

## **A Report From Hillgrove Resources Limited**

### **Kanmantoo “On Track”**

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Welcome to the May edition of the Kanmantoo Project Update, which reports on progress highlights during the past month in our bid to reopen the Kanmantoo Copper/Gold Mine.

Among this month’s stories our Senior Project Geologist, John Brennan, provides an update; we report on the Callington United Eagles and our continuing sponsorship, and highlight another of our valuable employees at Kanmantoo.

We welcome your feedback and story ideas which can be given to our editor, Stephen Marlow, whose contact details appear on the last page.

### **From Hillgrove’s Managing Director:**

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Hillgrove Resources was well represented at South Australia’s most important mining conference – the SA Resource and Energy Investment Conference – at the end of April.

Our Corporate Booth attracted a steady flow of visitors, representing both investors and our peers in the mining industry, all of whom were keen to hear the latest news on the Kanmantoo project.

Our Executive Director – Exploration & Operations, Dale Ferguson, gave a very well received presentation on the project. Dale told the conference that the initial mining inventory of 12 million tonnes supports a minimum 6.5 year mine life for Kanmantoo, with the potential to extend this mine life to more than 10 years with further successful exploration and identifying further base metal reserves in the Kanmantoo Trough.

Additional exploration work will be carried out over some 500 square kilometres of tenements which are 100% owned by Hillgrove. These include many copper, gold and base metal occurrences. Work to date has defined a number of interesting prospects at Wheal Ellen, Mt Torrens, Mt Rhine and Kanappa.



David Archer

The construction work at Kanmantoo is scheduled to begin in October and will take about 12 months, after which time production can begin.

*David Archer  
Managing Director*

## **Project News – Grade Control Drilling Program**

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The Kanmantoo Geology Team are about to start a trial 'Grade Control' drilling program at Emily Star. The trial will see drilling occurring over the next week or two using a self contained, track mounted rig.

Grade Control is the process by which the mine geologists delineate the ore and waste boundaries. The geologists then monitor every step of the mining process to ensure the ore is mined cleanly, with minimal ore loss and minimal 'dilution' with waste rock.

The drilling program will differ from past programs in that it will be very closely spaced (5m by 5m grid pattern), and will only extend to 20m below the surface.

The information obtained from the program will be used to optimize future drill spacing for the other areas to be mined. The drilling program will also provide the geologists and mine planning staff with a lot more information regarding the grade and continuity of the ore, so there will be no surprises during the mining process.

*John Brennan  
Senior Project Geologist*



Track mounted, Tamrock Gator RC drill rig

## Site News

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Activities during the month have largely focused on studies relating to the detailed engineering for the plant design and finalising the responses from the Mining Lease Proposal (MLP) public consultation period.

Work is continuing on other preparation activities, such as the grade control test program and other optimisations for the project. Whilst the grade control test program is underway there will be a drill rig visible to the south of the old pit at the Emily Star prospect.

## Sponsorship of Callington United Eagles Football Club

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A recent win against Macclesfield has seen the Callington Eagles edge into 6<sup>th</sup> place on the same number of wins as 5<sup>th</sup> placed Meadows in a year where the standard of footy in the Hills Country League appears to have gone up a gear. To be a serious finals contender the Eagles now need to beat Meadows in the coming weeks.

Hillgrove is one of the sponsors who play a vital role in keeping country clubs like Callington United afloat and the club itself says the community spin-offs are enormous.

The annual Hillgrove Cup against Echunga is to be played on May 31<sup>st</sup> at Callington oval. Echunga are sitting in 4<sup>th</sup> place with four wins and one loss so taking the Cup will be a challenge but still a very winnable game at home.

The Eagles are always on the lookout for supporters, volunteers and players. Diary dates for locals include an Intimo Lingerie Presentation on July 26<sup>th</sup>; and a cocktail evening on August 9<sup>th</sup>.

*Bill Filmer (Vice President)  
Callington United Eagles Football Club*

## Staff Member of the Month – Richard Bradey

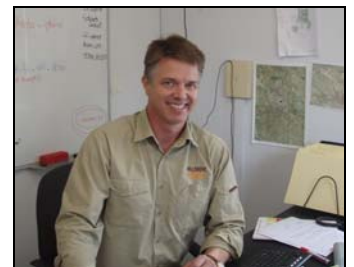
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Hello, I am the Site Manager at Kanmantoo and responsible for the geology side of mine development and exploration. This basically means ensuring optimum grade ore arrives at the mill for processing and that more resources are found to extend the mine life. The outcome is to achieve the best use of both our mineral resource and our mining expenditure for as long as possible.

I have previously held similar roles in the start up of new mines at; Tick Hill with MIM in Queensland, Benambra Mine with Denehurst in Victoria, as well as recommencement of operations at old mines at Mount Magnet with Hill50Gold in WA and at Mount Gordon with Western Metals in NW Queensland. This role is my first mining related job in South Australia which is my home state.



Callington United Eagles  
Vs Macclesfield



Richard Bradey,  
Site Manager

Since relocating from Brisbane for this role, I've set up home with my wife, Leanne and our two kids in Bridgewater, a short walk from the Mill. Outside of work I enjoy sailing with my family. The fleet currently comprises two sailboards but I'm working on the next craft, a National E which offers a more sedate form of cruising.

*Richard Bradey  
Site Manager*

## How to Contact Us

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There are many ways to stay informed about the progress of the program, or seek additional information. Key contacts are:

Landholder Liaison Officer	John Popow	0427 131 018	<a href="mailto:johnp@hillgroveresources.com.au">johnp@hillgroveresources.com.au</a>
Project Manager	Marty Adams	0439 670 045	<a href="mailto:martya@hillgroveresources.com.au">martya@hillgroveresources.com.au</a>
Executive Director – Exploration & Operations	Dale Ferguson	08 9481 1433	<a href="mailto:dalef@hillgroveresources.com.au">dalef@hillgroveresources.com.au</a>
Community Consultative Committee Secretariat; Newsletter editor	Stephen Marlow	08 8431 5907 0409 600 557	<a href="mailto:marcomms@bigpond.net.au">marcomms@bigpond.net.au</a>

The Kanmantoo Project section on our website provides sections on the community, local committees, project news including past copies of the newsletter, and current employment opportunities. The direct link is <http://www.hillgroveresources.com.au/Kanmantoo/KanmantooCommunity/>

Contacts for Primary Industry and Resources South Australia (PIRSA), the government body who regulate mining and exploration in South Australia, are:

PIRSA	Sam Walker	08 8463 3088	<a href="mailto:walker.sam@saugov.sa.gov.au">walker.sam@saugov.sa.gov.au</a>
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PIRSA's website is [www.pir.sa.gov.au](http://www.pir.sa.gov.au) and provides a wealth of useful information including the *Mining Act 1971*, prescribed forms, mines regulation and other detail.

**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](http://www.hillgroveresources.com.au/Kanmantoo/KanmantooProjectNews)**