



First copper(s): Hillgrove is closer to underground mining at Kanmantoo

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Hillgrove's continuous mining trial at its Kanmantoo copper project is making progress with Komatsu successfully completing the portal for the primary decline. PYBAR has now been engaged to extend the decline through traditional drill and blast practices to bring forward first ore.

The contractor's new electrically-powered MC51 continuous miner has now started cutting the ventilation drive while the company has received the first \$0.8m tranche provided by the South Australian government's Jobs and Economic Growth Fund to trial, then drive new underground mining technology.

Hillgrove Resources (ASX:HGO) will receive the remaining \$1.2m from the Fund in mid-2022 at the conclusion of the trial, following which the completed portal and decline will be used for future underground mine access to reduce the already short timeframe to first copper.

To date, the trial has resulted in decline and portal quality superior to traditional drill and blast methods with virtually no damage to the backs and walls though progress has been slower than anticipated.

With copper prices near record levels and in anticipation of a positive investment decision, the company has engaged mining contractor PYBAR to advance the decline and establish underground drilling platforms using tried and tested drill and blast practices.

First copper

The work will begin this week and will bring forward stope definition drilling, which is on the critical path to first copper.

"The mechanical cutting technology being tested at Kanmantoo has yielded some very encouraging results from a safety and quality point of view," managing director Lachlan Wallace said.

"It has also enabled us to establish the portal and initial section of the decline without any blasting, which prevents any potential blast related impacts to our neighbours.

"I am excited to be continuing the trial with a second portal cut which will also double as a future ventilation drive for the underground mine."

"With project finance discussions proceeding to definitive documentation stage, we have engaged one of Australia's most experienced underground contractors to ramp up the decline development using traditional drill and blast methods order to bring forward the potential timing of first copper production."



Exceptional quality walls within the decline. Pic: Supplied

Kanmantoo copper-gold mine

The Kanmantoo copper-gold mine produced 137,000 tonnes of copper in concentrate from a series of open pits between 2011 and 2020.

Hillgrove pivoted towards underground mining after noting that all of the mined lodes were very steeply dipping and had continued beyond the base of the pits, the deepest of which reached a depth of 360m.

While it does represent a different mining method, underground mining will still benefit from a fully-permitted site, strong community support, and having all required infrastructure – including a 3.5 million tonne per annum process facility – already in place.

Underground exploration has thus far supported the company's push with drilling continuing to deliver wide zones of copper mineralisation.

This was recently highlighted by assays from the final four surface diamond holes drilled in late 2021 into the Kavanagh copper-gold system returning results such as 36.5m grading 1.76%

copper from 367.7m downhole and 15.3m at 2.15% copper from 471m within a broader 97m zone grading 0.69% copper.

The wide zones intersected have also led the company to consider increasing annual copper production above those presented in its Stage 1 plan last year as it is not expected to require additional capital or permitting,

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