HILLGROVE
RESOURCES

9 November 2012

Mr Andrew Kabega
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Andrew,

**Price Query – Hillgrove Resources Limited**

We refer to your letter of 8 November 2012 querying trading in the Company's shares.

In relation to the specific questions we reply as follows:

1. The Company is not aware of any information of a material nature concerning it that has not been announced or is not otherwise publicly available.

2. Not applicable.

3. The Company released a presentation to the ASX on 30 October 2012 entitled 'Kanmantoo Production Update and Investor Site Visit' which outlined the production results and operational performance from August to October 2012. These results from the Company's Kanmantoo Copper mine reflect a marked improvement on a quarter to quarter basis compared to results reported in previous quarters. Following the release to market of this presentation and visits to the Kanmantoo site, a number of broker research reports were published in which the Company received improved outlooks. The Company considers the recent volume in the trading of, and price increase in, its shares is a result of the general awareness in the market of this improved performance.

4. The Company confirms it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

Please contact the undersigned if you require further information.

Yours sincerely

**Shanthi Smith**
Company Secretary
Hillgrove Resources Limited

ASX Compliance Pty Limited
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

8 November 2012

Ms. Shanthi Smith
Company Secretary
Hillgrove Resources Limited
Level 41 Australia Square Tower
264-278 George Street
Sydney NSW 2000

By Email: shanthi.smith@hillgroveresources.com.au

Dear Shanthi,

Hillgrove Resources Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price and volume of the Company's securities from a close of 10 cents on Friday, 2 November 2012 to an intraday high of 12.5 cents at the time of writing today.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

   Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at andrew.kabega@asx.com.au. It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. A.E.D.T.) on Friday, 9 November 2012.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

## Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

## Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

*[Sent electronically without signature]*

Andrew Kabega
Adviser, Listings (Sydney)