

Monday, 1 November 2021

PORTAL CUT AT KANMANTOO UNDERGROUND DECLINE

HIGHLIGHTS

- The underground decline at Kanmantoo commenced last Friday, with the world's first portal cut using transformational continuous mining technology that is being developed by Komatsu Australia ("Komatsu").
- The continuous mining technology removes the need for blasting, which has the potential to transform the traditional underground development process and result in improved safety and operational performance. With the Komatsu MC51 being 100% electrically powered, the continuous mining being pioneered at Kanmantoo is a crucial step towards zero emission mining.
- The establishment of the underground drilling platforms accelerates and reduces the cost of the current drilling program, with the decline doubling as future infrastructure for the Kanmantoo Underground, bringing forward potential first copper production and reducing future development costs.

Hillgrove Resources Limited (Hillgrove, the Company) (ASX:HGO) is pleased to announce that the Kanmantoo Underground decline has commenced using the Komatsu MC51 continuous miner which has the potential to be safer, greener and more efficient than the traditional drill and blast development process.

Commenting on the commencement of the decline, Hillgrove CEO and Managing Director, Lachlan Wallace said:

"The development of the underground decline and establishment of underground drilling platforms is a key milestone in the Kanmantoo Underground development program – with the underground drill platforms accelerating and reducing the cost of the upcoming drilling program, and the decline bringing forward the potential restart of copper production and further reducing what is already a low-cost mine development."

"We are also excited to advance the mine development in a way that leads the industry towards zero-emission mining, which is without question the way of the future."

Hillgrove secured a \$2m grant from the South Australian Government and favourable payment terms from Komatsu, which sees no payments until funding for the mine development is secured. The deferred and contingent nature of the agreement and grant funding results in minimal cash outflow to Hillgrove whilst the Company focuses on the drilling program.

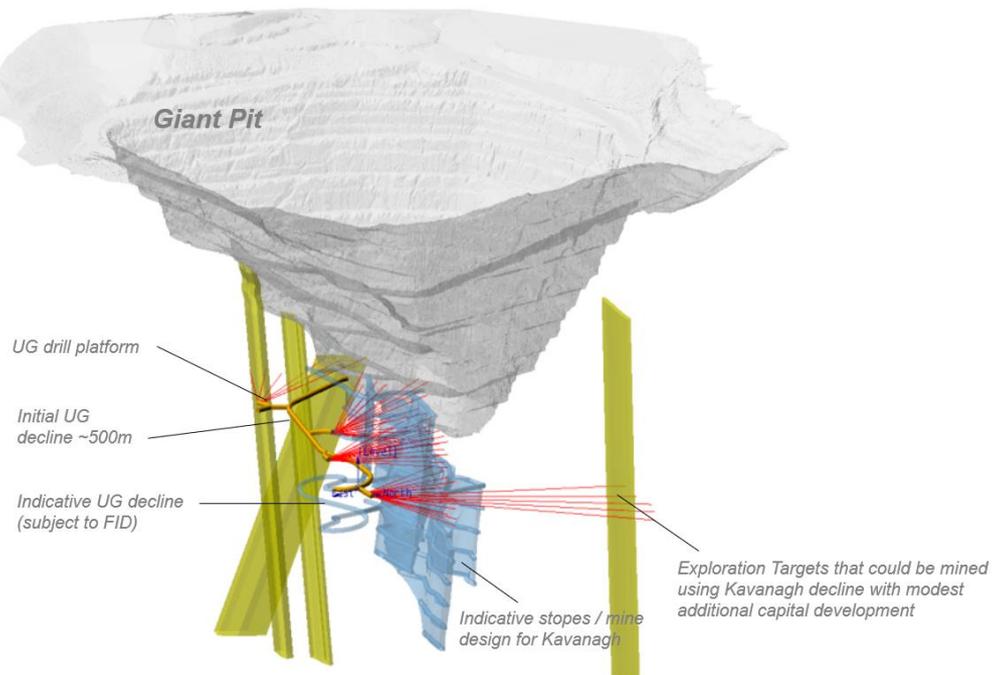
Figure 1 Komatsu MC51 cutting portal



Figure 2 Komatsu MC51



Figure 3 Decline to establish underground drill platforms and serve as future infrastructure for the Kanmantoo Underground



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