

Monday, 25 May 2015

NEW CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR FOR HILLGROVE RESOURCES

Hillgrove Resources Limited (ASX:HGO) is pleased to announce that Mr Steven McClare has been appointed as the new Chief Executive Officer and Managing Director of Hillgrove Resources Limited, effective 27 May 2015.

By agreement, Mr Greg Hall will be stepping down as Chief Executive Officer and Managing Director on 26 May 2015.

The Chairman of Hillgrove, The Hon. Dr Dean Brown, AO, welcomed Mr McClare to the Hillgrove Resources Board and said, "The Board is delighted with Mr McClare's appointment and believes he has the right experience and qualifications to guide Hillgrove Resources into its next phase of development. The Board has renewed its strategic focus on mine-site operations at Kanmantoo and Mr McClare's previous role as General Manager - Kanmantoo Copper Mine makes him uniquely positioned to provide the direction and operational oversight to increase production and develop Hillgrove's exploration activities".

Mr Brown said, "The Board thanks Mr Hall for his leadership during the preceding two and a half years as Chief Executive Officer and Managing Director and for his substantial contribution to our business during that time".

"Greg commenced as Chief Executive Officer and Managing Director in February 2013 and has guided the Company through a number of recent successes, including moving the mining operations to Owner Operated which delivered significant productivity and cost improvements, delivering consistent performance above nameplate for the processing plant, and recommencing exploration in the Kanmantoo region. We wish him well for the future."

Mr Steven McClare – Biography

Mr McClare joined Hillgrove in September 2012 to oversee operations at the Kanmantoo Copper Mine.

Previously the Deputy General Manager, then Head of Mining Operations for Newcrest Mining's Cadia Valley Operations, Steve has spent a significant portion of his career constructing, ramping up and optimising mining operations, including Telfer, Cadia Hill, Ridgeway Deeps and Cadia East for Newcrest, and Callie for Newmont.

Steve's background includes management of Normandy's White Devil Mine, and also various roles within Mount Isa Mines and a work/study Mining Engineering Cadetship with Western Collieries when he joined the industry in 1989.

Terms of Appointment

Steve's appointment as Chief Executive Officer and Managing Director of Hillgrove will commence from 27 May 2015, and his employment will continue until terminated by either party in accordance with the terms of his agreement. Steve's executive employment agreement contains provisions which are typical for a contract of this nature.

HILLGROVE RESOURCES LIMITED

Steve will receive a total fixed remuneration of A\$500,000 per annum, which includes compulsory superannuation, which will be reviewed annually. The notice periods for resignation or termination remain unchanged. Steve will also be eligible to participate in STI and LTI offers in line with Board policy.

For more information contact:

The Hon. Dean Brown, AO

Chairman

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ABOUT HILLGROVE

Hillgrove 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.

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 Ore 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 Ms Michaela Wright, who is a Member of The Australasian Institute of Mining and Metallurgy. Ms 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)'. Ms 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 Ore 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.