

Monday, 6 April 2020

DIRECTOR CHANGES

The Board of Hillgrove Resources Limited (ABN 73 004 297 116) (ASX: HGO) ("Hillgrove") advises that the processing of stockpiles was completed on 27 March 2020 and the plant has now been placed onto a period of care and maintenance.

This marks a fundamental change for Hillgrove as it transitions from a revenue generating copper producer to an exploration and development company focused on organic growth from its existing assets and investments, with a secondary objective of evaluating third party opportunities as they arise.

This fundamental change in strategic direction requires an increased emphasis on exploration to allow Hillgrove to successfully transition from a producer to an explorer/developer.

With this in mind several months ago the Board initiated a renewal process, under which it conducted a search for directors who could provide the requisite skill set. As a result of this search the Board is pleased to advise that Mr Derek Carter has agreed to join the Board.

As part of the renewal process, our Chairman John Gooding, an experienced mining engineer who has provided the operational experience to the Board, has decided to step down from the Board from the conclusion of the AGM, which will be conducted on 24 April 2020. It is intended that Mr Carter will replace John as Chairman of the Board following Mr Carter's appointment on 25 April 2020.

Derek Carter has over 40 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 Chairman of Minotaur Exploration Ltd in November 2016. He is the Chairman of Petratherm Limited, and former Chairman of Highfield Resources Ltd.

Mr Carter is a former President of the South Australian Chamber of Mines and Energy, former member of the Australian Gold Council and the South Australian Minerals and Energy Council. He is a member of the South Australian Minerals and Petroleum Experts Group. He 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.

With the Company transitioning to an explorer/developer and the uncertainty caused by COVID-19, the Company has implemented a number of initiatives to reduce costs and preserve its cash reserves. One of these initiatives is to reduce the size of the Board with the number of non-executive directors reducing from four directors to two directors.

As a result:

- Tony Breuer has resigned with effect from the date of the AGM and accordingly will not be seeking re-election at the AGM, and in addition
- Phil Baker has advised of his intention to step down from the Board, once the new Board is in place. Phil has agreed to make himself available to the Board as a consultant if needed as the Company transitions to an explorer/developer.

John Gooding the Chairman said "I welcome Derek to the Board as he brings the additional exploration and development skill set we sought which, along with his commercial and industry experience, will be a critical addition to the Board's future skill set."

On behalf of the Hillgrove Resources Board, Lachlan Wallace the CEO & Managing Director paid tribute to the two directors who will retire at the AGM.

"The Board and management wish to thank John for his outstanding contribution over the past thirteen years and wish him well for the future. John has been an integral member of the Board since 2007 and Chairman for the past three years, he has provided valuable advice and assistance over that period which has been critical in assisting the Company from the commencement to the cessation of mining at Kanmantoo, and along the way through some very difficult times.

The Board and management also wish to thank Tony for his contribution over the past three years, and wish him well for the future."

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This announcement was approved and authorised for release by the Board of Hillgrove Resources Limited .