

Monday, 24 May 2021

HILLGROVE AWARDED TWO EXPLORATION GRANTS BY SA GOVERNMENT

Hillgrove Resources Limited (Hillgrove, the Company) (ASX:HGO) is pleased to advise that the Company has been awarded two grants for exploration activities under the Accelerated Discovery Initiative (ADI). These grants will enable:

- Drill testing of a deep Magneto-Telluric conductivity anomaly related to a zone of monzonite related Cu-Au near the Kanmantoo Mine Lease (\$229,500); and
- Undertaking geochemical analysis of the regolith with Machine Learning techniques to discover sulphide hosted mineralisation undercover of the Murray Basin in the South East Delamerian (\$74,300).

Funding is provided through the ADI Scheme, which forms part of the South Australia Government's Growth State Agenda, with the aim to accelerate mineral discovery through innovative exploration and research projects in frontier terrains.

Hillgrove will use the grant to:

- Drill test the Stella project; and
- Commence exploration activities on the Regional South East Delamerian project.

Commenting on the award of the grant, Hillgrove CEO and Managing Director, Lachlan Wallace said:

"The South Australian ADI Scheme is a fantastic initiative by the South Australian Government, which highlights the Department of Energy and Mining's commitment and support towards the mineral industry with a combined \$10 million in grants to be awarded as part of this scheme.

The grants will accelerate our exploration activities in the South East as well as the Stella project, which is immediately adjacent to the existing processing plant in Kanmantoo and provides an opportunity to further extend the mineral resource pipeline beyond the Kanmantoo Underground."

ABOUT THE STELLA PROJECT

The Stella project is located within 1.3kms of the existing Kanmantoo processing facility. The 2019 3D MT (magneto-telluric) and associated geophysical surveys has identified the Stella zone as a coincident magnetic high, conductivity high and gravity low target commencing at around 200m below surface. Nearby drilling has intersected a 60m wide zone of chlorite-pyrrhotite-garnet alteration with attendant Cu-Au mineralisation (ASX release of 29 April 2019).

ABOUT THE SOUTH EAST DELAMERIAN PROJECT

The Regional area comprises 5,652 sq kms of exploration licences in the south-east of South Australia, within the Delamerian orogen. In a recent publication by the Geological Survey of South Australia¹, the Survey notes the similarities between the Delamerian Orogen tectonic setting and its high-level granitic to dioritic intrusives in South Australia, with the geology of the large Porphyry Cu-Mo-Au deposits in south-east China (e.g. Dexing, 9.7Mt of Cu metal, 265 t Au).

¹ Mesa Journal 93, 2020, p47-53