

KANMANTOO PROJECT UPDATE – AUGUST 2008

A Report From Hillgrove Resources Limited

Kanmantoo Project Progresses

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

This month we focus on the progress of our development plans with PIRSA, project news 'on the ground' 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:

This month I can report that Hillgrove's response to the second phase of our Mining Lease Proposal advertising has been completed and submitted to PIRSA where it is currently being processed.

Various government departments are working through the quite detailed document which responds to the excellent inputs from the community and interested parties. Progress is steadily moving towards the granting of the Mining Lease and defining the conditions that will apply to the Lease. All of this is being ably coordinated by the team at PIRSA.

The process is necessarily lengthy to ensure that all aspects and impacts of the Kanmantoo Project are fully understood by all the stakeholders.

I hope to be able to report more news on the Mining Lease and licensing progress next month.



David Archer

*David Archer
Managing Director*

Environmental Planning

As part of the Hillgrove Environmental Management System (EMS), we have developed a series of standards which outline the minimum requirements in the management of subjects such as waste, dust, biodiversity, noise and water.

The EMS and its associated plans have been developed to meet the requirements of the legislation and commitments made as part of the approval of our mining lease process plus Hillgrove's own ideas so that Kanmantoo is a showcase for what the mining industry can achieve.

This EMS provides procedures to be followed during the construction and operation of the project. Hillgrove staff will all be responsible for ensuring that all project activities are undertaken in full compliance with statutory regulations and are consistent with Hillgrove's environment policy, systems and management plans.



Point 2: view looking SSE at proposed area of Emily Star pit



Point 5: existing waste rock facility and location of proposed process plant

Project News

A milestone was reached this month when the mining tender was distributed to invited tenderers. This followed a previously conducted pre-qualification process and site visit. Twelve organisations were involved in the site visit reflecting the keen interest in the Kanmantoo Project and perhaps the South Australian mining industry in general.

In addition many service providers have shown interest in being involved in the Kanmantoo Project, either through the mining contractor or to Hillgrove direct. If you wish to obtain further details the current list of participants can be found under 'Kanmantoo Project News' on the Hillgrove website.

Tender submissions close mid-September with the successful mining contractor expected to be decided upon in late October, for mobilisation in January 2009 subject to receipt of final regulatory approvals.

Site Visits

This month Hillgrove hosted a tour of the Kanmantoo Mine Project site by a group of 17 Certificate I in Resources and Infrastructure Operations students. The students also visited Terramin's Angas Mine and the Mindarie Mine operations.

The students are taking part in the "School and Beyond Program", helping students who are leaving school with their career choices. This was a welcome continuation of the program at Kanmantoo, with other students having also toured the site.

Another group of visitors to the site this month was the Adelaide Hills SES. Three members of the group – Jason and Sandy Mann, and Mathew Rowley – were given a tour but unfortunately due to poor weather conditions on the day this was somewhat restricted.

Hillgrove is committed to continuing to build its relationship with the SES and fully supports its valuable community role.



School & Beyond Tour with Richard Bradey presenting



Adelaide Hills SES: Jason & Sandy Mann and Mathew Rouley pictured

Staff Member of the Month – Dave Schmitz, Mining Manager

I joined Hillgrove relatively recently, at the end of April this year. The opportunity to be involved in a project that is steeped in mining history, and South Australian history at that, was too good an opportunity to miss. To be part of a project that will play a small part in increasing the wealth of South Australia is also something to be particularly proud of, and it is with this backdrop that I can say it is truly a pleasure to have joined the Kanmantoo project.

There is much to look forward to as well, as we progress toward mining and construction. The challenge of bringing the project on line, participating in the local community and being part of the team releasing the first shipment of concentrate is an exciting prospect.

When I'm not talking shop I enjoy time with family and friends, enjoy the outdoors, whether it be in the Hills, somewhere else in Australia or overseas.

There is always something to look at and be fascinated by.



Dave Schmitz,
Mining Manager

How to Contact Us

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	johnp@hillgroveresources.com.au
Project Manager	Marty Adams	0439 670 045	martya@hillgroveresources.com.au
Executive Director – Exploration & Operations	Dale Ferguson	08 9481 1433	dalef@hillgroveresources.com.au
Community Consultative Committee Secretariat; Newsletter editor	Stephen Marlow	08 8431 5907 0409 600 557	marcomms@bigpond.net.au

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	walker.sam@saugov.sa.gov.au
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PIRSA's website is 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