

Tuesday, 19 October 2021

FIRST DRILL RIG ARRIVES FOR COMMENCEMENT OF MAJOR DRILLING PROGRAM AT THE KANMANTOO COPPER PROJECT

HIGHLIGHTS

- First of three drill rigs has arrived for the commencement of a major drilling program at the Kanmantoo Copper Project.
- Drilling to start in the next few days and will target extensions to known lodes at Nugent, SW Kavanagh, Spitfire and North Kavanagh, which remain open.
- Two additional rigs to arrive shortly as exploration ramps up.

Further to the announcement released to the market on 11 October 2021, Hillgrove Resources Limited (Hillgrove, the Company) (ASX:HGO) confirms that the first drill rig has arrived on site and will commence drilling this week. Two additional rigs will be added to the program shortly as exploration ramps up significantly at the Kanmantoo Copper Project.

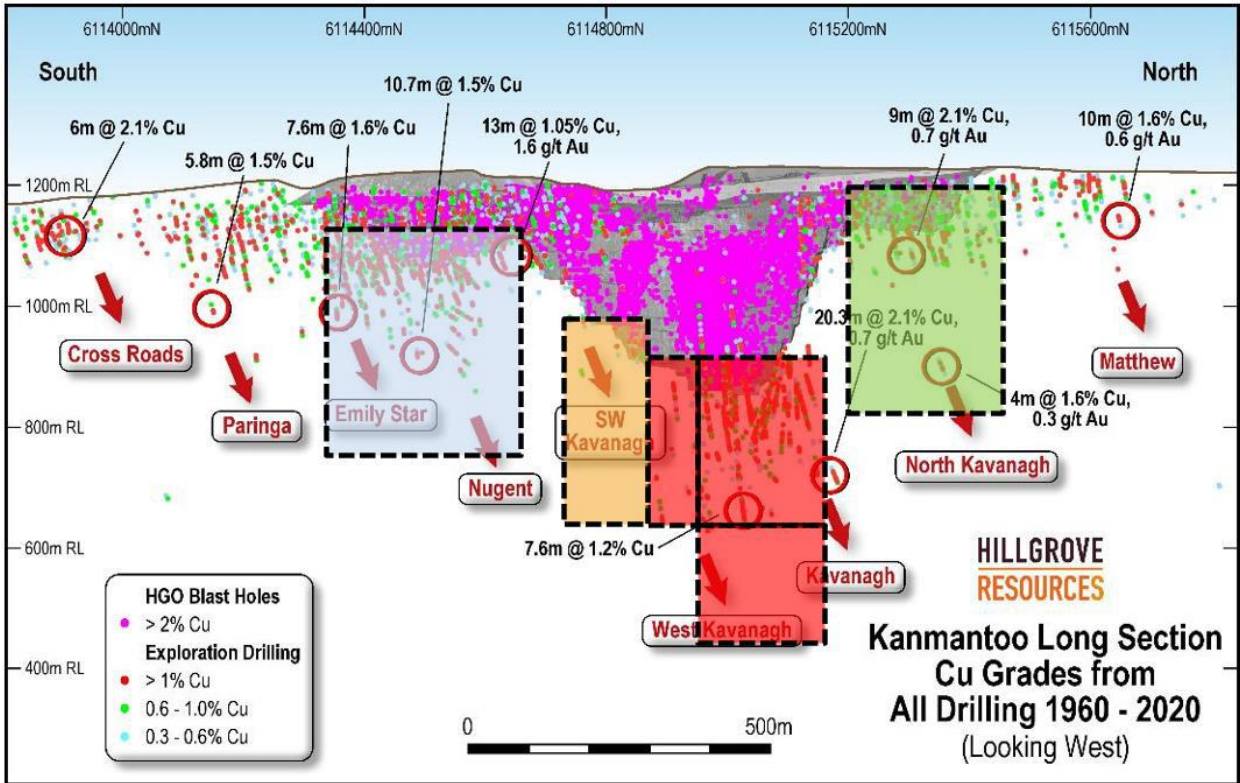
Commenting on the arrival of the first of three drill rigs for this drilling campaign, Hillgrove CEO and Managing Director, Lachlan Wallace said:

"We are happy to have secured the three drill rigs in the current tight environment, particularly at a time when copper prices are at record highs both in US Dollar and Australian Dollar terms. Drilling will focus on the lode extensions below the Nugent Pit initially, with a view to bringing this area into the initial mine plan, which provides the opportunity to create an additional work area to increase annual production potential. In turn, this higher productivity will increase utilisation of the hungry processing plant at Kanmantoo, which is expected to add further value to what is already a very robust project."

The drilling program will focus on Nugent (blue in Figure 1), SW Kavanagh and Spitfire (orange) and North Kavanagh (green) which all remain open, with the intent to increase the resource base ahead of a planned commencement of underground mining at Kanmantoo in 2022. Increasing the number of potential working areas, and thus annual copper production opportunity, will provide additional project value through more efficient utilisation of the existing processing capacity at Kanmantoo.



Figure 1 Drilling plan



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