

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

### **Kanmantoo project progress**

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

This month we focus on project news; we have an update from the Kanmantoo Callington Community Consultative Committee and we highlight another of our valuable employees at Kanmantoo.

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

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

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We have had another busy month on the project as we continue to work on the final licensing, but what I am finding particularly encouraging is seeing the long lead items ordered over a year ago starting to arrive on site, as reported in recent editions of the Newsletter. The project development timing is working in well, with deliveries of the Mill equipment continuing over the next few months, licensing progressing and decisions on the best balance of project finance being finalised, with all expected to converge in October.

At the same time we are growing our most important resource – our highly professional team of people – and I am pleased that they are contributing to this Newsletter with their monthly profiles.

Our project development will continue to be reported in the Newsletter so you – as a stakeholder in the project – are kept up to date with these developments in a timely and factual way. We have updated our project Information Sheets within the past month, a copy of which is available from Stephen Marlow if interested and also our website, another important means of keeping you in touch, will be updated again in August.



David Archer

*David Archer  
Managing Director*

## Project News

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### Resource drilling recommenced in July

Further resource development work is underway at the Kanmantoo site with the recommencement of reverse circulation (RC) drilling. The drill worked at several sites during July in and around the old open cut mine.

Pictured is the rig located on the oxide ore stockpile testing parts of the O'Neil Ore Zone below. The program is being conducted to convert remaining inferred resources to indicated and thus further increase the confidence in the initial mining inventory.

The sequence of drilling has been determined to ensure that wherever possible, weekend drilling takes place down within the pit to minimise impact on neighbouring properties.

This program has already successfully met program objectives with further robust copper–gold intersections.

Results to date have been very encouraging with better results returned including:

- KTDD150: 17m @ 1.33% Copper, and 0.43g/t Gold (Main Zone)
- KTRC637: 15m @ 1.52% Copper, and 0.17g/t Gold from 36m (Emily Star)
- KTRC633: 16m @ 1.34% Copper, and 0.10g/t Gold from 29m (Emily Star).

### Extensional Drilling

Results from extensional resource drilling have highlighted further copper-gold mineralisation and the potential for a further increase in the current resource base.



RC Drill rig operating at the O'Neil Zone

## Kanmantoo Callington Community Consultative Committee (KCCCC) update

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I understand from speaking with Hillgrove and PIRSA, that the permitting process at the centre of the KCCCC consideration of the Mining Lease Proposal (MLP) is progressing and decisions are expected by the last quarter of 2008.

The latest step in the process has been the release of Hillgrove's response to the many issues raised by the KCCCC and other community members, when we considered the MLP.

This response document is available on the PIRSA website at [http://www.pir.sa.gov.au/minerals/mining\\_regulation/emerging\\_projects\\_work\\_in\\_progress/kanmantoo#documentation](http://www.pir.sa.gov.au/minerals/mining_regulation/emerging_projects_work_in_progress/kanmantoo#documentation)

Like everyone, I notice that a project of this scale is not a simple exercise and involves lots of different aspects including company structure considerations and financing, to name just two. I understand that all these matters are progressing concurrently with the PIRSA consideration of the MLP.

From the KCCCC point of view, I have asked Hillgrove and PIRSA to ensure that the community is fully informed of any decisions as soon as they are available. I have offered to reconvene the Committee as soon as there is an agenda of interest for the community.

I look forward to our next KCCCC meeting in the near future where consideration will need to be made as to the role of the KCCCC and whether the current structure is appropriate to undertake whatever functions are agreed with the Committee and the wider community.

*Bob Goreing  
KCCCC Chairman*

## Staff Member of the Month – Sarah Gibbons

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Hi, I am a Project Geologist at Hillgrove Resource's Kanmantoo Copper Project and I have been with the company for 18 months. My job involves the supervision of drilling rigs whilst they are on site along with data validation and interpretation.

At the moment I am working on data interpretation of our grade control drilling which is exciting as we are getting closer to production.

I live in Adelaide and don't mind the commute to Callington every day, enjoying being able to go home every night to spend time with my family and friends. When I am not at work I am usually pottering around in the garden or in the kitchen baking.



Sarah Gibbons

## 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)**