

Thursday, 19 August 2010

DETAILS OF CEO/MANAGING DIRECTOR'S REMUNERATION

In accordance with ASX Listing Rule 3.1 Hillgrove Resources Limited (ASX:HGO) advises the material terms of Mr Drew Simonsen's remuneration following his appointment as Managing Director and Chief Executive Officer.

Duration of the Contract

Mr Simonsen is employed under a three (3) year contract.

Remuneration

(i) Fixed Remuneration – Mr Simonsen's Total Fixed Remuneration (TFR) is \$600,000 per annum inclusive of compulsory superannuation contributions. The TFR will be reviewed annually by the Board.

(ii) Short Term Incentive (STI) – The range of Mr Simonsen's annual STI payment is between 0% and 100% of his Total Fixed Remuneration. The actual STI payment will be determined by the Board in its discretion, taking into account the extent to which Mr Simonsen has met quantitative and qualitative performance objectives set by the Board. STI payments will be in cash.

(iii) Long Term Incentive (LTI) – Mr Simonsen will participate in the LTI program applying to HGO executives via the Company's Employee Share Option Plan (ESOP). Subject to the Board's recommendation, he will receive performance rights up to a total value of 100% of his Total Fixed Remuneration per annum. The performance rights will vest after three years based on a mix of 50% for specific performance criteria and 50% for Total Shareholder Return. Mr Simonsen's LTI awards will be subject to shareholder approval.

Termination of Employment

Both HGO and Mr Simonsen may terminate his employment at any time by giving not less than 6 months' written notice. In each case HGO may pay the fixed remuneration for the balance of the notice period in order to bring an earlier end to Mr Simonsen's employment.

Non-Competition and Non-Solicitation

After termination of Mr Simonsen's employment for any reason, he may not be involved in any business in competition with HGO for 6 months. This restriction applies to Australia and any country where HGO's activities contribute more than 10% of total assets.



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 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.

For more information contact:

Mr Russell Middleton
Chief Financial Officer
Hillgrove Resources Limited
Tel: 02 8221 0404