

Thursday, 17 January 2019

KANMANTOO MINE ROCK FALL UPDATE

Hillgrove Resources Limited (ABN 73 004 297 116) (ASX: HGO) ("Hillgrove") wishes to provide the following update to the rock fall which occurred at 9.00 pm on 19 December 2018, which resulted in restrictions being placed on the area where the rock fall occurred and has required further geotechnical assessment.

Hillgrove advises that the section of the wall where the rock fall occurred has been successfully remediated. At 3.20 pm (ACST) on 17 January 2019, the access restriction on that area was lifted by the Mines Inspector and mining in the area has recommenced.

As a result of the rock fall the pit designs have been modified to reduce the likelihood of a similar occurrence in the future. The currently proposed design has been independently reviewed and is likely to reduce future copper production by approximately two thousand recovered metal tonnes (approximately 10% of remaining production as at the commencement of 2019). Work has commenced to evaluate alternative underground mining methods to recover this lost copper ore.

Meanwhile Hillgrove has continued to operate in other areas of the Giant Pit throughout the restriction, albeit with reduced productivity and some additional costs. Ore supply to the process plant and processing has continued at full capacity throughout the period, but accumulation of stockpiled ore has fallen below budget.

For more information contact:

Mr Steven McClare
CEO & Managing Director
Tel: +61 (0)8 7070 1698

Mr Paul Kiley
CFO and Company Secretary
Tel: +61 (0)8 7070 1698