HILLGROVE RESOURCES

Monday, 14 December 2009

ADDITIONAL GOLD ZONES IDENTIFIED AT PAHANDANJAL PROSPECT, SUMBA

Hillgrove Resources Limited (ASX: HGO) is pleased to announce further results from the ongoing exploration program at the Sumba Project, Indonesia (Figure 1).

Results from the trenching programs on the Western Vein system at Pahandanjal were released on the 10 December 2009, and results have now been received for some of the trenching conducted on the Eastern Vein system and from the reconnaissance rock chip/ float sampling completed at both Pahandanjal and North Pahandanjal Prospects.

Highlights:

- **High grade gold identified in trench results from the southern end of the Eastern Vein system including: 14m at 6.97g/t gold and 10.7g/t silver;**
- **Broad zone of gold anomalism identified in trench results from northern end of the Eastern Vein system over the area of Hillgrove's previously reported gold in soil anomaly including: 46m at 1.01g/t gold, 5.21g/t silver, and 46m at 1.02g/t gold, 2.63g/t silver;**
- **High grade rock chip/ float samples taken from the Western Vein System including peak assays of 139g/t gold, 415g/t silver and 7.8% lead (not same sample);**
- **High grade rock chip samples taken from the eastern vein system with peak assays of 40g/t gold and 22.9g/t silver;**
- **High grade rock chip samples taken from North Pahandanjal Prospect with peak assays of 58g/t gold and 133g/t silver.**

Results from the program continue to highlight the potential for multiple drill targets both at Pahandanjal and the neighbouring prospects which should be ready for drill testing in early 2010.

David Archer, the Managing Director of Hillgrove Resources said today "the results we have received to date have been highly encouraging and it appears that a variety of mineralisation styles may be present. While there are narrow high grade lodes within the vein systems that are of obvious interest, the broad alteration zones with low grade gold are also of major significance".

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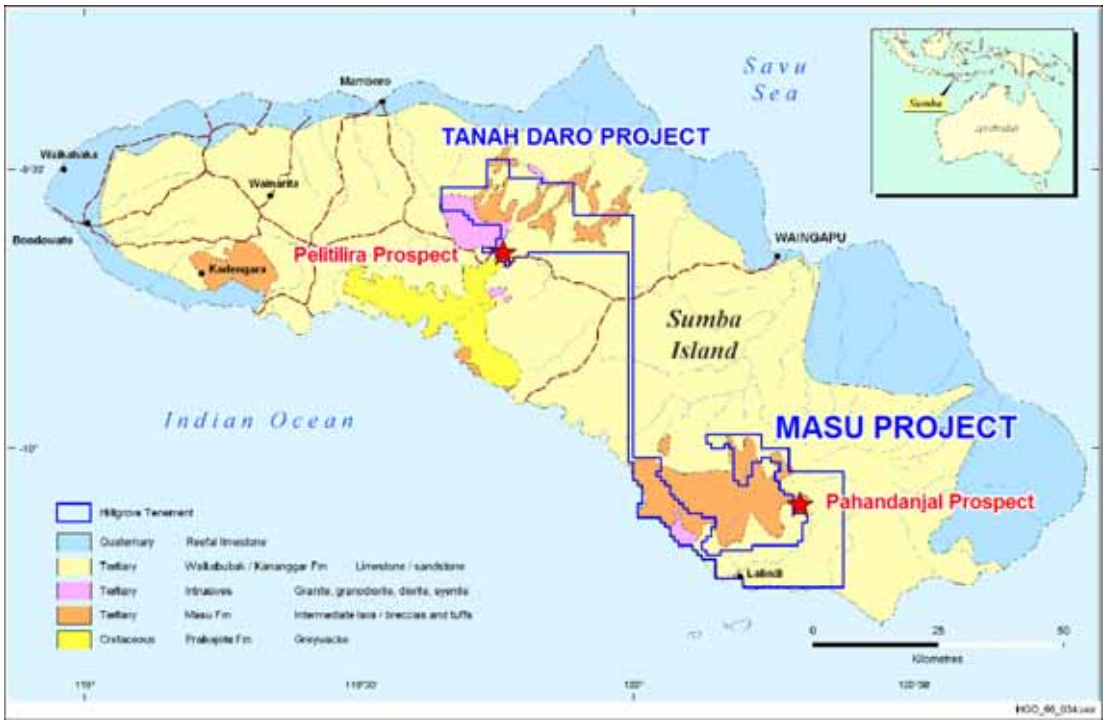

Figure 1. Map showing basic geology, project areas, main prospects and IUP tenement boundary for Sumba (2010)

Masu Project

The Masu Project is located in South East Sumba and has been the principal focus for exploration activities in 2009 (see Figure 1).

Pahandanjal Prospect- Eastern Vein

Trenching at the southern end of the Eastern Vein system confirmed the presence of a high grade zone at an interpreted structural intersection. Results are shown in Figure 2 and Table 1 which includes the following:

- **FT18: 14m at 6.97g/t Gold and 10.74g/t Silver including 4m at 10.18g/t gold and 15.05g/t Silver and 2m at 9.29g/t gold and 10g/t silver.**

The Eastern Vein system strikes approximately NNW and outcrops over at least 600m, but exhibits multiple intersecting lodes which vary from ENE to ESE. As with parts of the Western Vein system, trench results also indicate that there is a low grade alteration halo to many of the lodes. The ENE and WNW trending lodes generally occur as brecciated and disseminated low grade zones, with higher grades at structural intersections.

Previously reported results from Hillgrove's 2008 field program included the identification of a 200m x 200m gold in soil anomaly peaking at 0.67g/t gold at the Pahandanjal Prospect. Significant results to date from follow-up trenching of this anomalous zone have proven that a broad zone of low grade gold mineralisation exists in this area. Results include:

- **FT12: 46m at 1.01g/t Gold,5.21g/t Silver incl. 20m at 1.35g/t Gold, 7.89g/t Silver**
- **FT21A: 46m at 1.02g/t Gold and 2.63g/t Silver (not all results received)**
- **FT13: 74m at 0.5g/t Gold and 3.19g/t Silver.**

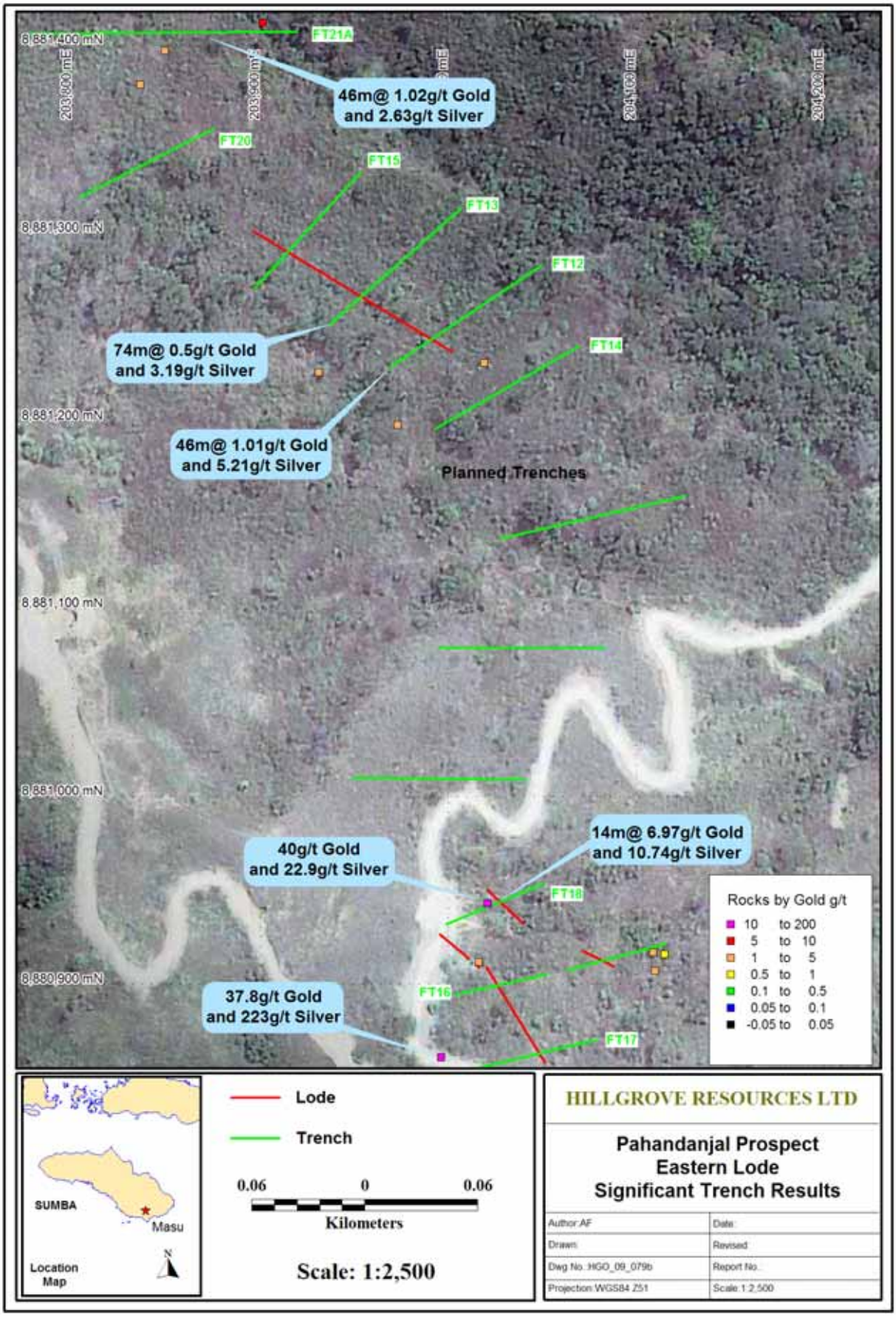

Figure 2. Map showing Significant Intercepts from Trench and Rock chip sampling on the Eastern Lode at Pahandanjal Prospect, 2009

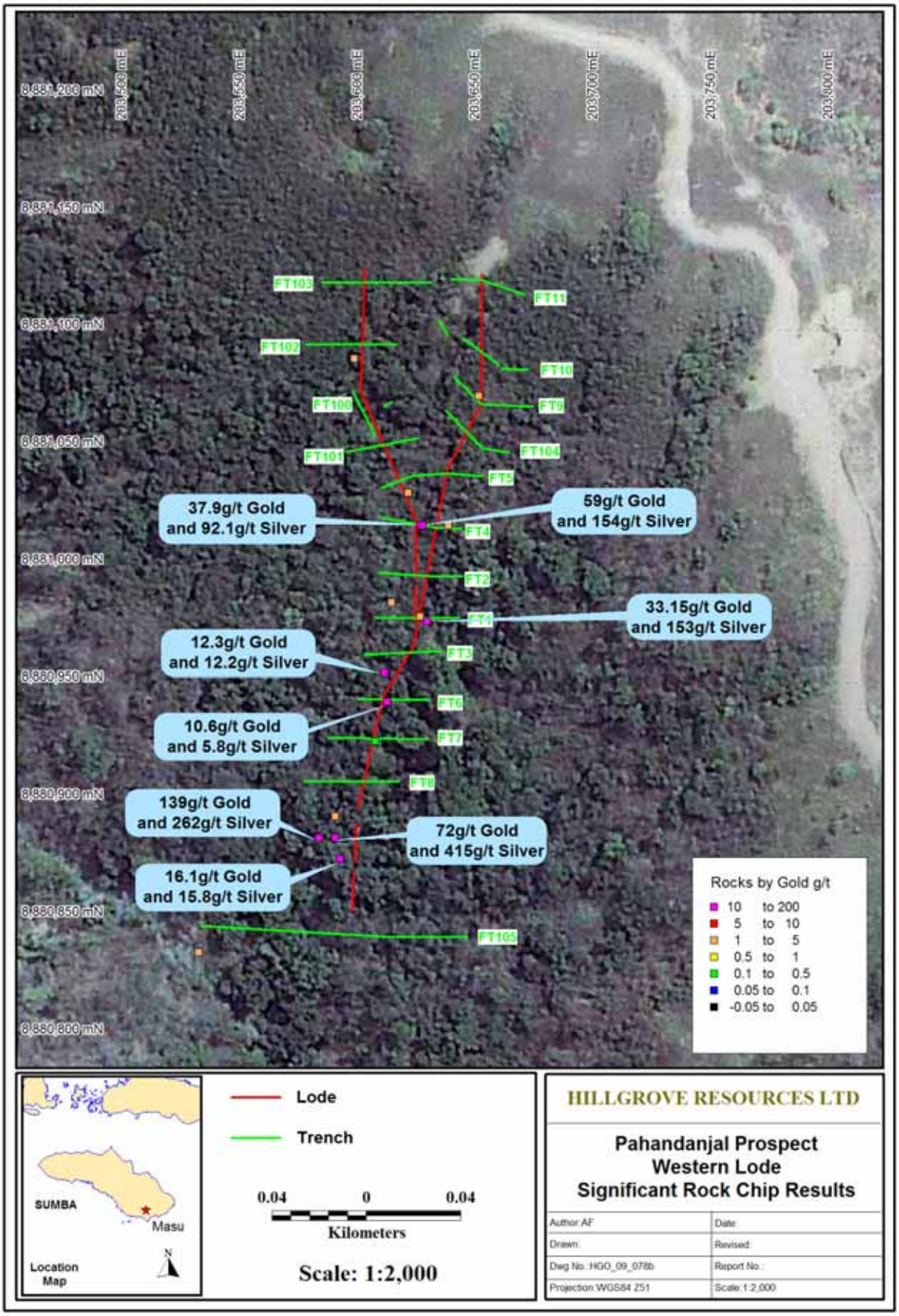

Figure 3. Map showing Significant Intercepts from Rock chip/ Float sampling on the Western Lode at Pahandanjal Prospect, 2009

Pahandanjal Prospect – Western Vein

Results from trenching on the Western Vein system have already been quoted in a previous release, but recent rock chip/ float sampling has continued to confirm the prospectivity of this vein system for high grade gold mineralisation (see Figure 3 and table 2).

Rock chip/ float samples have returned peak assays of up to 139g/t gold, 415g/t silver and 7.8% lead and point towards a dynamically evolving epithermal system that may exhibit vertical zonation in mineralisation style and grades.

Grades generally seem to be improving to the south of the Western lode and this corresponds to a drop in R. L.

Examples of the differing epithermal textures observed for the Western Vein system are shown in the two high grade samples in Plate 1 and 2.

Figure 4. Strong silica-kaolin breccia float, far South Western Vein, Pahandanjal

Note: Scree is generally too thick in this area to trench, however there is a silica float train which follows the rough ~N-S trend of the lode, which exhibits strong epithermal textures. The presence of strong kaolin clasts within banded white-grey silica indicates a dynamically evolving epithermal system; this sample assayed 139ppm gold, 262ppm silver.

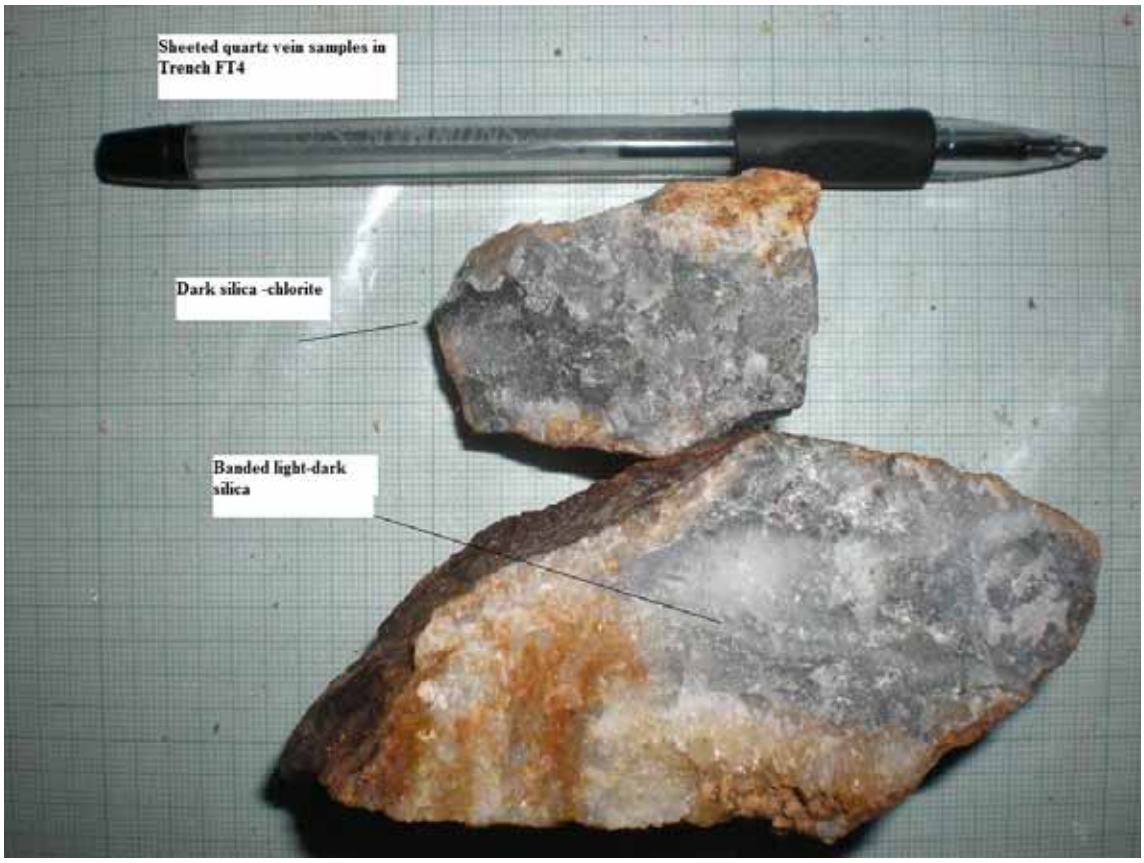

Figure 5. Banded dark silica-chlorite and possible ginguro ore textures, assayed 59g/t Au, 154g/t Ag in character-sampling of sheeted veinsets in FT4 (a zone of 4m at 10.04g/t Au)

North Pahandanjal Prospect

Reconnaissance rock chip sampling and soil sampling has been completed over this prospect area which contains north striking vein systems similar to Pahandanjal.

Peak assays from rock chip sampling here include one sample that returned 58g/t gold and 133g/t silver. This satellite prospect requires more detailed mapping and sampling prior to potential drill testing.

Both the Western and Eastern Vein systems will be the subject of an upcoming program of diamond drilling in 2010. Both vein systems strike approximately ~N-S but also exhibit fairly extensive low grade halos which extend some distance into the country rock, and there is the potential for larger tonnage of low grade mineralisation peripheral to the main lodes.

Trenching has confirmed that the Pahandanjal Prospect has the potential to host multiple, fracture-controlled vein systems of comparable grades and dimensions to epithermal low sulphidation systems mined elsewhere in the Indonesian archipelago.

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 Gold Project, located less than 60km 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 production targeted for the first quarter of 2011, Kanmantoo will be a 2MT p.a. open-cut mine producing approximately 17,000 tonnes of copper in concentrate and 8,000 ounces of gold per annum.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Adam Freeman, who is a Member of The Australasian Institute of Geoscientists. Mr. Freeman is a Geology manager 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. Freeman 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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Table 1. Significant Trench Results from the Eastern Vein, Pahandanjal (December, 2009)

Trench No.	UTM E	UTM N	To	UTM E	UTM N		Interval	Gold g/t	Silver g/t
FT12	203967	8881230		204033	8881279		**46m**	**1.01**	**5.21**
						incl.	**20m**	**1.35**	**7.89**
FT13	203931	8881258		2004002	8881302		74m	0.50	3.19
						Incl.	60m	0.57	3.68
FT14	203990	8881194		204051	8881240		**NSR**		
FT15	203900	8881271		203945	8881325		64m	0.39	2.38
						Incl.	10m	0.58	1.56
						and	10m	0.51	4.22
FT16	Results not yet received								
FT17	204006	8880850		204073	8880865		**8m**	**1.22**	**2.67**
						and	**4m**	**1.16**	**5.55**
FT18	204002	8880983		204051	8880941		**18m**	**5.70**	**9.03**
						incl.	**14m**	**6.97**	10.74
						incl.	**4m**	**10.18**	15.05
						and	**10m**	**2.91**	**7.64**
						incl.	**2m**	**9.29**	10.00
FT20	Results not yet received								
*FT21A	203877	8881414		203948	8881352		**46m**	**1.02**	**2.63**
						incl.	**14**	**2.27**	3.19
						Incl.	**2m**	**7.95**	3.70
	*Not all results received for trench FT21A								

Note: Gold values are derived from an average of up to 5 repeats using fire assay method.
Silver values are derived from a multi element sweep using ICP method.
Datum used for East Sumba is WGS 84 Zone 51.
Red highlighted intervals based on 6g/t Au cut-offs averaged over the interval. Yellow highlighted trench Intervals are based on 1g/t Au cut-offs averaged over the interval.
NSR: no significant result.

Table 2. Significant results from rock chip and float sampling, Pahandanjal, September-December 2009

Project	Prospect	Sample No.	Sample Type	UTM E	UTM N	Au g/t	Ag g/t	Cu g/t	Pb g/t	Zn g/t
Masu	Pahandanjal Eastern Vein	001503	float	204019	8881231	1.37	3.6	78	122	375
Masu	Pahandanjal Western Vein	001504	rock chip	203624	8880978	3.58	2.4	157	303	391
Masu	Pahandanjal Western Vein	001505	rock chip	203627	8880976	**33.15**	**153**	689	1540	1950
Masu	Pahandanjal Eastern Vein	001506	rock chip	203836	8881379	1.63	**38.5**	93	3380	47
Masu	Pahandanjal Eastern Vein	001507	float	203849	8881397	1.51	6.8	179	233	65
Masu	North Pahandanjal	001513	float	204194	8882413	4.65	**38.1**	49	593	132
Masu	North Pahandanjal	001514	float	204355	8882506	1.79	3.3	20	87	23
Masu	North Pahandanjal	001515	float	204211	8882138	2.55	11.9	430	3230	337
Masu	Pahandanjal Eastern Vein	001524	rock chip	204110	8880907	1.19	1.2	18	71	44
Masu	Pahandanjal Eastern Vein	001525	float	204109	8880917	1.13	5.8	92	803	648
Masu	Pahandanjal Eastern Vein	001526	rock chip	204115	8880916	0.88	1.1	40	51	300
Masu	Pahandanjal WesternVein	001527	rock chip	203609	8880954	**12.23**	12.2	237	401	96
Masu	Pahandanjal Western Vein	001528	rock chip	203596	8881088	1.64	2.7	28	1060	1090
Masu	Pahandanjal Western Vein	001530	rock chip	203649	8881072	2.45	4.8	43	3790	729
Masu	Pahandanjal Western Vein	001531	rock chip	203612	8880984	4.07	4.7	24	36	16
Masu	Pahandanjal Eastern Vein	001532	float	204021	8880943	**40**	**22.9**	22	220	17
Masu	Pahandanjal Eastern Vein	001536	rock chip	204016	8880912	2.26	**39.6**	**1860**	2080	445
Masu	Pahandanjal Eastern Vein	001537	float	203931	8881226	1.06	17.9	53	1090	34
Masu	Pahandanjal Eastern Vein	001538	float	203973	8881198	4.84	18.6	82	147	43
Masu	Pahandanjal Western Vein	001539	rock chip	203624	8881017	**59**	**154**	583	**2.7%**	3090
Masu	South Pahandanjal	001542	float	206146	8880640	1.14	13.5	**1350**	2340	2590
Masu	Pahandanjal Western Vein	001543	rock chip	203619	8881031	1.24	3.8	74	119	54
Masu	Pahandanjal Western Vein	001546	rock chip	203625	8881017	**37.9**	**92.1**	316	743	726
Masu	Pahandanjal Western Vein	001547	rock chip	203636	8881017	2.03	6.2	66	396	59

Masu	Pahandanjal Eastern Vein	001549	rock chip	203901	8881412	**5.26**	18	254	179	33
Masu	Pahandanjal Western Vein	001553	float	203530	8880835	1.20	**160**	**1020**	**7.8%**	**7820**
Masu	Pahandanjal Western Vein	001555	float	203581	8880884	**139**	**262**	401	660	698
Masu	Pahandanjal Western Vein	001556	float	203610	8880942	**10.6**	5.8	63	180	61
Masu	Pahandanjal Western Vein	001557	float	203605	8880925	0.49	1.5	90	454	606
Masu	Pahandanjal Western Vein	001558	rock chip	203588	8880893	2.28	5.9	79	1770	307
Masu	Pahandanjal Western Vein	001559	float	203590	8880875	**16.1**	**15.8**	**1040**	1600	2270
Masu	Pahandanjal Western Vein	001560	float	203588	8880884	**72**	**415**	263	1070	701
Masu	Pahandanjal Eastern Vein	001562	float	203996	8880861	**37.8**	**223**	146	598	375
Masu	Pahandanjal Eastern Vein	001563	rock chip	203740	8881357	**5**	5.3	79	479	112
Masu	North Pahandanjal	001564	rock chip	204146	8881846	**58**	**133**	**1340**	4420	519
Masu	North Pahandanjal	001565	rock chip	204140	8881861	1.46	8.5	564	2330	**5780**

Note: Gold values are derived from an average of up to 5 repeats using fire assay method.
Silver, lead, copper and zinc values are derived from a multi element sweep using ICP method.
Datum used for East Sumba is WGS 84 Zone 51.