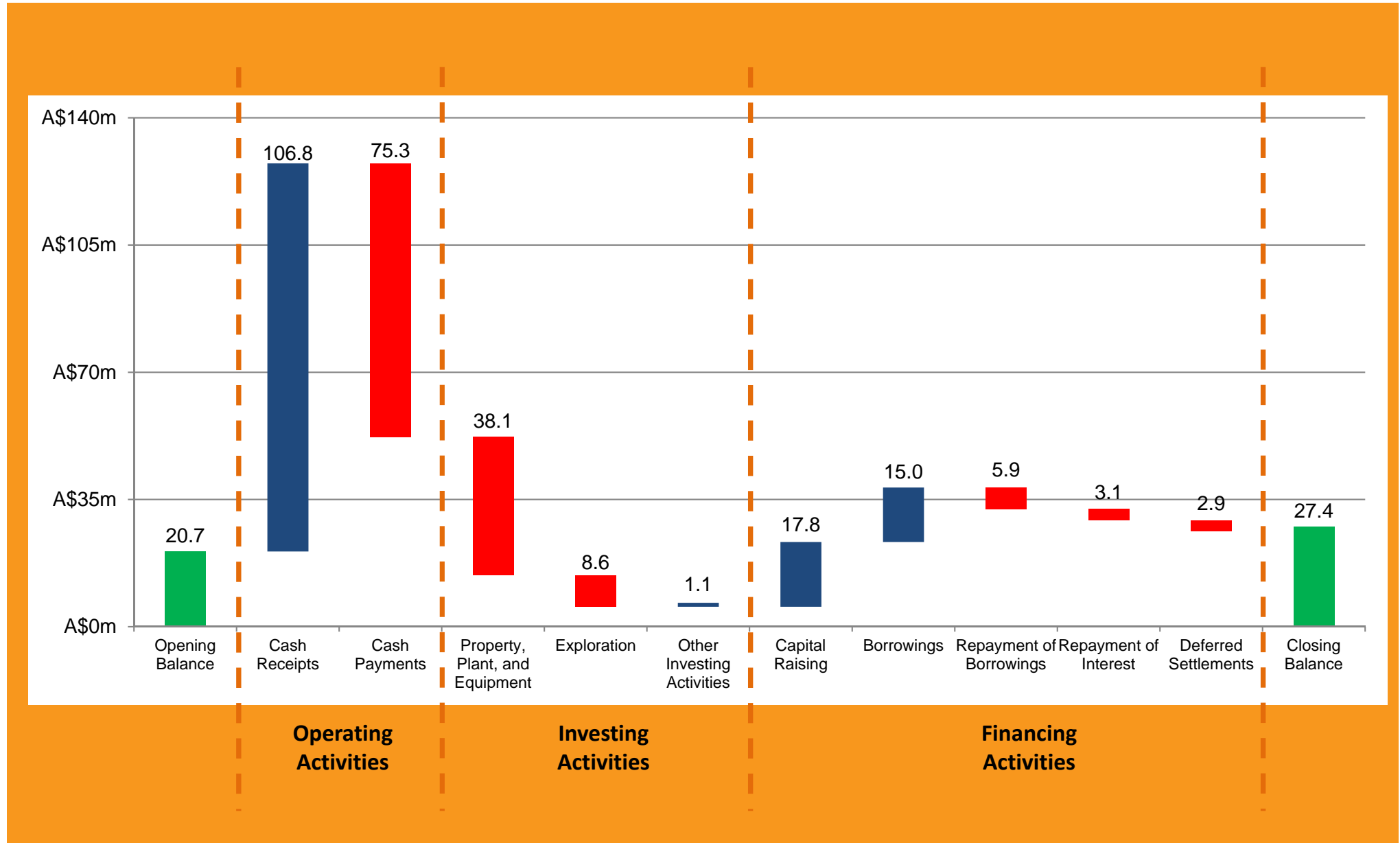
- Significant improvement in H2 financial performance with EBITDA and NPAT improvements
- Cashflow from operations of \$31.5 million
- Cash balance of \$27.4 million @ 31 January 2013

H2 VS H1 ANALYSIS

Significant improvement to all key financial metrics in H2:

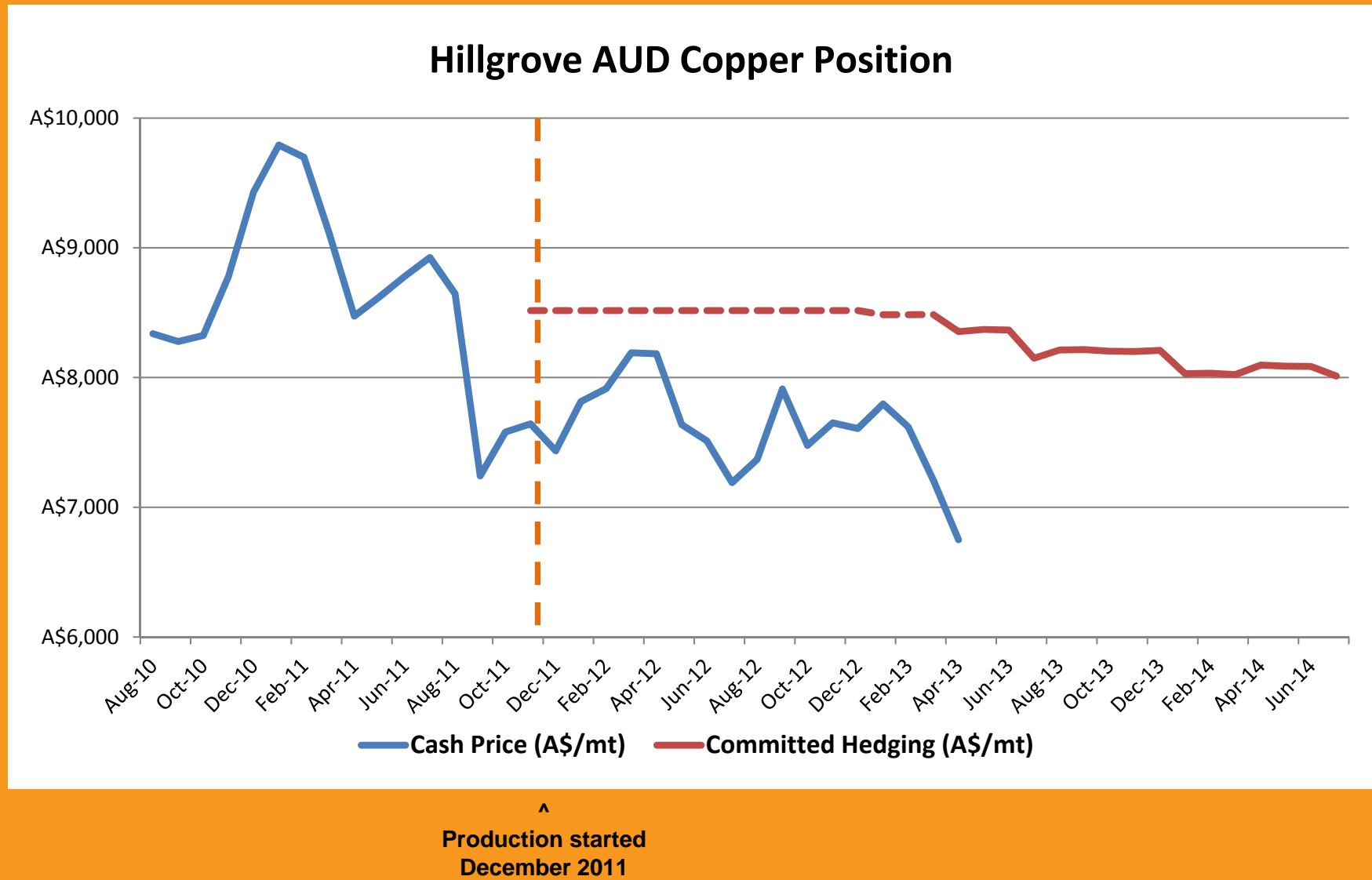
- Revenue increased by 30%
- EBITDA increased by 970%
- NPAT positive





- Cash at 31 January of \$27.4 million
- Continued investment in Kanmantoo Copper Mine infrastructure
- Discussions are continuing with parties interested in earn-in arrangements for Sumba and Bird's Head Projects in Indonesia
- Current Borrowings re-negotiated as part of re-financing with \$20 million to be reclassified to Non Current Borrowings

\$'000	JAN 2012	JAN 2013
CURRENT ASSETS		
Cash	20,661	27,405
Receivables	6,406	6,398
Inventories	9,251	19,731
Derivative financial instruments	4,240	4,570
Other	1,079	733
Total current assets	41,637	58,837
NON-CURRENT ASSETS		
Property, plant and equipment	229,445	233,158
Exploration & evaluation expenses	18,758	27,440
Derivative financial instruments	3,374	3,044
Other	1,038	615
Deferred tax asset	5,350	12,879
Total non-current assets	257,965	277,136
Total assets	299,602	335,973
CURRENT LIABILITIES		
Trade and other payables	15,954	39,993
Provisions	-	451
Borrowings	14,358	29,461
Employee benefits payable	1,199	1,571
Derivative financial instruments	407	4,227
Total current liabilities	31,918	75,703
NON-CURRENT LIABILITIES		
Provisions	9,327	9,807
Borrowings	35,905	20,806
Derivative financial instruments	12,434	9,047
Total non-current liabilities	57,666	39,660
Total liabilities	89,584	115,363
NET ASSETS	210,018	220,610



- Strong hedge book provides certainty for cashflows and revenue in future periods
 - Approximately 41,000 tonnes of copper swaps
 - Approximately 70% of forecast copper production hedged up until June 2015 at an average price at circa A\$7,950/tonne
- Mark-to-market value in excess of \$31.5 million (based on a copper 3 month price of A\$6,750/tonnes)



SENSITIVITIES TO REVENUE

■ AUD/USD	+/- 5%	AUD 2.8 million
■ Copper Price	+/- 10%	AUD 4.5 million
■ Gold Price	+/- 10%	AUD 0.8 million

GUIDANCE FOR FY2014

Production

■ Concentrate	75,000 – 85,000 dry metric tonnes
■ Copper	18,000 – 20,000 tonnes
■ Gold	5,000 – 6,000 ounces

Costs

■ C1 Costs	USD 2.25 – 2.50 per pound (at AUD/USD of 1.00)
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Processing Grade Outlook

■ Average	0.75%
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- New primary crushing circuit installed ahead of plan and within budget – operating to 2.8Mt pa rate
- Announced new Life of Mine with significant increase to future planning Reserves
- Finalised new financing arrangements with current financiers
 - Significant reduction to Current Borrowings
 - Mezzanine repayment deferred to July 2015



- Kanmantoo now on track to meet guidance for FY14
- Revised finance arrangements complete
- Positive cash generation in FY14, with significant copper price certainty as a result of the strong copper hedge book
- Continued investment in infrastructure in 2013 at Kanmantoo Copper Mine, with new primary crusher and tailings dam extension
- New Resource and Reserve on track
- Interest for earn-in arrangements for Sumba and Bird's Head Projects in Indonesia



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The information in this release that relates to Exploration Results and Exploration Targets for the Kanmantoo Copper Mine is based upon information compiled by Mr Steven McClare, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McClare 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)'.

The information in this report that relates to Indonesian Exploration Results and Exploration Targets is based on information compiled by Mr Jim Kerr, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Kerr is General Manager – Exploration for Hillgrove Resources and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)'.

The Competent Persons have consented to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Information that relates to Mineral Resources and Ore Reserves is based on previously released reports:

- 2012 Resource Statement by AMC Consultants Pty Ltd compiled by Mr Aaron Meakin as released to the ASX on 31 May 2012;
- 2010 Ore Reserve estimates by Mining and Cost Engineering Pty Ltd compiled by Mr Geoff Davidson as released to the ASX on 4 May 2010.

Hillgrove Resources Limited confirms in this announcement that it is not aware of any new information or data that materially affects the information included in the previously released reports. In the case of estimates of Mineral Resources or Ore Reserves, the company confirms that all material assumptions and technical parameters underpinning the estimates in the previously released reports continue to apply and have not materially changed.

