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Hillgrove Resources wins \$2m grant for continuous mining trial

Hillgrove Resources has released “breakthrough” drilling results at its Kanmantoo copper mine after securing a \$2m grant to trial new mining technology.

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@gtauriello 2 min read September 6, 2021 - 3:00PM The Australian Business Network

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Development at the Kanmantoo copper mine in the Adelaide Hills.

Hillgrove Resources has secured a \$2m grant to trial new underground mining technology at its Kanmantoo mine in the Adelaide Hills.

The funding comes as the latest drilling results offer more promise that mining could recommence at the site, 55km south-east of Adelaide, as early as next year.

As part of the state government grant, the trial will test the commercial viability of the Komatsu MC51 continuous mining machine, which has been developed in Australia by Komatsu, a global manufacturer and distributor of earthmoving and mining equipment.

It will be used to develop a portal, around 500 metres of underground decline and a number of platforms which will facilitate underground drilling to infill and expand the resource.

New materials handling and ground support processes will also be trialled.

Hillgrove chief executive Lachlan Wallace said continuous mining technology, which eliminated the need for blasting by simultaneously cutting, gathering and removing rock material, had the potential to “revolutionise” underground mine development.



Hillgrove chief executive Lachlan Wallace pictured at the Kanmantoo operation in 2018. Picture: James Knowler / JKTP

“The trial at Kanmantoo is an important collaboration between the state government, Komatsu and Hillgrove to facilitate the commercialisation of continuous mining technology, which has the potential to revolutionise underground mine development by making underground operations safer and more productive, whilst taking a significant step towards zero emission mining,” he said.

“The development of an underground decline and drill platforms represents an exciting milestone for the Kanmantoo Underground which ultimately brings forward the potential restart of copper production and further reduces what is already a relatively low-cost mine development.”

Mr Wallace said by removing blasting from the mine development process, continuous mining machines had the potential to improve safety, environmental and community outcomes, as well as reducing blast-related

operational delays.

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Meanwhile Hillgrove shares surged last week after the company released promising drilling results at Kanmantoo.



The Kanmantoo copper mine pictured in 2017.

[The company is testing the area underneath the open pit](#), which ceased mining in May 2020, as part of a plan to restart production via an underground mining operation next year.

Described by the company as a “major breakthrough in the scale of the possible underground opportunity”, the drilling results, released on Wednesday, revealed high-grade intersections of 166m at 0.9 per cent copper from a depth of 332m.

Next steps for the company include completing the planned drilling program and updating the mineral resource estimate.

The grant has been awarded from the state government’s Jobs and Economic Growth Fund.

In recognition of the potential commercial benefit to the company of the continuous mining technology, Hillgrove has agreed to repay half of the \$2m grant proceeds via a 0.25 per cent royalty on concentrate sales if its trial is deemed successful.

Mining Minister Dan van Holst Pellekaan said he was optimistic the trial would help develop new ways of mining underground more safely, quickly and sustainably.

“All that would mean more copper, which means more jobs, more growth and more royalties back to taxpayers.”

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