

Monday, 28 June 2010

RESIGNATION OF MANAGING DIRECTOR AND APPOINTMENT OF INTERIM CEO

Hillgrove Resources Limited (ASX:HGO) advises that Mr. David Archer has decided to resign as Managing Director effective 30 June 2010 for personal reasons. He will remain as a non-executive director.

The Chairman of Hillgrove, The Hon. Dean Brown AO, said today "David has been the Managing Director of Hillgrove since its corporate reconstruction in early 2003. In that time he has led the growth of the company into a well established and profitable company which is now poised to develop its flagship asset, the Kanmantoo Copper Mine. The Board accepts his resignation with regret and fully understands his reasons for his decision".

"The Board thanks him for his outstanding leadership and development of the company over the last seven and a half years. The company is in a very sound financial position with more than \$100 million in cash and exciting new exploration projects in Indonesia" Mr Brown said.

"The Hillgrove Board has appointed Mr. Drew Simonsen as interim Chief Executive Officer whilst it seeks a replacement Managing Director. Drew brings a depth of relevant experience to the company".

David Archer said "I have enjoyed working with Dean, my fellow directors and the management and staff of Hillgrove. We have a terrific team that will continue to support the growth of the company's business. Being involved in the growth and success of Hillgrove has been immensely satisfying; however, the role has required extensive travel and long absences from my family".

The interim CEO, Drew Simonsen, is a mining engineer, financier and a non-executive Director of Highlands Pacific Limited. He was the Global Head of Energy & Resources, Telecommunications & IT for Westpac Banking Corporation where he worked for over 15 years. Prior to Westpac, he worked for Bank of America in Australia, the USA and Hong Kong for 10 years including roles as Vice President Project Finance, Director of Investment Banking, Director of Corporate Banking and Director of Financial Markets. Drew has been involved with many resource project financings including those for the Ok Tedi and Bougainville mines. Drew has also worked for CRA Ltd (now Rio Tinto) in mining engineering roles.

An executive search firm has been engaged to undertake the search for a replacement Managing Director.

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About Hillgrove

Hillgrove is an Australian mining company listed on the Australian Securities Exchange (ASX: HGO) focused on developing its Indonesian, South Australian and Queensland 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 Mine, 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 the first quarter of 2011, Kanmantoo will be a 2.4MTPA 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.

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