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Thursday, 23 May 2024

UNDERGROUND DRILLING EXTENDS KANMANTOO MINERALISATION

HIGHLIGHTS

- Underground (UG) diamond drilling has continued to extend the continuity of the Spitfire and South West (SW) Kavanagh mineral systems returning outstanding results.

- The results include:
  - **40.0m @ 1.38% Cu** (uncut) from 74m downhole in Spitfire (23KVUG0238)
  - **36.0m @ 1.78% Cu, 0.15g/t Au** (uncut) from 175m downhole in Spitfire (23KVUG0101)
  - **20.1m @ 1.38% Cu** from 87m downhole from SW Kavanagh (24KVUG0315)
  - **16.0m @ 1.05% Cu** (uncut) from 90m downhole from SW Kavanagh (24KVUG0319)

- The infill UG diamond drilling follows the previously reported 45m @ 1.19%Cu intersection in Spitfire that was over 100m away from any previously reported hole[1]. The results indicate the Spitfire mineral zone extends well beyond the current geological model and remains open at depth.

- 72 UG drill holes have been drilled into Spitfire to date (of which 42 have been previously reported[2]) and 15 UG drill holes have been drilled into SW Kavanagh (of which 3 have been previously reported[2]). From the 42 recently completed drill holes 62 mineral intersections are reported, demonstrating the predictability of the mineralisation down dip.

- The drilling intersected a number of previously unidentified higher-grade Cu breccias in both Spitfire and SW Kavanagh.

- The drilling results reported herein are limited by drilling locations that have been accessible by the current underground development. Drilling is continuing as new platform locations become available.

For the location of the 2022 and 2023[2] drilling see Figure 1, and for the list of all drill results in this release see Table 1.

[1] *ASX Announcement 28 August 2023*

[2] *Note that the 2022 UG drilling has been previously reported (8 August 2022) and UG drilling to November 2023 has been reported (13 November 2023) and is included here for completeness.*

Intercepts tabulated in the Highlights table are amalgamated over a minimum down hole length of 3m > 0.3% Cu with a maximum of 2m internal dilution < 0.3% Cu. No assays were cut before amalgamating the intercept calculation.

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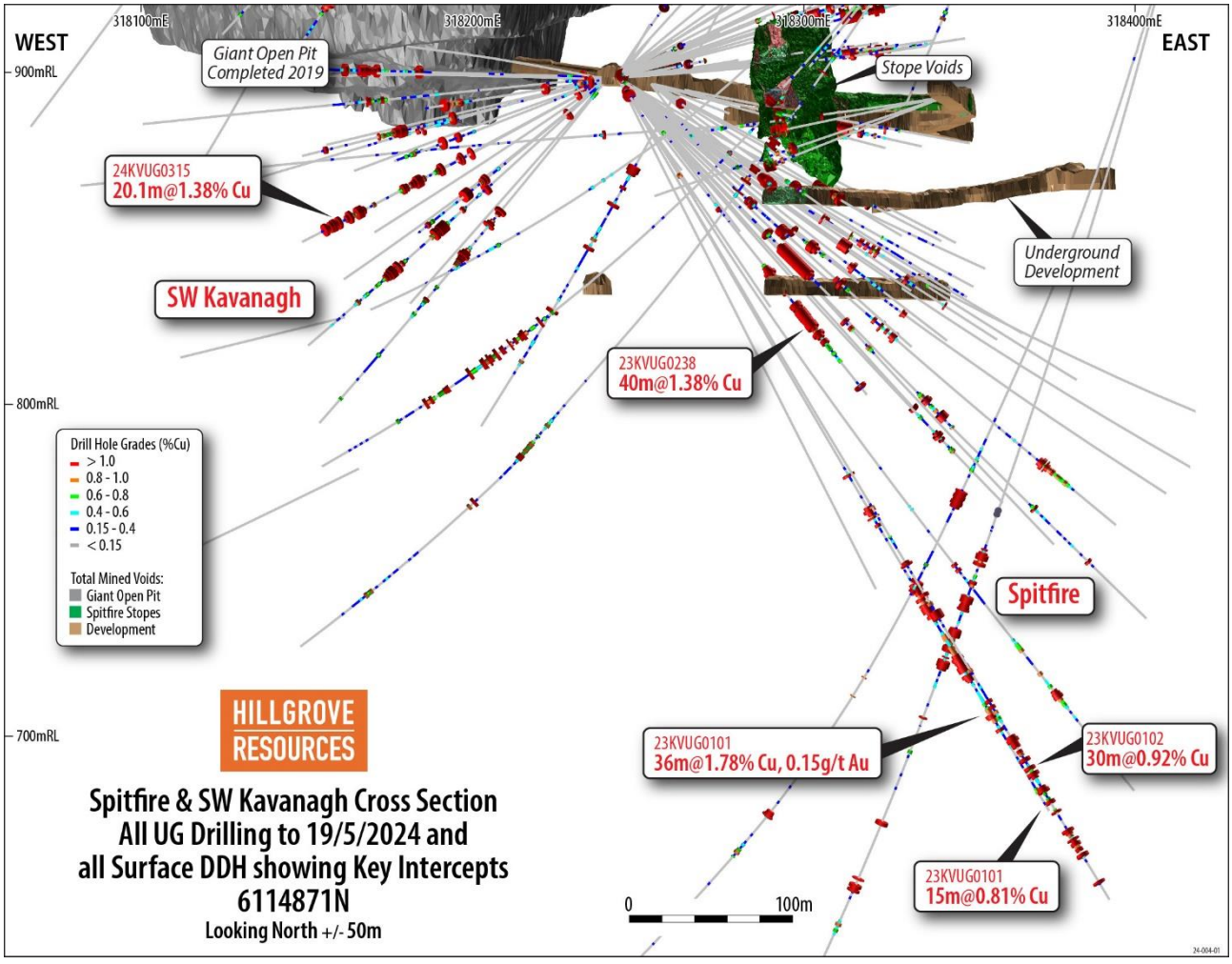
Hillgrove Resources Limited (Hillgrove, the Company) (ASX:HGO) is pleased to provide the following drilling update at its Kanmantoo Mine located at Kanmantoo, 55kms southeast of Adelaide in South Australia.

Since the UG Drilling update provided in November 2023 a further 42 holes have been drilled; 30 in Spitfire, and 12 in SW Kavanagh, for an additional 6,885m. Figure 1 shows the locations of the UG drill holes into the Spitfire and SW Kavanagh Cu-Au lodes, both of which remain open at depth.

Drilling is continuing as part of the stope definition drilling providing input into stope planning and development designs.

Figure 1 Cross section showing all UG drill holes through SW Kavanagh and Spitfire with All Surface DDH



Locally, the infill UG drilling demonstrates continuity of mineralisation and has provided some exceptional Cu intersections including:

- **40m @ 1.38% Cu** (uncut) from 74m downhole (23KVUG0238) (Figure 2), and
- **36m @ 1.78% Cu + 0.15g/t Au** (uncut) from 175m downhole in Spitfire (23KVUG0101)

Figure 2 Cu-Au mineralisation in 23KVUG0238 through the Spitfire Lode

Commenting on the drilling results, Hillgrove CEO and Managing Director, Lachlan Wallace said:

"Spitfire was initially considered to be a modest mineral zone which extended over approximately 50m vertically, however the recent drilling confirms that the Spitfire lode is far larger than initially anticipated and now extends more than 250m vertically and remains open at depth.

SW Kavanagh is also looking positive with a number of previously unknown high grade copper breccia zones being identified in the recent 12 hole drilling program. As development extends and deeper drill platforms are established, we will continue to chase both the Spitfire and SW Kavanagh mineral system at depth.

The close proximity of the Spitfire and the SW Kavanagh lodes to the current underground decline development provides an opportunity to bring the extensions of these lodes into the mine plan for modest incremental cost.

The strike rate of 62 intersections of significant Cu-Au mineralisation from only 42 holes is exceptional and reflects the high degree of down dip continuity of the mineral lodes. Given there are there are nine known mineral lodes that remain open at depth on the permitted mining lease, this strike rate positions the Company for an exciting future through exploration growth."

Further details of the drilling are provided in Appendices A and B.

Authorised for release by the Board of Hillgrove Resources Limited.

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Competent Person's Statement

The information in this release that relates to the Exploration Results is based upon information compiled by Caitlin Rowett, who is a Member of The Australasian Institute of Mining and Metallurgy. Caitlin Rowett is a full-time employee of Hillgrove Resources Limited and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)'. Caitlin Rowett has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears.

The information in this report that relates to past Exploration and Drilling Results on the Kanmantoo project were initially reported by the Company to ASX on 26 May 2016, 10 October 2019, 3 September 2020, 3 May 2021, 6 May 2021, 24 June 2021, 26 August 2021, 1 September 2021, 21 March 2022, 6 May 2022, 27 February 2023, 3 July 2023, 28 August 2023 and 13 November 2023. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Exploration Results and the Resource Estimate in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

APPENDIX A

The objective of the ongoing underground (UG) diamond drilling program has been to infill the exploration drilling through the Kavanagh and Spitfire mineral systems within the Kanmantoo Mine Lease for the purpose of final ore development and stope planning and design. Appendix B JORC Tables 1 and 2 describe the drilling, sampling, and assaying processes. Summary descriptions are provided below.

Drilling

All holes are collared and drilled using conventional UG NQ diamond drilling tools. No directional drilling is required for the underground drilling. Collar co-ordinates and collar surveys of the holes reported in this release are provided in Appendix A Table 2. Drilling is undertaken by a single contractor with experienced drillers. Drilling rates vary from 20m to 90m per shift and average 45m per shift including all non-drilling activities. Drill hole collars and alignments are surveyed by a qualified surveyor and downhole surveyed with Gyro.

Similar to the exploration drilling, the UG drill core recovery is excellent and RQD > 95%.

Logging and Sampling

Geological and geotechnical logging is undertaken or supervised by Hillgrove geologists who have been involved in the exploration drilling over the past few years. Core photography and sampling is undertaken or supervised by the technician crews who have worked with Hillgrove's exploration programs over the past few years.

Assaying

Selected holes (identified in Table 1) were assayed by the same process as utilised for exploration drilling.

- Core saw to slab drill core in half, and 50% of sample interval despatched to ALS
- Crush to 70% < 2mm whole sample
- Spilt and 1kg pulverised to 85% < 75um
- Spilt and 0.5 gram assay by 4-acid digest and ICP-MS analysis and Au by 30g Fire Assay and AA finish

The ##KVUG UG drill holes have predominantly been assayed by an on-site XRF assay facility with several drill holes duplicate assayed by the ALS assay process as a QA/QC check of the XRF results. Where a drill hole has been assayed by both XRF and ALS, the ALS results are prioritised in the database and used for all resource interpretations and grade modelling. Table 1 shows the drill holes that have been reported with the XRF or with the ALS methods. A the XRF process does not provide useful lower limits of detection for Ag or Au these elements are not reported in the drill intersection table (NA is annotated therein). The XRF process used for copper grades of the UG drill core is the same as that successfully developed and utilised for all grade control in the Giant open pit from 2016 to 2019. During the open pit period the on-site XRF process for Cu reconciled excellently against mill reconciled copper grade. The onsite XRF process for UG drill core is

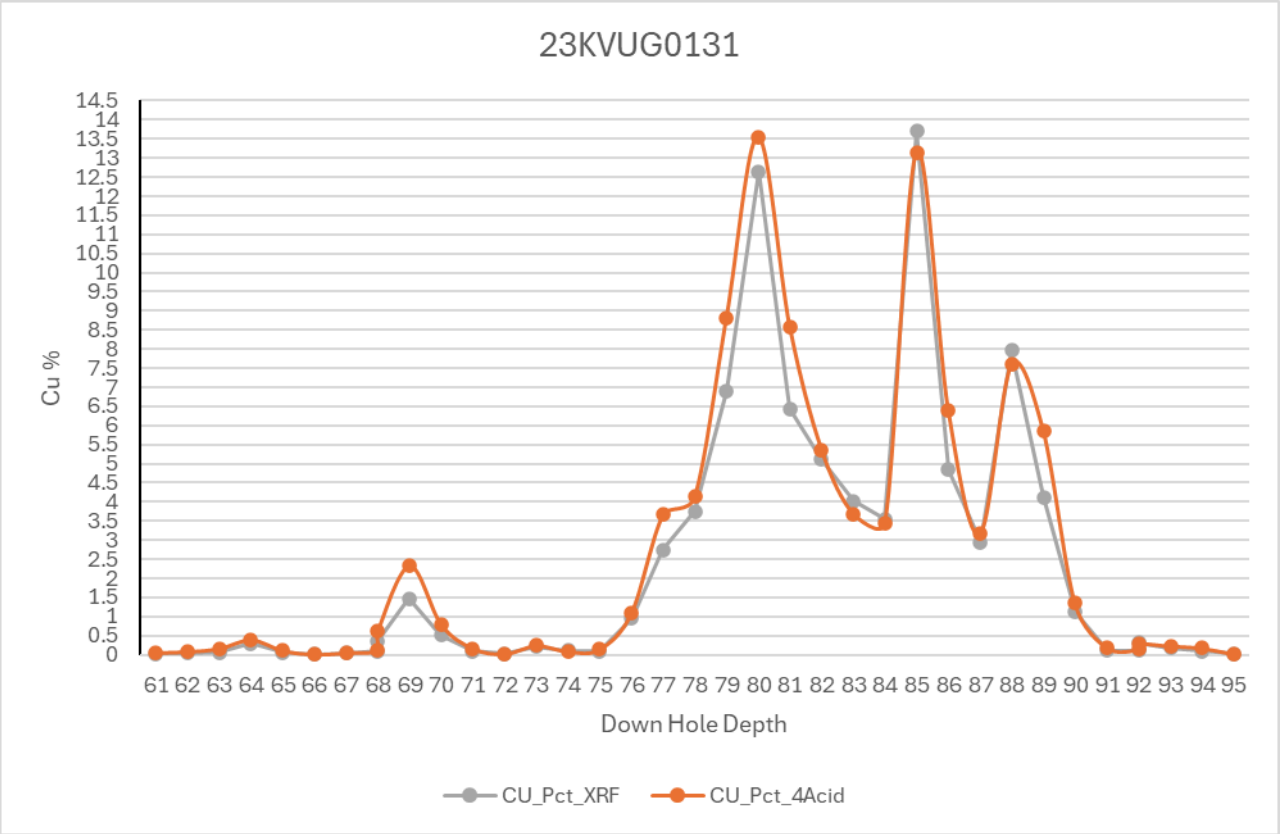
- Crush whole drill core interval in Orbis OM100 crusher to 70% < 2mm (no core saw splitting)
- Rotary split to 1kg
- Sieve split to < 1mm and retain fine fraction
- Riffle split and manual split to 20 grams and pelletised
- Benchtop portable XRF of pellet

For both methods extensive blanks, and appropriate standards are inserted into the sample sequence. Blanks, in particular are authorised by the logging geologist for intervals following high sulphides to capture any crusher/pulveriser contamination with additional routine blanks inserted every 20 samples.

QA of the veracity of the XRF copper assays has been diligently reviewed with on-going duplicate sampling and assaying. Figure 4 shows an example of the comparison of the duplicate XRF and ALS assays from drill hole 23KVUG0131. The duplicate assaying shows

1. Excellent delineation of the economic interval at 0.4% Cu and 0.6% Cu cutoff grades
2. Excellent estimates of the mean Cu grade of the economic intervals

Figure 3 Comparison of XRF and ALS assays for Cu – hole 23KVUG0131



In conclusion, the XRF assaying for Cu at Kanmantoo continues to be a reliable estimate of the drill core copper values subject to on-going QA/QC of drill core ALS assaying from the different lode systems.

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Table 1 List of drill intercepts in this release

Intercepts in Table 1 are amalgamated over a minimum down hole length of 2m > 0.3% Cu with a maximum of 2m internal dilution < 0.3% Cu. No assays were cut before amalgamating the intercept calculation.

Hole ID	Ore Zone Target	Assay Method	Depth From	Depth To	Interval Length	Cu%	Au g/t	Ag g/t	Cu Metal
23KVUG0099	Spitfire	4-Acid/ICP-MS	178	181	3	0.74	0.12	3.52	2.22
23KVUG0099	Spitfire	4-Acid/ICP-MS	207	212	5	0.66	0.02	3.49	3.30
23KVUG0099	Spitfire	4-Acid/ICP-MS	220	234	14	0.71	0.07	2.28	9.94
23KVUG0100	Spitfire	4-Acid/ICP-MS	147	151.5	4.5	0.93	0.04	3.02	4.19
23KVUG0100	Spitfire	4-Acid/ICP-MS	153.6	157	3.4	0.56	0.10	2.00	1.90
23KVUG0101	Spitfire	4-Acid/ICP-MS	148	155.4	7.4	1.18	0.09	3.78	8.73
23KVUG0101	Spitfire	4-Acid/ICP-MS	175	211	36	1.78	0.15	5.24	64.08
23KVUG0101	Spitfire	4-Acid/ICP-MS	213	228	15	0.81	0.04	2.70	12.15
23KVUG0102	Spitfire	PXRF of <1mm	169.75	172	2.25	1.02	NA	NA	2.30
23KVUG0102	Spitfire	PXRF of <1mm	184.3	191	6.7	1.58	NA	NA	10.59
23KVUG0102	Spitfire	PXRF of <1mm	214	229	15	0.49	NA	NA	7.35
23KVUG0102	Spitfire	PXRF of <1mm	232	262	30	0.92	NA	NA	27.60
23KVUG0102	Spitfire	PXRF of <1mm	265.4	275.4	10	1.44	NA	NA	14.40
23KVUG0103	Spitfire	PXRF of <1mm	225	233.5	8.5	0.89	NA	NA	7.57
23KVUG0127	Spitfire	No Sample	ns				NA	NA	
23KVUG0128	Spitfire	PXRF of <1mm	102.6	107	4.4	0.72	NA	NA	3.17
23KVUG0129	Spitfire	PXRF of <1mm	86	100	14	0.49	NA	NA	6.86
23KVUG0130	Spitfire	PXRF of <1mm	90	96	6	0.98	NA	NA	5.88
23KVUG0131	Spitfire	4-Acid/ICP-MS	68.9	71.3	2.4	1.18	0.28	4.20	2.83
23KVUG0131	Spitfire	4-Acid/ICP-MS	76	91	15	5.99	0.74	12.44	89.85
23KVUG0132	Spitfire	No Sample	ns				NA	NA	
23KVUG0133	Spitfire	PXRF of <1mm	nsi				NA	NA	
23KVUG0134	Spitfire	PXRF of <1mm	82.9	96.4	13.5	1.03	NA	NA	13.91
23KVUG0135	Spitfire	PXRF of <1mm	nsi				NA	NA	
23KVUG0136	Spitfire	PXRF of <1mm	nsi				NA	NA	
23KVUG0137	Spitfire	4-Acid/ICP-MS	80	82.25	2.25	1.55	1.80	9.24	3.49
23KVUG0137	Spitfire	4-Acid/ICP-MS	104.35	119	14.65	0.60	0.27	1.21	8.79
23KVUG0138	Spitfire	PXRF of <1mm	72.05	73.85	1.8	1.07	NA	NA	1.93
23KVUG0139	Spitfire	PXRF of <1mm	76	78	2	1.65	NA	NA	3.30
23KVUG0140	Spitfire	PXRF of <1mm	47.5	58.62	11.12	0.76	NA	NA	8.45
23KVUG0140	Spitfire	PXRF of <1mm	79.75	86	6.25	1.49	NA	NA	9.31
23KVUG0214	Spitfire	PXRF of <1mm	46.69	49	2.31	1.41	NA	NA	3.26
23KVUG0214	Spitfire	PXRF of <1mm	52	57	5	0.43	NA	NA	2.15
23KVUG0214	SW Kav	4-Acid/ICP-MS	147.15	151	3.85	0.63	0.28	1.77	2.43
23KVUG0214	SW Kav	4-Acid/ICP-MS	171	173	2	3.25	0.04	6.57	6.50
23KVUG0214	SW Kav	4-Acid/ICP-MS	176	185	9	0.96	0.07	1.51	8.64
23KVUG0215	Spitfire	PXRF of <1mm	44	51	7	0.76	NA	NA	5.32
23KVUG0215	SW Kav	4-Acid/ICP-MS	156.5	168	11.5	0.90	0.06	2.12	10.30
23KVUG0215	SW Kav	4-Acid/ICP-MS	171.25	183	11.75	0.85	0.07	1.65	9.99

Hole ID	Ore Zone Target	Assay Method	Depth From	Depth To	Interval Length	Cu%	Au g/t	Ag g/t	Cu Metal
23KVUG0228	Spitfire	PXRF of <1mm	nsi				NA	NA	
23KVUG0229	Spitfire	PXRF of <1mm	nsi				NA	NA	
23KVUG0232	Spitfire	PXRF of <1mm	nsi				NA	NA	
23KVUG0233	Spitfire	PXRF of <1mm	75	79	4	0.66	NA	NA	2.64
23KVUG0234	Spitfire	PXRF of <1mm	62.56	70	7.44	1.13	NA	NA	8.41
23KVUG0235	Spitfire	PXRF of <1mm	107	111	4	0.56	NA	NA	2.24
23KVUG0236	Spitfire	PXRF of <1mm	169	183	14	1.00	NA	NA	14.00
23KVUG0236	Spitfire	PXRF of <1mm	103	113.85	10.85	0.95	NA	NA	10.31
23KVUG0237	Spitfire	PXRF of <1mm	100.15	104.3	4.15	0.71	NA	NA	2.95
23KVUG0238	Spitfire	PXRF of <1mm	74	114	40	1.38	NA	NA	55.20
23KVUG0238	Spitfire	PXRF of <1mm	48.9	52.5	3.6	0.57	NA	NA	2.05
23KVUG0239	Spitfire	PXRF of <1mm	nsi				NA	NA	
23KVUG0240	Spitfire	PXRF of <1mm	132	143.2	11.2	1.14	NA	NA	12.77
23KVUG0244	Spitfire	PXRF of <1mm	49.85	60	10.15	1.59	NA	NA	16.14
23KVUG0244	Spitfire	PXRF of <1mm	64	68	4	0.74	NA	NA	2.96
23KVUG0245	SW Kav	4-Acid/ICP-MS	187	195	8	0.62	0.07	1.24	4.96
23KVUG0245	Spitfire	PXRF of <1mm	53	59	6	4.03	NA	NA	24.18
24KVUG0314	SW Kav	PXRF of <1mm	70	79.3	9.3	1.30	NA	NA	12.09
24KVUG0314	SW Kav	PXRF of <1mm	4	11	7	0.76	NA	NA	5.32
24KVUG0314	SW Kav	PXRF of <1mm	51.8	56	4.2	0.82	NA	NA	3.44
24KVUG0315	SW Kav	PXRF of <1mm	87	107.1	20.1	1.38	NA	NA	27.74
24KVUG0315	SW Kav	PXRF of <1mm	68	78	10	1.26	NA	NA	12.60
24KVUG0315	SW Kav	PXRF of <1mm	61.4	65	3.6	1.48	NA	NA	5.33
24KVUG0316	SW Kav	PXRF of <1mm	87	100	13	1.14	NA	NA	14.82
24KVUG0316	SW Kav	PXRF of <1mm	65.7	76.4	10.7	1.34	NA	NA	14.34
24KVUG0316	SW Kav	PXRF of <1mm	102	109.1	7.1	0.50	NA	NA	3.55
24KVUG0317	SW Kav	PXRF of <1mm	68	75.8	7.8	1.31	NA	NA	10.22
24KVUG0317	SW Kav	PXRF of <1mm	53	60	7	1.21	NA	NA	8.47
24KVUG0317	SW Kav	PXRF of <1mm	111	114	3	0.47	NA	NA	1.41
24KVUG0318	SW Kav	PXRF of <1mm	54	65.2	11.2	0.85	NA	NA	9.52
24KVUG0318	SW Kav	PXRF of <1mm	6	11	5	1.18	NA	NA	5.90
24KVUG0318	SW Kav	PXRF of <1mm	104	108	4	0.48	NA	NA	1.92
24KVUG0318	SW Kav	PXRF of <1mm	95	98.1	3.1	0.73	NA	NA	2.26
24KVUG0319	SW Kav	PXRF of <1mm	90	106	16	1.05	NA	NA	16.80
24KVUG0319	SW Kav	PXRF of <1mm	79	84	5	0.61	NA	NA	3.05
24KVUG0319	SW Kav	PXRF of <1mm	63	66.4	3.4	2.38	NA	NA	8.09
24KVUG0319	SW Kav	PXRF of <1mm	56	59	3	1.30	NA	NA	3.90
24KVUG0320	SW Kav	PXRF of <1mm	75	79	4	0.66	NA	NA	2.64
24KVUG0320	SW Kav	PXRF of <1mm	52	55	3	0.43	NA	NA	1.29

Table 2 Drill Hole Collars and Collar azimuth/dip

Hole ID	Max Depth	NAT_Grid_ID	NAT_EAST	NAT_NORTH	NAT_RL	Dip	NAT_AZI
23KVUG0099	266.10	MGA94_54	318245.1246	6114865.67	896.7469	-57.52	71.18
23KVUG0100	239.50	MGA94_54	318245.3156	6114866.077	896.736	-47.39	65.05
23KVUG0101	255.10	MGA94_54	318244.7833	6114865.098	896.7812	-60.13	82.78
23KVUG0102	290.40	MGA94_54	318244.456	6114864.456	897.2453	-59.28	105.00
23KVUG0103	257.65	MGA94_54	318245.2981	6114866.652	896.9497	-44.52	57.24
23KVUG0127	146.66	MGA94_54	318245.3647	6114867.29	897.3457	-32.64	71.20
23KVUG0128	137.60	MGA94_54	318245.3898	6114866.903	897.3392	-36.34	81.12
23KVUG0129	125.54	MGA94_54	318245.203	6114866.303	897.5076	-40.40	93.01
23KVUG0130	122.19	MGA94_54	318245.1323	6114865.149	897.1231	-42.16	108.10
23KVUG0131	125.05	MGA94_54	318244.8569	6114864.766	897.1436	-42.01	124.96
23KVUG0132	125.23	MGA94_54	318244.9542	6114864.259	897.5604	-39.38	140.00
23KVUG0133	131.49	MGA94_54	318244.0819	6114864.394	897.6967	-36.78	152.30
23KVUG0134	116.39	MGA94_54	318245.1082	6114867.749	899.7718	22.34	67.21
23KVUG0135	107.18	MGA94_54	318245.2448	6114867.402	900.1349	27.48	77.40
23KVUG0136	101.00	MGA94_54	318244.9764	6114866.831	900.1543	31.41	92.59
23KVUG0137	130.04	MGA94_54	318245.0207	6114864.943	899.9555	33.49	111.76
23KVUG0138	138.06	MGA94_54	318245.0424	6114864.889	900.0456	32.00	132.87
23KVUG0139	112.00	MGA94_54	318244.5417	6114864.068	900.616	29.73	149.63
23KVUG0140	115.12	MGA94_54	318243.9229	6114863.946	900.1422	24.63	162.65
23KVUG0214	257.60	MGA94_54	318340.078	6114840.785	892.0463	-18.25	255.90
23KVUG0215	230.60	MGA94_54	318340.081	6114840.779	892.333	-8.41	255.99
23KVUG0228	239.61	MGA94_54	318245.3276	6114868.212	897.3615	-30.79	62.33
23KVUG0229	230.70	MGA94_54	318245.2727	6114867.97	897.3667	-33.03	66.06
23KVUG0232	107.60	MGA94_54	318244.9429	6114867.272	899.5204	21.96	78.42
23KVUG0233	86.55	MGA94_54	318245.0083	6114866.346	899.5933	25.05	101.81
23KVUG0234	91.45	MGA94_54	318245.0552	6114864.086	899.722	25.85	131.88
23KVUG0235	206.60	MGA94_54	318245.2638	6114867.239	897.0524	-41.74	82.04
23KVUG0236	200.48	MGA94_54	318245.3653	6114866.112	897.0204	-46.09	96.05
23KVUG0237	195.00	MGA94_54	318245.1559	6114865.34	896.8069	-46.46	108.14
23KVUG0238	197.21	MGA94_54	318244.736	6114864.696	896.9464	-48.67	120.82
23KVUG0239	197.21	MGA94_54	318244.2095	6114864.47	897.1753	-47.83	133.95
23KVUG0240	230.66	MGA94_54	318245.2274	6114867.624	896.8887	-46.24	73.01
23KVUG0244	245.92	MGA94_54	318339.8671	6114840.249	892.2554	-10.55	247.31
23KVUG0245	245.66	MGA94_54	318339.775	6114840.186	891.8216	-19.91	247.45
24KVUG0314	120.18	MGA94_54	318240.091	6114867.557	898	-12.90	242.13
24KVUG0315	126.15	MGA94_54	318240.091	6114867.557	898	-26.19	242.09
24KVUG0316	128.55	MGA94_54	318240.091	6114867.557	898	-39.14	242.23
24KVUG0317	140.60	MGA94_54	318240.091	6114867.557	898	-48.93	242.80
24KVUG0318	119.90	MGA94_54	318240.091	6114867.557	898	-6.84	229.05
24KVUG0319	131.16	MGA94_54	318240.091	6114867.557	898	-32.72	229.22
24KVUG0320	119.95	MGA94_54	318240.091	6114867.557	898	-17.68	232.25

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APPENDIX B – JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• The UG Diamond Drill Hole (DDH) sampling was conducted as per the Hillgrove Resources procedures and QAQC protocols. • Sample intervals from 1.25m to 0.25m as determined by geology through visibly mineralised zones. • Where samples are despatched to ALS the sample intervals are split from the drill core, with the drill core sawn in half with a diamond core saw and half-core sample crushed to 75% < 2mm by ALS's Boyd Crusher • Where samples are assayed by the on-site XRF, the whole interval of drill core is crushed to 75% < 2m by Hillgrove's Orbis OM100 Crusher
Drilling techniques	• All UG drilling is undertaken by external drilling contractor, DRC Drilling. All holes drilled with NQ. NQ Core size is 47.6mm in diameter.
Drill sample recovery	• Recovered drill core metres were measured and compared to length of drill hole advance to calculate core recovery for every core run. On average sample recovery is >98%. There is no correlation between sample recovery and copper grades in this DDH drill program.
Logging	• All drill core was logged for lithology, alteration, weathering and mineralisation by Hillgrove geologists in accordance with Hillgrove's Core Logging Procedure. Colour and any additional qualitative comments are also recorded. • High quality photographs of all drill core before being sampled were taken under controlled light at the HGO core yard at Kanmantoo. • All geological logging is recorded into Geobank (a database product from Micromine) templates and visually validated before being imported into the Hillgrove drill hole database. Additional validation is conducted automatically on import. • In addition, a geotechnical log of all drill core is recorded utilising standard geotechnical logging indexes. RQD is 98-100%. UG drill core is not oriented. Where required, orientation of structure relative to the dominant S2 foliation is recorded.
Sub-sampling techniques and sample preparation	• For the intervals despatched to ALS the core is sawn in half and the half core despatched to ALS for each sample interval and the entire half-core sample then crushed and 1kg rotary split from the crushed mass and the 1kg sub-sample then pulverised to 85%< 75um. A sub-split of 200 grams of the pulverised material is then split by ALS and retained, and the reject pulverised material returned to Hillgrove. From the 200 gram sub-split a 2 gram aliquot is scooped and weighed by ALS for 4-acid digestion. • For the intervals retained on-site for the onsite XRF laboratory, the core is not sawn in half. The entire core from the marked sample

Criteria	Commentary
	interval is crushed in a crusher and 1kg riffle rotary split from the crushed mass. The remaining crushed material is bagged and retained. The 1kg of crushed material is then screened to < 1mm and only the fines retained. A sub-split of 10 grams of the fines material is scooped and pelletised and presented to the Olympus Vanta VMR XRF instrument. • Hillgrove have detailed sampling and QAQC procedures in place to ensure sample collection is carried out to maximise representivity of the samples, to minimise contamination, and to maintain sample numbering integrity.
Quality of assay data and laboratory tests	• For the samples submitted to ALS for analysis. ALS code ME-MS61 using a 4-acid digest with determination by Mass Spectrometry. If the copper result was greater than 1%, the analysis was repeated using a modified acid digestion technique. • For the samples submitted to ALS, Gold is assayed by 30g Fire Assay. If > 10 g/t then repeated by fire assay with a gravimetric finish. • For the samples submitted to the Hillgrove on-site laboratory, the pelletised fines samples are presented to the Olympus XRF instrument and energised for 40 sec. The results are automatically recorded to a database. • The QAQC of sample preparation and analysis processes were via the following samples: ○ Certified reference materials (CRM's) inserted by HGO into the sample sequence at a frequency of one in 20. OREAS standard 506 has been used to provide a CRM Standard grade of 0.444% Cu, and 0.365 g/t Au which are relevant for the expected cutoff grades used for resource estimates across the Kanmantoo deposit. ○ Results from all returned QAQC samples provide reasonable confidence as to the accuracy of the assay results used in the estimation. >90% of assays fall within 2SD of the expected CRM mean grade for Cu and Au. ○ Laboratory inserted QAQC samples were inserted with a minimum of two standards and one blank for every batch of 40 samples. • Quartz flushes with <60ppm Cu are introduced to the crushers and bowl pulverisers within every high sulphide interval. These are monitored and where Cu contamination of the quartz flush occurs the batch is repeated. For the holes reported there are no examples of sulphides contaminating successive samples via sample preparation processes. • Quartz washes are also utilised through the OM100 crusher where high sulphides are present and identified by the logging geologist. • Hillgrove's quality policy is that at a minimum of 5% of all samples are CRM's, and 5% of samples submitted are blanks thus ensuring that as a minimum, 10% of all samples submitted for analysis are Hillgrove QAQC samples.
Verification of sampling and assaying	• Sample data sheets are prepared in Geobank Field Teams and printed for technicians use. All core is marked for sampling and confirmed by the logging geologist. Sample Sheets also include the sample number sequence and the sample numbers to be assigned to the QAQC samples. Sample intervals input from the excel spreadsheet into an SQL database via Geobank. Data was visually checked by the Geologist prior to import and additional validation was carried out by the database upon import. Copper results were reported in ppm

Criteria	Commentary
	units from the laboratories and then converted to a % value within the database.
Location of data points	• The map projection of Map Grid of Australia 1994 - Zone 54, (MGA94-54) is used for all work undertaken for this drilling. • All drill hole collars are surveyed with a Leica survey station. The accuracy of this instrument is 0.01m. All pick-ups were reported in MGA94-54 coordinate system. • The UG rigs set ups are aligned by qualified surveyors setting up the drill rigs in the UG drill access. • Downhole surveys were determined using a gyro survey instrument at 12m intervals and recorded in Grid North.
Data spacing and distribution	• See Table 2 above and Figures 2 and 3 in the body of the text for drill hole locations. • UG drilling aims to have drill holes on a 15m x 10m pattern where possible for UG design and planning
Orientation of data in relation to geological structure	• All holes are angled drill holes, dipping between -53 to +25deg. Kavanagh holes are oriented towards the west from 237deg to 353deg (MGA Grid North) and Spitfire holes are oriented to the east from 073deg to 168deg. • All down hole surveys are by Reflex or Axis Gyro. There is no oriented UG drill core. • Dominant mineralisation trends as measured from in-pit mapping are strike 015deg and dip -75deg to east. • It is important to note that current drill holes are all at various strike and dip angles to section, and that the true width varies for each intersection.
Sample security	• A Hillgrove employee is responsible for collecting and organising the samples ready for assay. Hillgrove has a detailed sample collection/submission procedure in place to ensure sample security. • Drill core is transported from the UG drill site to Hillgrove's core yard at Kanmantoo under the supervision of Hillgrove staff. • Transport of the half-sawn drill core samples for ALS assaying is by dedicated road transport to the Adelaide sample preparation facility. All samples are transported in sealed plastic bags and are accompanied by a detailed sample submission form. • At ALS, on receiving a batch of samples, the receiving laboratory checks received samples against a sample dispatch sheet supplied by Hillgrove personnel. On completion of this check a sample reconciliation report is provided for each batch received.
Audits or reviews	• There has not been an external review of this DDH drilling program. Previous audits of the Hillgrove sampling methods were reviewed by independent consultant and were considered to be of a very high standard.

ASX RELEASE

HILLGROVE RESOURCES

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• The Kanmantoo Cu-Au mine is situated on Mining Lease ML6345 and is owned 100% by Hillgrove Resources Limited (HGO). • HGO owns the land covered by the Mining Lease. The Mine Lease is encompassed on all sides by EL6526 also owned 100% by Hillgrove Resources. All drill holes were drilled on land owned or rented by Hillgrove Resources.
Exploration done by other parties	• Hillgrove Resources commenced exploration drilling in 2004 and since then has completed a number of exploration sampling and mapping campaigns which have resulted in defining the drill targets.
Geology	• Mineralisation occurs as an epigenetic system of structurally controlled veins and disseminations of chalcopyrite, pyrrhotite, pyrite, magnetite, within a quartz + biotite + andalusite ± garnet ± chlorite +/- staurolite schist host rock. Structural studies suggest the mineralisation is within brittle structures that have been re-activated.
Drill hole Information	• Drill collars, surveys, intercepts are reported in the body of this release.
Data aggregation methods	• Intercepts tabulated in the body of the report are amalgamated over a minimum down hole length of 3m > 0.3% Cu with a maximum of 2m internal dilution < 0.3% Cu. No assays were cut before amalgamating for the intercept calculation.
Mineralisation widths	• Table of downhole mineralised intercepts is reported in the body of this release.
Diagrams	• Diagrams that are relevant to this release have been included in the body of the release.
Balanced reporting	• All drill holes have been reported.
Other exploration data	• Insitu rock density has been measured by wet immersion method. The results indicate that the bulk rock density of 3.1t/m3 as used at the Kavanagh mine site is still a reasonable representation of bulk density for all mineralisation.
Further work	• Geological interpretation of the geology and assays to estimate a resource suitable for underground mine planning studies.