

Tuesday, 2 February 2021

NEXT PHASE OF UNDERGROUND DRILLING UNDERWAY

The Board of Hillgrove Resources Limited (Hillgrove, the Company) (ASX:HGO) is pleased to announce that the next phase of drilling has commenced at Kanmantoo, with two more drill rigs arriving on site later in February. The drilling program is aimed to further expand the Resource base at Kanmantoo underground, both along strike and to continue to test the depth extensions of the high grade Cu-Au zones announced in August 2020. The rapid acceleration of the drilling program will enable the Company to bring forward the mining and economic studies necessary to convert the Kanmantoo Underground Resources to Reserves.

The 2020 drilling program successfully intersected a number of high grade Cu-Au zones and the 2021 drill program is aimed to demonstrate the down-dip continuity of the Kavanagh high grade zones (Figure 2) and if successful, to allow a further increase to the Mineral Resource Estimate (which in 2020 more than doubled the total estimated copper metal in the Resources below the open pits¹). The recent successful placement which resulted in tranche 1 proceeds of \$2.4 million being received in December 2020² has enabled the Company to confidently fast-track the drilling program.

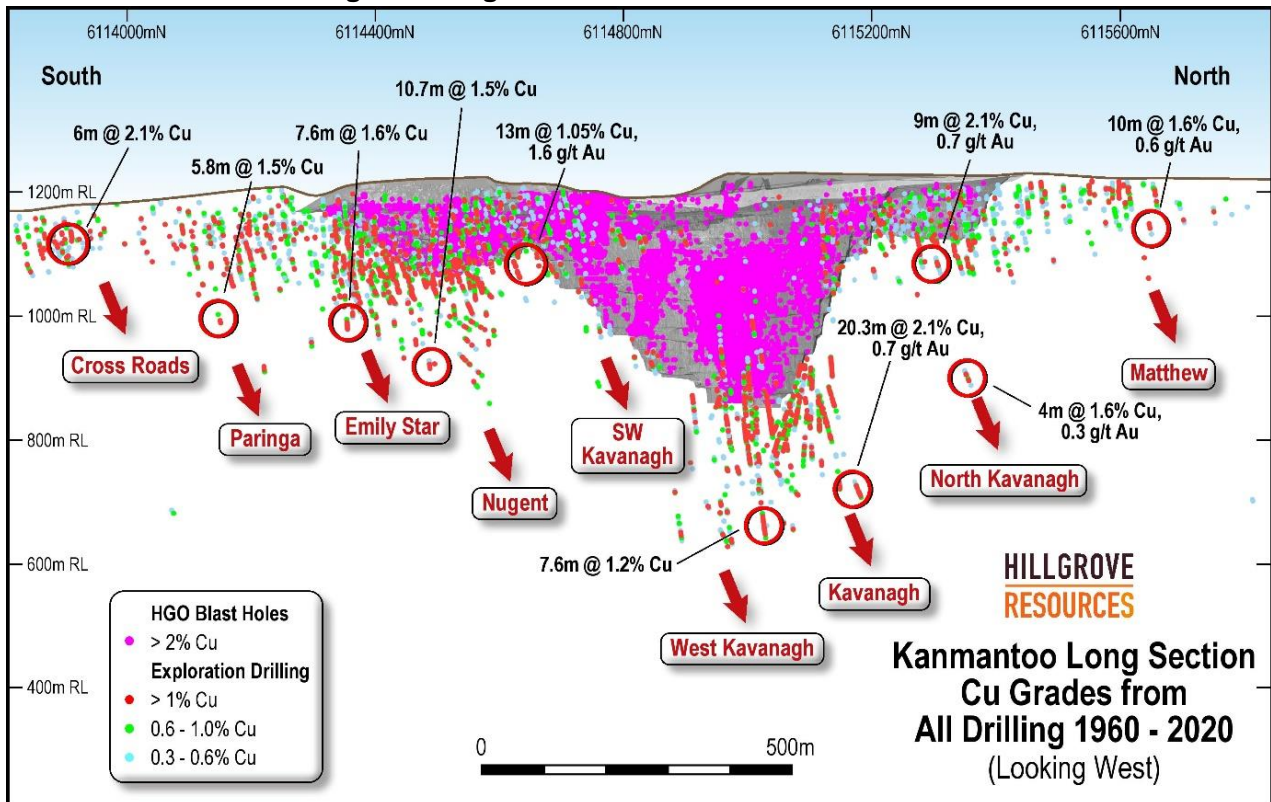
Figure 1 Commencing drilling targeting the Kavanagh lodes below the Giant Pit



¹ Refer ASX announcement 7 December 2020, Updated Kanmantoo Underground Mineral Resource Estimates

² Refer ASX announcement 17 December 2020, Institutional Placement and Entitlement Offer

Figure 2 Long section highlighting depth extension potential at Kanmantoo and location of the Kavanagh drill target



Hillgrove’s Managing Director, Lachlan Wallace said, “The commencement of this drilling phase is an important milestone in the Kanmantoo Underground project. The program is expected to expand the Mineral Resource Estimate and advance the technical and economic studies towards a final investment decision. I am confident that the planned works will create value for Hillgrove through the potential recommencement of copper and gold production at Kanmantoo, which will enable us to unlock the value of the region through further advancement of the near mine and regional exploration projects.”

Authorised for release by:

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