



Mining

Copper bounty just keeps growing for Hillgrove at Kanmantoo

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Hillgrove Resources has boosted the copper resource at the Kavanagh deposit at its Kanmantoo mine in South Australia, highlighting its potential to go stronger for longer at the underground mine.

Kavanagh's copper metal inventory has increased by 13% since 2021 after new drill results from September 2021 and March 2022 were included, including 5.75 million tonnes at 1.1%

copper and 0.1g/t gold for 61,000t of copper metal.

Importantly, 77% of the resource, including 47,900t of copper metal is either measured or indicated categories of confidence, high enough to include in an economic ore reserve.

This now takes the total resource at Kanmantoo, which includes the Kavanagh and Nugent deposits, to a total of 69,600t of copper metal. This is expected to further increase, with the Nugent Mineral Resource Estimate expected to be released in the near future.

Each additional tonne adds immense value for Hillgrove (ASX:HGO) at the moment given copper's central role to the energy transition and will add additional mining inventory the Stage 1 plan.

Analysts think the metal is likely to be in a major deficit which will increase over the course of the decade as demand for copper in electric vehicles and renewable energy infrastructure rises.

Prices are well above US\$9,000/t, levels rarely seen outside of the mining boom.

Kavanagh to add life, tonnes to mining inventory

Hillgrove CEO and managing director Lachlan Wallace says the latest drilling at Kavanagh is expected to bolster the mining inventory at Kanmantoo, 55km southeast of Adelaide.

"The latest drilling has increased the Kavanagh Mineral Resource Estimate in both size and geological confidence," he said.

"We expect the mining inventory to grow as these results are incorporated into the mine plan."

The total Kanmantoo resource including the Kavanagh and Nugent orebodies is now approaching 70,000t of copper. The areas where the copper ore has been drilled are important too.

These areas are in the upper levels of the mine, meaning they will be mined early in the mine plan and enable early cash flow.

"The upgrade in resource classification reflects the increased drill hole density in the upper levels of Kavanagh," Wallace said.

“Increasing the geological confidence in this area is a noteworthy achievement as these levels are mined early in the plan and determine the recommencement of processing and early cash generation.

“Importantly, the resource is constrained only by the extent of the drilling and remains open along strike and down-dip, providing an excellent opportunity to further increase the resource with further drilling.”

Next steps

Drilling will be ongoing at Kanmantoo to support the continued growth of the operation, where the refinement of the mine plan, selection of a mining contractor and debt funding are being lined up to put Hillgrove in a position to make a final investment decision.

The next steps for the evaluation of the Kavanagh copper-gold mineralisation include an updated economic assessment based on the new 2022 resource estimate and an update of the Nugent resource estimate including results from 24 holes in recent drilling.

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