

Monday, 2 August 2010

FURTHER DRILLING SUCCESS AT MASU PROJECT, SUMBA

Hillgrove Resources Ltd (ASX:HGO) is pleased to announce further gold intersections from drilling on the Pahandanjal East Vein Prospect, Masu Project, Sumba Island, Indonesia.

Highlights

- Two gold-mineralised zones intersected at shallow depths;
- MADPH013:
 - **13.65m @ 2.00 g/t Au, 23.45 g/t Ag** from 14.05m, **including 1.05m @ 7.16 g/t Au, 72.1 g/t Ag** from 18.4m;
 - **7.75m @ 1.49 g/t Au, 10.81 g/t Ag** from 35.95m;
- Drilling confirms the presence of higher grade mineralisation within broader gold mineralised breccia zone;
- Larger rig mobilized to site – deeper drilling beneath these intersections is planned.

Drilling has now confirmed shallow-dipping gold mineralisation on the Pahandanjal East Vein over at least 300m of strike length, which remains open at each end.

Hillgrove is currently mobilising a second drilling rig to begin deeper holes beneath shallow gold mineralisation encountered in the East Vein.

Table 1: MADPH013 Drill Hole Location and Significant Intercepts

Hole ID	Easting Z51S	Northing Z51S	RL (m)	Azimuth (°)	Dip (°)	Depth	Intercept			Au (g/t)	Ag (g/t)
							From (m)	To (m)	width (m)		
MADPH013	203944	8881320	655	240	-50	124.95	14.05	27.7	13.65	2.00	23.45
						<i>including</i>	18.4	19.5	1.05	7.16	72.1
							35.95	43.7	7.75	1.49	10.81

Note: Gold assays determined by averaging up to 3 repeats using 50gm Fire Assay method
 Silver values calculated from multi element sweep using ICP analytical method
 Intercepts calculated using 0.5g/t Au cutoff, maximum 2m internal waste
 East Sumba datum: WGS84 Zone 51 Southern Hemisphere

Commenting today on these results, CEO Drew Simonsen said “*These enticing additional assays relate to our initial drilling campaign on Sumba, the results of which were contained in our announcement to the market on July 27th. They complement the consistently good grades and intersections we have already encountered, adding weight to our current expectations we are dealing with a large mineralised system.*

“*These results confirm the prospectivity of the area and further encourages our decision to commit additional resources to the Project. Our next work program on Sumba is now underway and will no doubt benefit considerably from a second, larger, drill rig being deployed.*



About the Sumba Project

Sumba is located in the province of East Nusa Tenggara and is south of the islands of Flores and Sumbawa in Indonesia. An Exploration Mining Business License (in Indonesian, an Izin Usaha Pertambangan or 'IUP') has been awarded to Hillgrove's Indonesian joint venture partner, PT Fathi Resources. The IUP (322/KEP/HK/2009) has been granted for a term of six years and permits exploration for metals, gold and other associated minerals over an area of 999km². Hillgrove has an 80% economic interest in the Project. The IUP encompasses highly prospective ground which has been shown to contain identified zones of gold and base metal mineralisation.

About Hillgrove

Hillgrove is an Australian mining company listed on the Australian Securities Exchange (ASX: HGO) focused on developing its Indonesian and Australian base and precious metals projects. The Company is targeting the discovery of world class epithermal gold and porphyry copper/gold deposits in Eastern Indonesia.

Hillgrove's flagship development is the Kanmantoo Copper Mines, located less than 55km from Adelaide in South Australia. Kanmantoo currently hosts a Mineral Resource of 32.2Mt (2.3Mt Measured, 22.5Mt Indicated and 7.4Mt Inferred) grading 0.9% copper and 0.20g/t gold, containing 292,200 tonnes of copper, 191,100 ounces of gold and 3,313,600 ounces of silver. With completion of construction targeted for 2011, Kanmantoo will be a 2.4MT per annum open-cut mine producing approximately 20,000 tonnes of copper in concentrate and 10,000 ounces of gold per annum.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Jim Kerr, who is a Member of The Australasian Institute of Geoscientists. Mr. Kerr is General Manager – Exploration for Hillgrove Resources and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Kerr consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimates is based on information compiled by Mr Paul Payne, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Runge Limited and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Figure 1. Masu Project, Eastern Zone Trenching and Drill Hole Location Plan

