

Tuesday, 14 March 2023

MINE EXTENSION DRILLING TO COMMENCE AT KANMANTOO

HIGHLIGHTS

- A drill rig has been secured to continue exploration on the Kanmantoo Copper Project.
- Drilling will target both *mine life extension* opportunities down dip of the existing mine design, and additional lodes which may enable *increased annual production*. All Mineral Resource Estimates remain open at depth and along strike, and limited by the extent of drilling, not geology.
- With circa 6,000 tonnes of Resource currently not in the mine plan, a Resource upgrade pending in the June Quarter and the new drilling program, Hillgrove will be looking to extend the current 4 year mine life. This may provide significant upside leverage to the circa \$200m in after tax free cash flow generation outlined in the Updated Economic Assessment.
- Drilling to target extensions of Kavanagh Deeps and South Hub with previous intersections including:

Kavanagh Deeps

- KTDD203_W5 3.0m @ 1.11% Cu, 5.02 g/t Au from 794m:¹
(equal deepest hole at Kavanagh at 800m below surface² and open)
- KTDD198_W5 11.0m @ 1.59% Cu, 0.05 g/t Au, from 393.0m downhole and
17.3m @ 1.18% Cu, 0.09 g/t Au, from 541m downhole²
- KTDD189_W8 10.45m @ 1.12% Cu, 0.07% Au From 496.3m downhole²

South Hub - Emily Star

- KTDD233 28.75m @ 0.73% Cu including;³
5.75m @ 1.96% Cu, 0.19 g/t Au from 181.6m downhole, and
5.85m @ 1.13% Cu, 0.10 g/t Au from 159.25m downhole

- The rig is scheduled to be on site in late March and will commence drilling immediately.

¹ ASX Release 01 Sept 2021, Hillgrove Hits 166m of Copper Mineralisation at Kanmantoo

² ASX release 24 June 2021, Drillign Results Update at Kanmantoo

³ ASX Release 27 Feb 2023, New Cu-Au Zones Intersected in Kanmantoo Extensional Drilling

Kanmantoo Resource Expansion Exploration Program

Hillgrove is pleased to announce that a drill rig has been secured from DRC Drilling to continue drilling at South Hub and the Kavanagh Deeps. Hillgrove and DRC have been working together on diamond drilling programs since 2019 completing approximately 40km of drilling, over 122 separate drill holes during that time. This enduring relationship has resulted in site experienced operators with an understanding of site drilling conditions allowing for the successful completion of technically complex drill holes.

The upcoming drill program will focus on South Hub and Kavanagh Deeps targets, aiming to increase the overall resource base. Additional mineralised zones can assist to increase the number of potential working areas, and may provide additional project value through more efficient utilisation of the existing processing capacity at Kanmantoo.

Currently all resource estimates are constrained by the extent of the drilling and not by the geology, in both the strike and dip directions.



Figure 1: Drilling at Emily Star in 2022

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

“The success of the 2022/23 drilling programs in both Emily Star and North Kavanagh demonstrate that the underground resource estimates published to date are limited by drill density. With an exceptional strike rate (143 mineralised intersections from 122 holes to end 2022), and material resource upgrades from each drilling program, there is a reasonable degree of confidence that further drilling will result in additional resource definition. The current mine plan utilises only 40% of the processing capacity, and as such, any further resources that can be brought into the mine plan have potential to increase annual copper production.”

Authorised for release by the Board of Hillgrove Resources Limited.

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