ASX RELEASE

HILLGROVE RESOURCES

Monday, 28 August 2023

100m STEP OUT HOLE AT KAVANAGH HITS 45.4m @ 1.2% COPPER

HIGHLIGHTS

- Diamond drilling to test extensions of the main Kavanagh mineral system have returned outstanding results circa 100m from the nearest copper intercept and 70m from the Resource envelope.
- The results include:
  - **45.4m @ 1.19% Cu, 0.12 g/t Au from 428.5m downhole (KTDD243_W1), including:**
    - **5.35m @ 2.13 % Cu, 0.11 g/t Au from 428.5m downhole, and**
    - **23.9m @ 1.53 % Cu, 0.12 g/t Au from 444m downhole, including**
    - **6.6m @2.31% Cu, 0.23 g/t Au from 460.4m downhole.**
- The drilling demonstrates that the Kavanagh mineral system continues to host wide zones of higher grade Cu-Au breccia within 100m from and adjacent to, the planned Underground (UG) development and which are not included in any current mineral resource estimate.
- These drilling results demonstrate the potential to increase the existing mineral resource inventory and would indicate that extensions to the mine life are possible.
- These drill intercepts are mainly located within the Spitfire Cu-Au mineral system, at the southern end of the Kavanagh Cu-Au lode.
- The Spitfire lodes have not previously been the focus of the surface exploration drilling programs.
- The mineralisation in these drill intercepts is open down-dip and open along strike.
- Restart of copper production at Kanmantoo, scheduled to commence in Q1 2024, remains on track.

For a plan of the location of the drilling, see Figure 4 and for the list of all drill results in this release, see Table 1.

Intercepts tabulated in the Highlights table 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.

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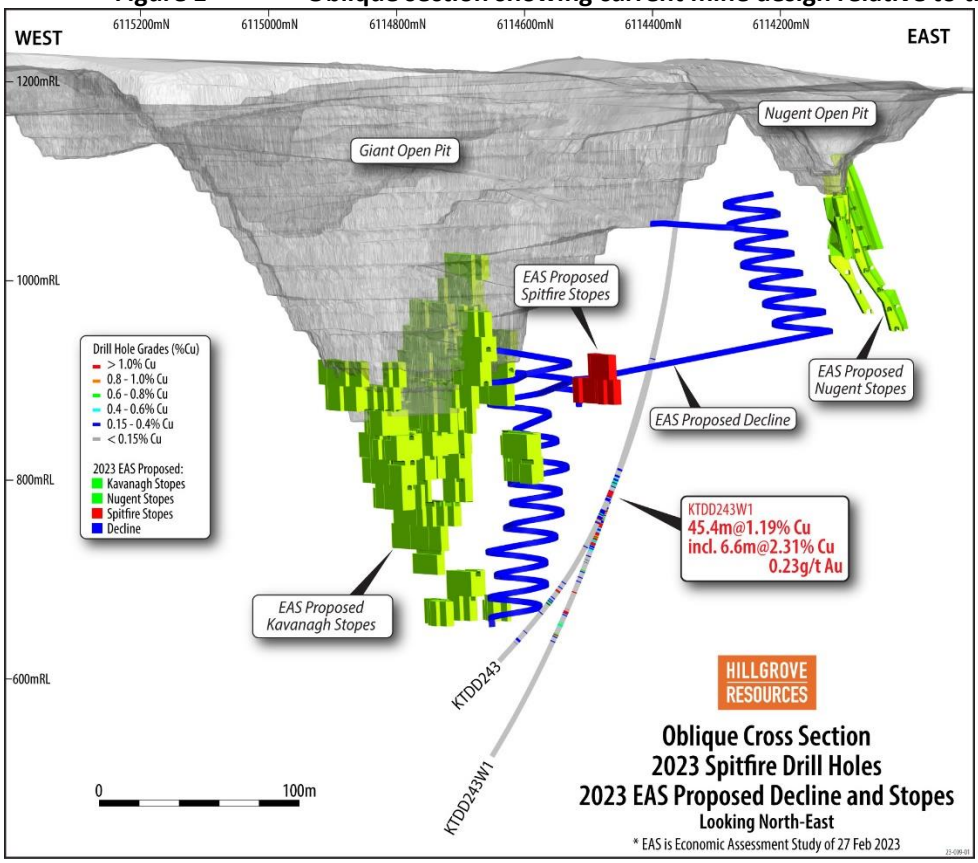
Figure 1 Oblique section showing current mine design relative to the new drill holes



Spitfire, illustrated in red in Figures 1 and 2, consists of two stope levels in the Economic Assessment Study (EAS) released on 27 February 2023.

The recent intersection is further down plunge and along strike of the Spitfire stopes, highlighting an opportunity to extend the mine design in this area (subject to further drilling).

Note: Figures 1 and 2 show only the two drill holes (KTDD243 and KTDD243W1). There are other holes that exist but are not shown in order to declutter the images.

Figure 2 Long section (looking west) showing current mine design relative to the new drill holes

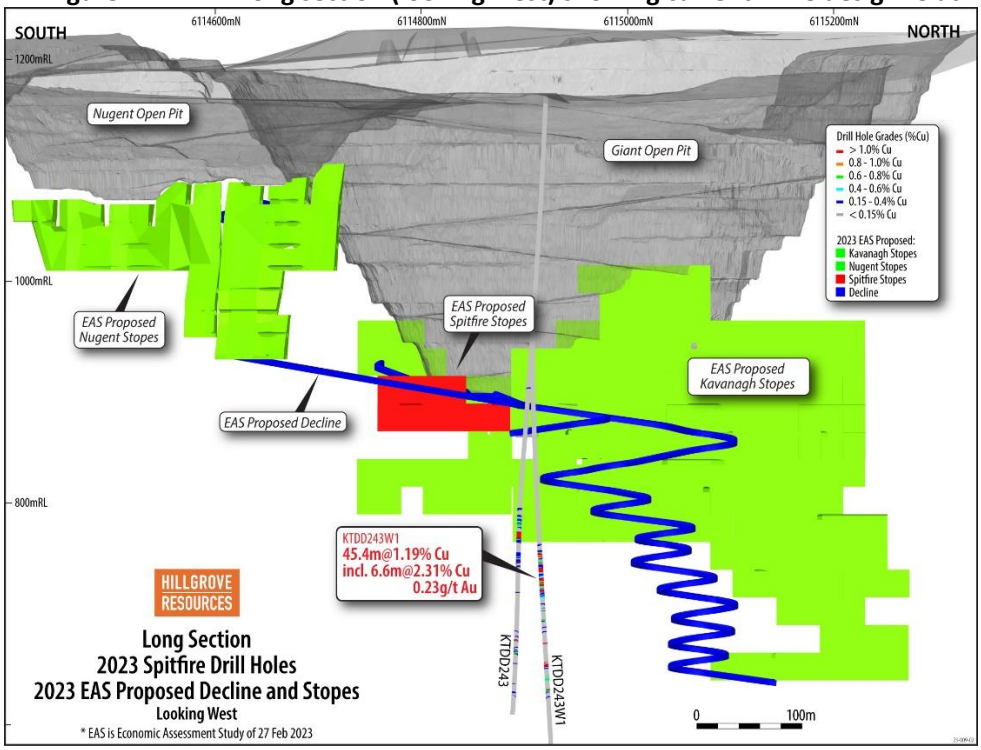
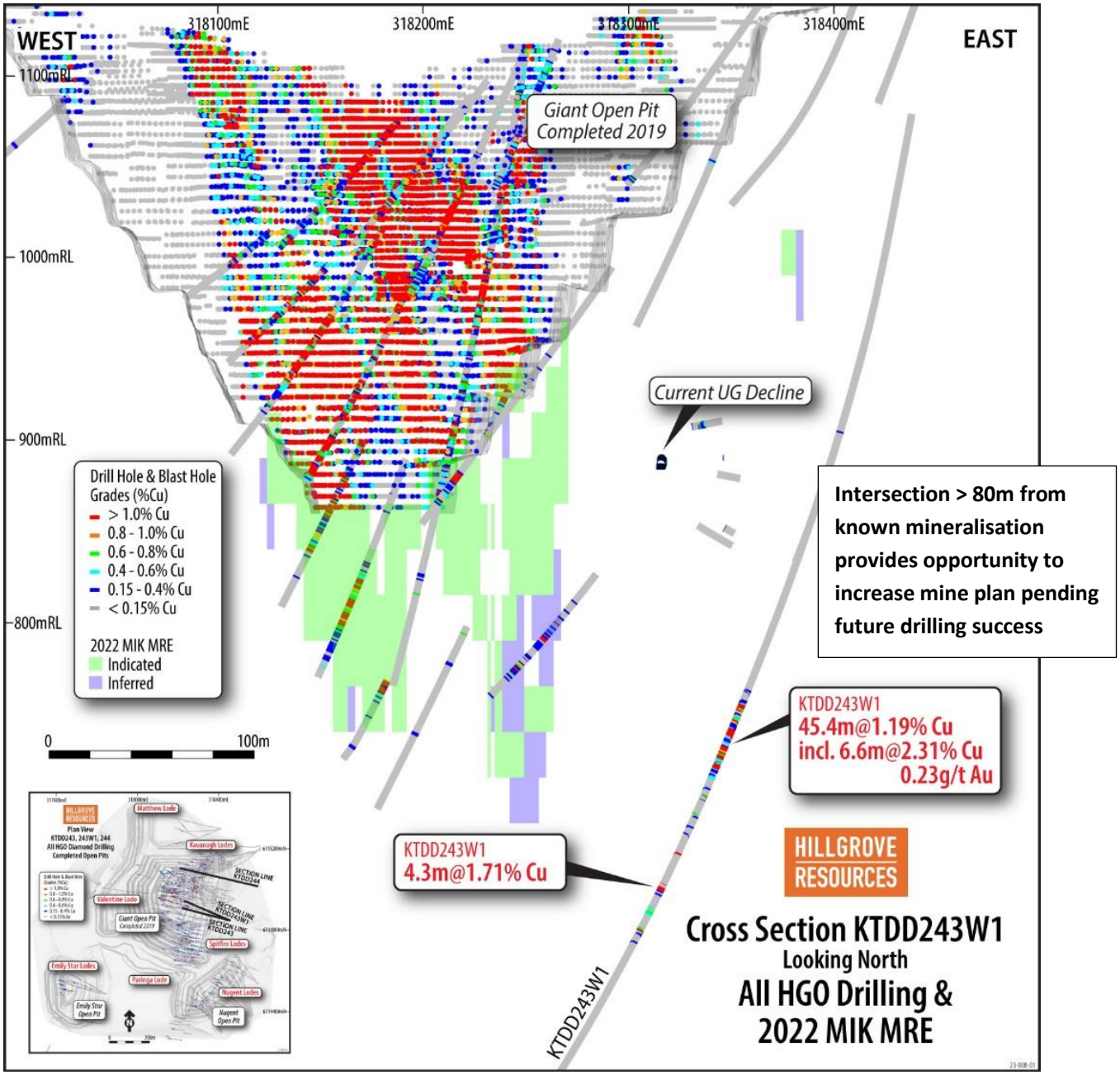


Figure 3 Cross section through KTDD243_W1 drill hole



Hillgrove Resources Limited (Hillgrove, the Company) (ASX:HGO) is pleased to provide the following drilling update at its Kanmantoo Mine Lease located at Kanmantoo, 55kms southeast of Adelaide in South Australia. In total, a further three exploration diamond holes have been drilled to the end of July 2023 for 2,202.6 metres of drilling. Figure 4 shows the locations of these additional 2023 drill holes into the Kavanagh mineral system. Drilling has now been completed and all assays received. Overall, the 2023 drilling continues to successfully increase the mineralisation footprint in the Kavanagh lode system.

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Two of the diamond drill holes (KTDD243 and 243_W1) intersected the Spitfire Cu-Au mineral zone and narrower down-dip extensions of the Central Kavanagh Cu-Au lodes. The Spitfire zone is located <50m south of the Kavanagh UG decline that is currently being developed, and is adjacent to the planned UG access to the Nugent Cu-Au lode system.

The two drill holes (KTDD243, and 243_W1) intersected the Spitfire mineralisation at ~420 metres below surface (at ~750m RL) and affirm the down dip continuity of multiple Spitfire Cu-Au zones previously mined in the Giant open pit down to 1000m RL.

Further drilling from UG and from surface is warranted to determine the down-dip and along strike extent of these Cu breccia zones.

The third exploration diamond drill hole (KTDD244) was planned to intersect an extension of the Central Kavanagh Cu-Au system. The hole intersected multiple wide zones of low grade Cu-Au mineralisation demonstrating the continuation of the system, including a Cu breccia zone of higher grade mineralisation (1.2m @ 2.46% Cu, 0.47 g/t Au).

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

> *"The drilling continues to demonstrate the continuity of the copper mineralisation below the current mine design. The two holes in Spitfire show the potential for Spitfire to extend at least a further 70m down dip, as well as along strike, with the most northern hole in Spitfire returning a downhole drill intersection of over 45m at 1.19% Cu and 0.12 g/t Au, and remaining open to the north.*
>
> *The close proximity of the Spitfire lode to the current underground decline development provides an opportunity to bring these lodes into the early stages of the mine plan for modest incremental cost."*

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 Mr Peter Rolley, who is a Member of The Australian Institute of Geoscientists. Mr Rolley 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)'. Mr Rolley 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 and 3 July 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.

Figure 4 Plan View of the location of the 2023-Q2 exploration drilling

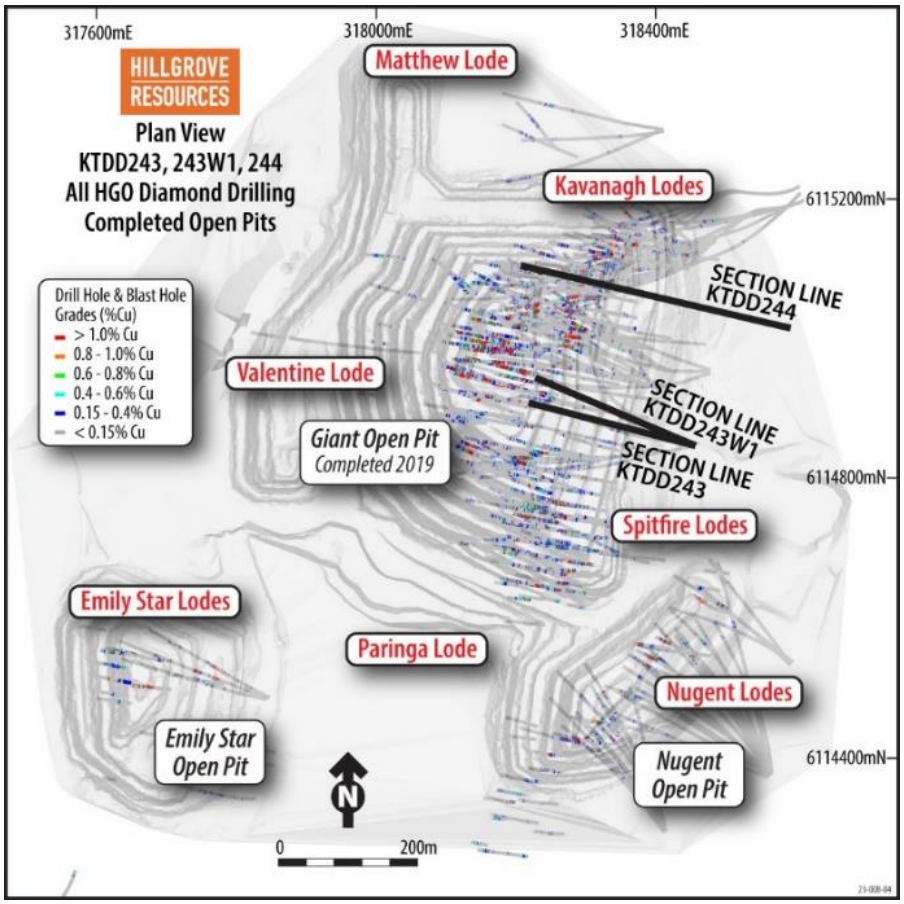

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Table 1 List of drill intercepts in this release

Hole ID	Ore Zone Target	Depth From	Interval Length	Cu%	Au g/t
KTDD243	**Spitfire**	**398**	**20.1**	**0.89**	**0.2**
	incl	*412*	*6.1*	*2.24*	*0.49*
	Central Kavanagh	**443**	**4**	**1.07**	**0.25**
	Central Kavanagh	**527**	**2.6**	**1.26**	**0.05**
KTDD243_W1	**Spitfire**	**428.5**	**45.4**	**1.19**	**0.12**
	incl	*428.5*	*5.35*	*2.13*	*0.11*
	incl	*444*	*23.9*	*1.53*	*0.12*
	incl	*460.4*	*6.6*	*2.31*	*0.23*
	Central Kavanagh	**537**	**4.3**	**1.71**	**0.04**
KTDD244	**Central Kavanagh**	**516**	**1.2**	**2.46**	**0.47**

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.

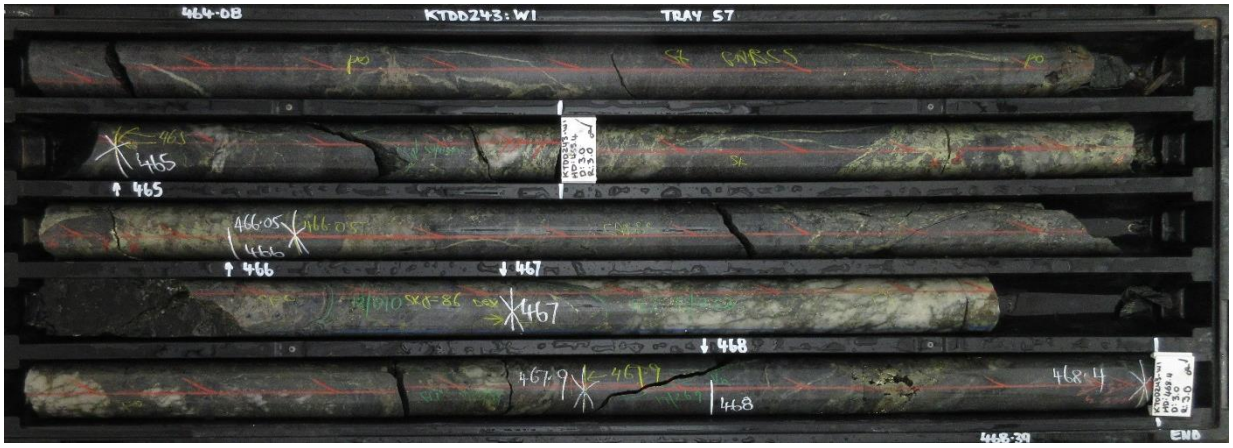
APPENDIX A

The objective of the Q2 2023 diamond drilling program has been the Kavanagh and Spitfire mineral systems within the Kanmantoo Mine Lease. All holes are collared and drilled using conventional HQ/NQ diamond drilling tools and navi-drilling as required to achieve the targets. Figure 4 shows a plan view of the locations of the drill holes.

Collar co-ordinates and downhole surveys of the holes reported in this release are provided in Table's 2 and 3 in Appendix B respectively. Appendix B also describes the drilling techniques and QA/QC processes.

Figure 5 provides an example of the Cu-Au breccia zone in KTDD243_W1 at Spitfire from a downhole depth of 464.08m. Note the excellent core recovery. Figures 6 and 7 are cross sections through the Spitfire drill holes.

Figure 5 **Cu-Au mineralisation in KTDD243_W1 through the Spitfire Lode**



The interval 464.0 to 468.4m shown in this photo is an average of 4.4m @ 2.57% Cu, 0.30 g/t Au.

Figure 6 **Cross Section through KTDD243 drill hole**

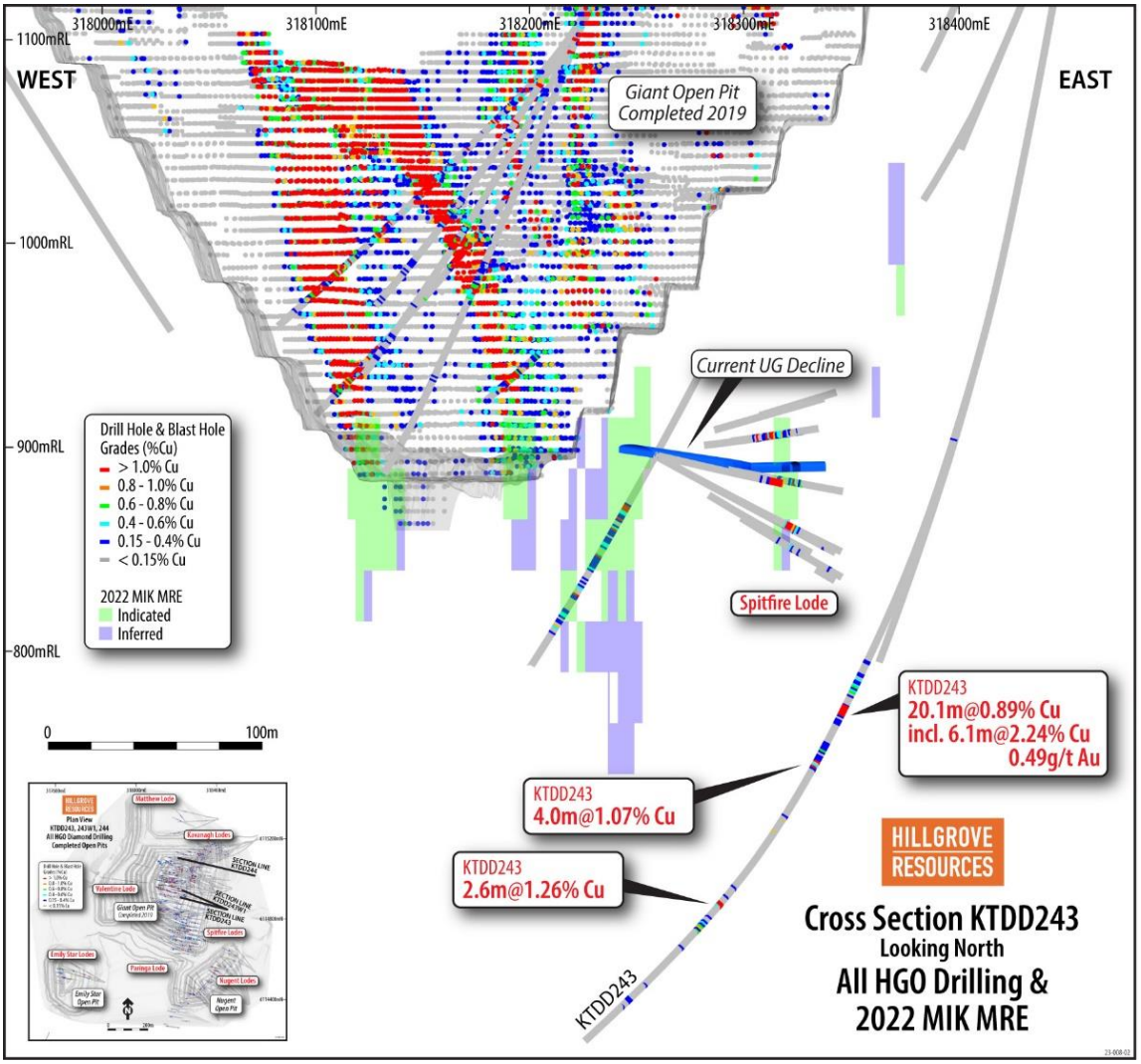


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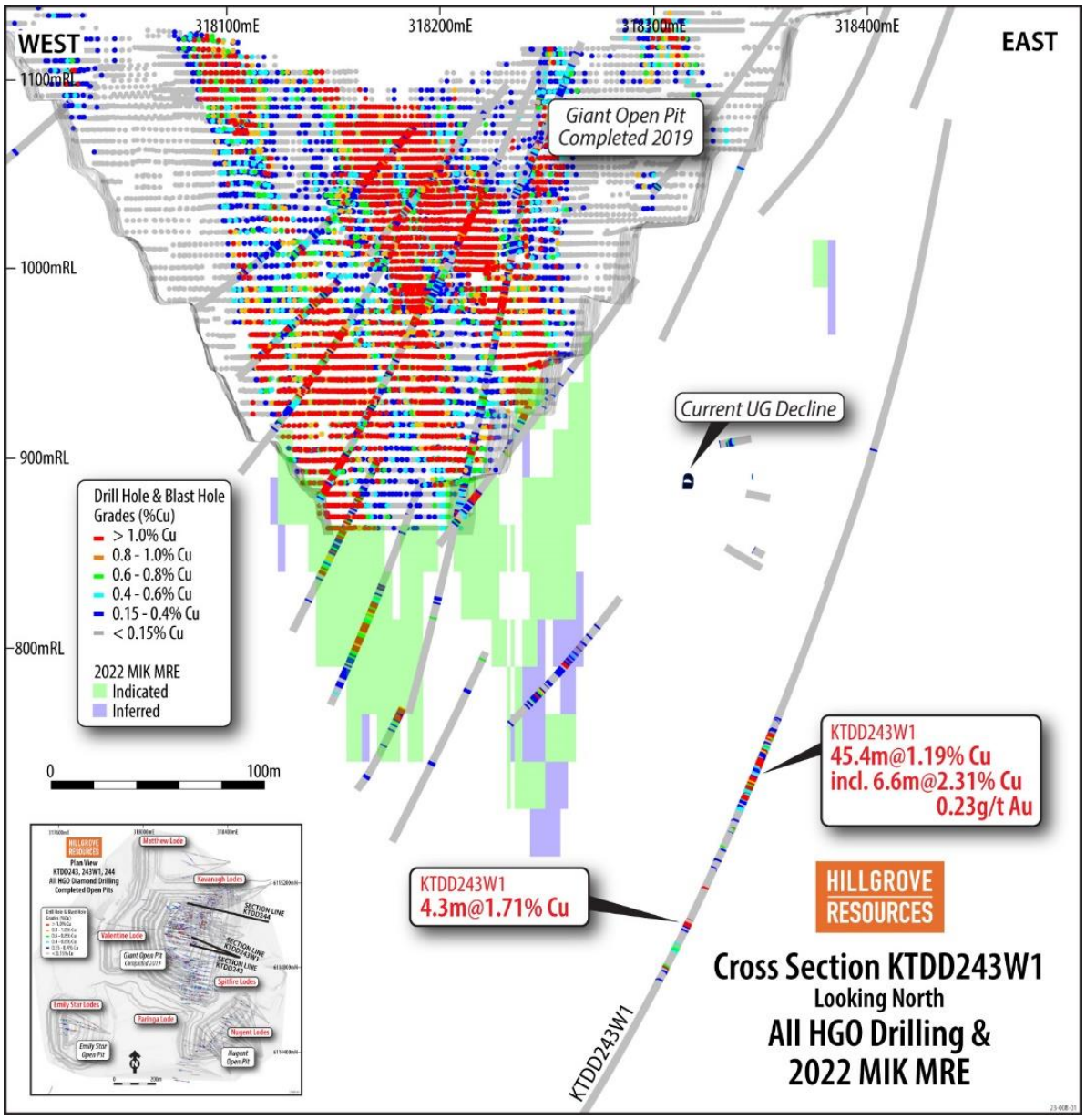
Figure 7 Cross section through KTDD243_W1 drill hole



Summary

These drilling results, as experienced in every drill program since 2018, continue to demonstrate that drilling is continuing to increase the footprint of the Cu-Au zones at Kanmantoo in preparation for expanding the opportunity for increasing copper production at Kanmantoo.

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APPENDIX B – JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• The 2023 Diamond Drill Hole (DDH) sampling was conducted as per the Hillgrove Resources procedures and QAQC protocols. • Sample intervals from 1.22m to 0.25m as determined by geology through visibly mineralised zones were split from the drill core, with the drill core sawn in half with a diamond core saw. • Samples were prepared by ALS Adelaide with each sample being wholly pulverised to >85% passing <75µm.
Drilling techniques	• All drilling undertaken by external drilling contractor, DRC Drilling. Using HQ for collars to a maximum of 321.4m downhole and NQ drilling thereafter for all drilling holes. 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 were 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 drill core is stored at Hillgrove's Kanmantoo core yard facility. • All geological logging is recorded into LogChief (a database product from Maxwell Geosciences) templates and visually validated before being imported into the Hillgrove drill hole database. Additional validation is conducted automatically on import. • In addition, a structural log of all drill core is recorded utilising the "base of core" orientation mark collected during diamond drilling to assist in understanding the local controls on the mineralisation. • A geotechnical log of all drill core for UG mine planning is also recorded. RQD is 98-100%
Sub-sampling techniques and sample preparation	• For selected intervals the core was sawn in half and the half core despatched to ALS for each sample interval and the entire sample then crushed and 1kg riffle split from the crushed mass and the 1kg sub-sample then pulverised. A sub-split of 200 grams was then split by ALS and retained, and the reject pulverised material returned to Hillgrove. From the 200 gram sub-split a 2 gram aliquot was scooped and weighed by ALS for 4-acid digestion.

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Criteria	Commentary
	• 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	• All samples were 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.
	• Gold is assayed by 30g Fire Assay. If > 10 g/t then repeated by fire assay with a gravimetric finish
	• 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 bowl pulverisers within every high sulphide interval. These are monitored and where Cu contamination of the quartz flush occurs the batch is repeated by the assay lab. For the holes reported there are no examples of sulphides contaminating successive samples via sample preparation processes.
	• Quartz washes are also utilised through the Boyd crusher where high sulphides are present and identified by the logging geologist to ALS.
	• 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 Log Chief 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 Datashed. 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 units from the laboratories and then converted to a % value within the database.

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Criteria	Commentary
Location of data points	• The map projection of Map Grid of Australia 1994 - Zone 54, (MGA94-54) was used for all work undertaken for this drilling. • All drill hole collars were surveyed with a Trimble survey station. The accuracy of this instrument is 0.01m. All pick-ups were reported in MGA94-54 coordinate system. • Downhole surveys were determined using a gyro survey instrument at 12m intervals and recorded in Grid North. All holes were repeat surveyed for verification.

Table 2 Collars of the drill holes reported in this document (MGA94_Zone 54)

Hole_ID	Max_Depth	NAT_Grid_ID	NAT_East	NAT_North	NAT_RL	Local_RL
KTDD243	622.6	MGA94_54	318458	6114852	169	1169
KTDD243_W1	704	MGA94_55	318458	6114852	169	1169
KTDD244	880	MGA94_54	318588	6115021	170	1170

Table 3 Downhole survey data for the drill holes reported in this document (Azimuth is MGA94 Grid)

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Hole_ID	Depth	Survey Method	Dip	NAT Azimuth	Hole_ID	Depth	Survey Method	Dip	NAT Azimuth	Hole_ID	Depth	Survey Method	Dip	NAT Azimuth
KTDD243	0	Gyro	-80	277.8	KTDD243_W1	0	Gyro	-80	277.8	KTDD244	0	Gyro	-77.94	271
KTDD243	3	Gyro	-80.47	277.33	KTDD243_W1	3	Gyro	-80.47	277.33	KTDD244	9	Gyro	-78.38	275.1
KTDD243	12.5	Gyro	-80.13	276.43	KTDD243_W1	12.5	Gyro	-80.13	276.43	KTDD244	21	Gyro	-77.65	277.3
KTDD243	24	Gyro	-79.39	275.89	KTDD243_W1	24	Gyro	-79.39	275.89	KTDD244	33	Gyro	-77.21	277.6
KTDD243	36	Gyro	-79.65	276.34	KTDD243_W1	36	Gyro	-79.65	276.34	KTDD244	45	Gyro	-77.03	277.12
KTDD243	48	Gyro	-79.5	275.27	KTDD243_W1	48	Gyro	-79.5	275.27	KTDD244	57	Gyro	-76.56	278.41
KTDD243	60	Gyro	-79.44	276.16	KTDD243_W1	60	Gyro	-79.44	276.16	KTDD244	69	Gyro	-75.99	276.3
KTDD243	72	Gyro	-79.29	275.24	KTDD243_W1	72	Gyro	-79.29	275.24	KTDD244	81	Gyro	-75.63	276.8
KTDD243	84	Gyro	-79.04	276.19	KTDD243_W1	84	Gyro	-79.04	276.19	KTDD244	93	Gyro	-75.23	277.1
KTDD243	96	Gyro	-78.77	275.03	KTDD243_W1	96	Gyro	-78.77	275.03	KTDD244	105	Gyro	-74.92	277.2
KTDD243	108	Gyro	-78.49	275.1	KTDD243_W1	108	Gyro	-78.49	275.1	KTDD244	117	Gyro	-74.49	277.8
KTDD243	120	Gyro	-78.43	274.56	KTDD243_W1	120	Gyro	-78.43	274.56	KTDD244	129	Gyro	-74.17	277.6
KTDD243	132	Gyro	-78.23	272.81	KTDD243_W1	132	Gyro	-78.23	272.81	KTDD244	141	Gyro	-73.95	278.7
KTDD243	144	Gyro	-78.03	272.56	KTDD243_W1	144	Gyro	-78.03	272.56	KTDD244	153	Gyro	-73.7	280.2
KTDD243	156	Gyro	-77.84	271.77	KTDD243_W1	156	Gyro	-77.84	271.77	KTDD244	165	Gyro	-73.41	281.24
KTDD243	168	Gyro	-77.53	273.52	KTDD243_W1	168	Gyro	-77.53	273.52	KTDD244	177	Gyro	-73.01	281.32
KTDD243	180	Gyro	-77.18	274.32	KTDD243_W1	180	Gyro	-77.18	274.32	KTDD244	189	Gyro	-72.57	281.8
KTDD243	192	Gyro	-76.77	275.8	KTDD243_W1	192	Gyro	-76.77	275.8	KTDD244	201	Gyro	-72.1	282.7
KTDD243	200	Gyro	-76.49	275.81	KTDD243_W1	200	Gyro	-76.49	275.81	KTDD244	213	Gyro	-71.45	283.8
KTDD243	212	Gyro	-75.33	277.46	KTDD243_W1	201	Gyro	-76.47	282.01	KTDD244	225	Gyro	-70.68	284.0
KTDD243	228	Gyro	-74.3	276.71	KTDD243_W1	207	Gyro	-75.77	282.4	KTDD244	237	Gyro	-70.01	284.42
KTDD243	236	Gyro	-73.75	276.65	KTDD243_W1	213	Gyro	-75.41	283.48	KTDD244	249	Gyro	-69.34	283.6
KTDD243	248	Gyro	-73.22	276.94	KTDD243_W1	222	Gyro	-74.82	285.02	KTDD244	261	Gyro	-68.05	284.1
KTDD243	260	Gyro	-72.81	278.4	KTDD243_W1	228	Gyro	-74.49	284.62	KTDD244	273	Gyro	-66.86	285.22
KTDD243	272	Gyro	-72.45	277.71	KTDD243_W1	243	Gyro	-74.61	293.58	KTDD244	285	Gyro	-65.68	285
KTDD243	284	Gyro	-72.02	279.25	KTDD243_W1	252	Gyro	-74.23	293.36	KTDD244	297	Gyro	-64.28	286.0
KTDD243	296	Gyro	-71.2	279.27	KTDD243_W1	264	Gyro	-73.52	294.17	KTDD244	309	Gyro	-62.63	287.76
KTDD243	309	Gyro	-70.33	279.49	KTDD243_W1	270	Gyro	-73.31	295.85	KTDD244	321.3	Gyro	-61.5	286.6
KTDD243	320	Gyro	-69.47	279.05	KTDD243_W1	282	Gyro	-72.73	295.32	KTDD244	327.3	Gyro	-61.2	287.64
KTDD243	332	Gyro	-68.56	278.46	KTDD243_W1	294	Gyro	-72.01	296.6	KTDD244	334	Gyro	-61.88	287.01
KTDD243	344	Gyro	-67.31	280.13	KTDD243_W1	306	Gyro	-71.69	297.23	KTDD244	337.7	Gyro	-62.46	287.3
KTDD243	356	Gyro	-66.65	281.65	KTDD243_W1	318	Gyro	-71.24	296.61	KTDD244	340	Gyro	-62.71	284.6
KTDD243	368	Gyro	-65.46	280.67	KTDD243_W1	330	Gyro	-70.99	298.06	KTDD244	346.7	Gyro	-63.66	282.5
KTDD243	380	Gyro	-65.03	284.03	KTDD243_W1	342	Gyro	-70.44	297.42	KTDD244	352	Gyro	-65.09	281.84
KTDD243	384	Gyro	-64.57	286.57	KTDD243_W1	354	Gyro	-70.28	298.16	KTDD244	357	Gyro	-65.1	281.08
KTDD243	393	Gyro	-64.2	287.68	KTDD243_W1	366	Gyro	-69.8	298.8	KTDD244	369	Gyro	-64.73	281.2
KTDD243	408	Gyro	-63.39	286.5	KTDD243_W1	378	Gyro	-69.17	298.56	KTDD244	381	Gyro	-64.13	282.02
KTDD243	420	Gyro	-63.28	288.44	KTDD243_W1	390	Gyro	-68.82	298.45	KTDD244	393	Gyro	-63.18	282.64
KTDD243	432	Gyro	-62.32	289.12	KTDD243_W1	402	Gyro	-68.5	299.2	KTDD244	405	Gyro	-62.48	283.86
KTDD243	444	Gyro	-61.28	288.35	KTDD243_W1	414	Gyro	-68.27	298.99	KTDD244	417	Gyro	-61.31	282.29
KTDD243	456	Gyro	-60.15	288.7	KTDD243_W1	426	Gyro	-67.95	299.14	KTDD244	429	Gyro	-60.36	284.59
KTDD243	474	Gyro	-57.91	289.77	KTDD243_W1	438	Gyro	-67.78	299.34	KTDD244	435	Gyro	-60.17	284.92
KTDD243	486	Gyro	-56.12	289.28	KTDD243_W1	450	Gyro	-67.5	298.83	KTDD244	441	Gyro	-59.83	285.35
KTDD243	498	Gyro	-54.54	288.35	KTDD243_W1	462	Gyro	-67.15	297.72	KTDD244	447	Gyro	-59.34	284.02
KTDD243	510	Gyro	-52.23	289.13	KTDD243_W1	474	Gyro	-67	299.53	KTDD244	459	Gyro	-58.55	281.54
KTDD243	522	Gyro	-50.55	288.22	KTDD243_W1	486	Gyro	-66.68	298.81	KTDD244	462	Gyro	-58.28	282.34
KTDD243	534	Gyro	-48.48	289.34	KTDD243_W1	498	Gyro	-65.99	298.63	KTDD244	477	Gyro	-57.5	281.39
KTDD243	546	Gyro	-47.22	287.94	KTDD243_W1	510	Gyro	-65.41	298.68	KTDD244	486	Gyro	-56.9	283.03
KTDD243	558	Gyro	-46.48	288.44	KTDD243_W1	522	Gyro	-65.03	298.53	KTDD244	501	Gyro	-58.25	277.25
KTDD243	570	Gyro	-45.68	288.86	KTDD243_W1	534	Gyro	-64.29	296.84	KTDD244	504	Gyro	-58.08	279.88
KTDD243	582	Gyro	-44.76	289.14	KTDD243_W1	546	Gyro	-63.5	297.84	KTDD244	516	Gyro	-57.83	277.36
KTDD243	594	Gyro	-43.97	288.15	KTDD243_W1	558	Gyro	-62.98	298.74	KTDD244	528	Gyro	-57.16	278.11
KTDD243	606	Gyro	-43.28	287.12	KTDD243_W1	570	Gyro	-62.53	298.24	KTDD244	540	Gyro	-56.62	278.43
KTDD243	618	Gyro	-42.76	287.72	KTDD243_W1	582	Gyro	-61.93	296.89	KTDD244	552	Gyro	-56.03	280.36
					KTDD243_W1	594	Gyro	-61.48	298.05	KTDD244	564	Gyro	-55	279.05
					KTDD243_W1	606	Gyro	-60.95	296.46	KTDD244	576	Gyro	-54.31	278.45
					KTDD243_W1	618	Gyro	-60.38	295.68	KTDD244	588	Gyro	-53.9	278.94
					KTDD243_W1	630	Gyro	-59.44	296.49	KTDD244	600	Gyro	-53.54	279.59
					KTDD243_W1	642	Gyro	-58.79	294.7	KTDD244	612	Gyro	-52.97	279.16
					KTDD243_W1	657	Gyro	-58.09	294.89	KTDD244	624	Gyro	-52.55	279.71
					KTDD243_W1	668	Gyro	-57.31	294.58	KTDD244	636	Gyro	-52.44	277.36
					KTDD243_W1	680	Gyro	-56.38	293.25	KTDD244	648	Gyro	-52.24	278.83
					KTDD243_W1	692	Gyro	-55.8	292.74	KTDD244	660	Gyro	-51.55	277.59
					KTDD243_W1	704	Gyro	-55.46	294.12	KTDD244	672	Gyro	-51.24	278.1
										KTDD244	684	Gyro	-50.53	278.8
										KTDD244	696	Gyro	-50.24	277.76
										KTDD244	708	Gyro	-49.75	278.79

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Criteria	Commentary
Data spacing and distribution	• See Table's 2 and 3 above and Figures 4, 6 and 7 in the body of the text for drill hole locations.
Orientation of data in relation to geological structure	• All holes are angled drill holes, dipping between -69 to -33deg. All holes are oriented towards 270-301deg (MGA Grid North). • All down hole surveys are by Reflex or Axis Gyro • All core is oriented with a Reflex orientation tool where possible to do so. • 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 present for the collection of core trays from the DDH rig and is also 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 in covered trays from the drill site to Hillgrove's core yard at Kanmantoo in Hillgrove vehicles under the supervision of Hillgrove staff. • Transport of the half-sawn drill core samples is by dedicated road transport to the Adelaide sample preparation facility. All samples are transported in sealed plastic bags and are accompanied by (either paper form or by email) a detailed sample submission form. • 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.

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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 2m > 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 evaluation studies.