



KANMANTOO PROJECT UPDATE – JANUARY 2006

Focus Group

The next Focus Group meeting will be held on the 2nd of February 2006 at 7.30pm at the Callington Community Hall. The agenda for the meeting is presented below.

The focus group has been put together from a broad base of different interest groups so most questions can be answered on the night. Any people with queries or issues are encouraged to attend this meeting.

Kanmantoo-Callington Focus Group Meeting Agenda

- 1. Welcome and new introductions**
Attendance and apologies
Designated Champions and Gallery
- 2. Notes of previous meeting**
Action items
- 3. New business**
Presentation / update of the project
- 4. Standing items**
Reports from champions
 - Communication package- Dale Ferguson;
 - Newsletter – Lyn Stokes / John Popow;
 - Environmental issues – Harry Seager / Andrew Crompton / Ben Simons/ Kevin Keller/ Greg Sarre
 - Landowners directly affected – Alex Wells
 - Wider community – Peter McCormack
 - Heritage and history- Katherine Roberts / Ray Warren
 - Regional Development – Bob Goreing
- 5. Any other business**
- 6. Next meeting and close**



ASX Release 24th January 2006

Hillgrove recently made a release to the Australian Stock Exchange (ASX) providing an update on current exploration activities. This release highlighted the intersection of two new high-grade zones along the eastern margins of the old Kanmantoo Pit and zones of weak to moderate mineralisation close to the northern margins of the old pit. Drilling is now being planned to further evaluate these areas to better understand their potential and their possible impact on the economics of the project. This work is likely to be completed over the next 1-2 months.

Current Exploration Focus

Work during December and January focused on drill testing some of the newly identified IP targets to the north and south of the old Kanmantoo pit and due south of the pit towards the freeway. In addition several new structural targets identified in the old pit itself were drill tested. Final results from this work are due in by early February. These results will then be evaluated and any additional exploration work planned.

The air magnetic survey over the whole tenement area is currently suspended due to maintenance requirements of the contractors helicopter. To date we have completed over 8,000 line km's of the proposed 10,000 line km's, with the remainder of the work scheduled for completion in February at this stage. This data will then be processed and interpreted to help identify areas, which may require some further exploration work.

February Work Programme

Work programs in February will focus largely around the old Kanmantoo Pit. This work will involve the use of both an RC and diamond drilling. The small track mounted diamond rig will be used in hilly areas to ensure any earth works can be kept to a bare minimum. While this work is underway the drill rigs will be visible from Mines Road from time to time.

Work will also commence on interpreting the air magnetic data, which has been collected to date. It is hoped that this work will significantly aid in the understanding of the formation of the Kanmantoo copper mineralisation.



Consulting With Relevant Parties

Hillgrove is mindful of landowner and other stakeholder concerns, and every effort is being made to consult and liaise with all relevant

parties before any work programs commence.

All our exploration activities will be conducted in accordance with PIRSA guidelines and we continue to make every effort to ensure the small areas where we do work are rehabilitated very rapidly.

Local Community

Hillgrove has been assisting the local economy for some time through the employment of five local field staff and we utilise Hahndorf-based John Nitschke Drilling Pty Ltd for all our exploration drilling. We anticipate that further staff will be required over the coming months and local people will be given priority for these positions.



How To Contact Us

If you have any queries or would like further information on our work program please contact Hillgrove's Landholder Liaison Officer, John Popow, by calling **0427 131 018** or via email to johnp@hillgroveresources.com.au, or alternatively Exploration Manager Dale Ferguson on **(08) 9322 6377** or email to dalef@hillgroveresources.com.au.

We have added a community section to our website which provides an outline of our activities in the area. A landholder information section is now being developed and is scheduled to be added in November at: www.hillgroveresources.com.au.

If you wish to contact Primary Industry and Resources South Australia (PIRSA), who are the government body who regulate mining and exploration in South Australia, please call Ian Hopton on **(08) 8463 3182** or email Hopton.Ian@saugov.sa.gov.au. If you have any queries on regulation issues try Rob Shaw on **(08) 8463 3129** or by email to Shaw.Rob@saugov.sa.gov.au.

If you would prefer to have an emailed copy of the newsletter please go to the website and fill in your details under Project News which is part of the Kanmantoo Community sections. The direct link is www.hillgroveresources.com.au/Kanmantoo/KanmantooProjectNews

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