

Monday, 25 November 2013

CHANGES TO THE HILLGROVE RESOURCES BOARD

Hillgrove Resources Limited (ASX: HGO) today announces the following changes to its Board.

Following major improvements in performance and a record production of copper in concentrate of the Kanmantoo Mine operations during the last quarter, the Board has commenced a strategic review of the Company. The strategic review covered areas of corporate development and the Board skills and experience required to meet the next phase in the Company's development.

Changes to the Board include John Quirke retiring after over eight years on the Board, effective as at 25 November 2013. In addition, The Hon. Dean Brown, AO will retire as Chairman of the Board in the first half of next year, after a new Chairman has been selected. Dean Brown has been Chairman of the Board for the past seven years. The Board has also decided it will reduce the number of Directors by one over the next six months through the rotation process.

Dean Brown thanked John Quirke for the pivotal role he played in securing South Australian Government approval for the Kanmantoo Mine project to proceed. He said: "John was one of the early Directors that helped develop the company with the then MD David Archer, developing a major shareholding in the Gunnedah coal seam gas project through Eastern Star Gas and the exploration of the Kanmantoo site."

Dean Brown also advised the Board has appointed Mr Maurice Loomes to the Board effective as at 25 November 2013. Mr Loomes has a Bachelor of Commerce (Econ Hons) and has over 40 years of experience in the investment industry gained across many industries including roles at Bain and Company, Industrial Equity Ltd, Westmex Ltd, Guinness Peat Group PLC and many others. He has also held numerous directorships of public companies including Tower Ltd, CIC Australia, The Colonial Motor Group Company, Tyndall Australia Ltd and Guinness Peat Group PLC to name a few. Mr Loomes is currently a Non-Executive Director of Ariadne Australia Ltd (a significant shareholder of Hillgrove Resources) and Calliden Ltd where he also serves as Chairman of the Audit Committee.

Dean Brown said "I welcome Maurice Loomes to the Board as a very experienced corporate analyst and investment specialist with considerable corporate Board experience. He will assist in adding value to the Company for shareholders."

"Hillgrove Resources now has the Kanmantoo Mine operating to forecasts on a monthly basis, having successfully transferred the management and operation of the mining operations in-house with some specialist contractors. Copper production increased by 25% in the last quarter compared to the previous quarter. This has marked the transition from an exploration company to an effective copper/gold/silver producer."



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ABOUT HILLGROVE

Hillgrove Resources is an Australian mining company listed on the Australian Securities Exchange (ASX: HGO) focused on the operation of the Kanmantoo Copper Mine in South Australia, and with exploration projects on its Indonesian tenements. The Kanmantoo Copper Mine is located less than 55km from Adelaide in South Australia. With construction completed in late 2011, Kanmantoo is an open-cut mine which has now ramped up to a throughput of 2.8Mtpa, to produce approximately 80,000 dry metric tonnes of copper concentrate containing 20,000t copper and associated gold and silver per annum.

Kanmantoo Global Mineral Resource Estimate at end February 2013

	JORC 2012 Classification	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)
In Situ Resource	Measured	2.63	0.88	0.10	1.95
	Indicated	21.77	0.82	0.23	2.21
	Inferred	5.0	0.67	0.13	1.79
		29.46	0.80	0.20	2.11
Long Term Stockpiles	Measured	1.39	0.46	N/A	N/A
	Indicated	0.50	0.18	N/A	N/A
		1.89	0.39	-	-
	Total	31.30	0.78	0.20	2.11

Note: In Situ Resource >0.20% Cu, Long Term Stockpiles >0.15% Cu.

Kanmantoo Global Mineral Reserve Estimate at end February 2013

	JORC 2012 Classification	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)
In Situ Reserve	Proven	2.5	0.77	0.08	1.7
	Probable	18.2	0.72	0.20	2.0
		20.7	0.73	0.18	1.9
Long Term Stockpiles	Proven	1.4	0.46	N/A	N/A
		1.4	0.46	-	-
	Total	22.1	0.71	0.18	1.9

Note: In Situ Reserve >0.20% Cu. Long Term Stockpiles >0.15% Cu.

Competent Person's Statement

The information in this release that relates to Mineral Resources is based upon information compiled by Mrs Michaela Wright, who is a Member of The Australasian Institute of Mining and Metallurgy. Mrs Wright is a full-time employee of Hillgrove Resources Limited and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)'. Mrs Wright has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears.

The information in this release that relates to Mineral Reserves is based upon information compiled by Mr Steven McClare, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr McClare is a full-time employee of Hillgrove Resources Limited and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)'. Mr McClare has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears.