

Tuesday, 2 June 2020

UNDERGROUND DRILLING PROGRAM RECOMMENCES

The Board of Hillgrove Resources Limited (Hillgrove, the Company) (ASX:HGO) reiterates the current focus of the business is the evaluation of the underground mining project at Kanmantoo which, if successful, is a path forward to return the Company to cash generation as quickly as possible.

The underground mining project presents the best opportunity to resume production in the near-term for relatively low capital investment due to the existing open pit haul road to 360m depth to act as a decline for access to the underground resource, the availability of the low cost processing facility, the approved expansion of the tailing storage facility and the other infrastructure and utilities at the mine site.

A drilling program that commenced in March 2020 to continue the evaluation of the underground opportunity was temporarily postponed to secure the health of our staff, contractors and community, and to preserve cash amid the uncertainty within the broader investment community created by COVID-19.

Since then, Hillgrove has continued to advance discussions with a number of parties regarding funding for the underground project.

In order to progress the underground project while these discussions are being finalised, the Board now wishes to advise the drilling program to evaluate the underground opportunities recommenced yesterday (1 June 2020).

The program will focus on evaluating the depth extensions of the Kavanagh lodes as intersected in the 2019 drill program (ASX releases 30 October 2019 and 5 November 2019) and commence evaluation of the Nugent ore lodes, both of which could be accessed via the Giant pit haul road.

Authorised for release by:

Mr Lachlan Wallace
CEO & Managing Director
Tel: +61 8 7070 1698