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CONTINUING HIGH GRADE WHEAL ELLEN DRILL RESULTS

Individual assays up to 16.35% zinc, 11.97% lead, 5.6g/t gold and 120g/t silver

Diamond Drilling Programme Underway

Hillgrove Resources Limited (ASX:HGO) advises that all results have now been received from the remaining 12 holes from the recent 22 hole, reverse circulation drill programme at the wholly owned Wheal Ellen prospect. The latest intersections have demonstrated the continuity of high grade polymetallic mineralisation which remains open both along strike and at depth.

Better results include:

- **4m @ 7.47% zinc, 1.52% lead, 23.5g/t silver and 2.98g/t gold in WHRC034.** This includes 2m @ 11.88% zinc, 2.15% lead, 36g/t silver and 1.83g/t gold
- **2m @ 8.79% zinc, 6.26% lead, 63.25g/t silver and 3.39g/t gold in WHRC035.** This includes 1m @ 16.35% zinc, 11.97% lead, 120g/t silver and 5.6g/t gold
- 3m @ 6.09% zinc, 2.91% lead, 50.67g/t silver and 2.95g/t gold in WHRC040.

The RC drilling programme of 22 holes targeted down dip extensions below Spences and Scotts Shafts (figure 2). The continuity of wide high grade mineralisation intersected below Scotts Shaft bodes well for the potential at depth.

A diamond drilling programme is now underway to test the dip and strike extensions of mineralisation. The programme comprises an initial 2,000 metres of drilling, but it is anticipated that this may be extended on the basis of continuing good results.

Mr David Archer, the Managing Director of Hillgrove said today "Wheal Ellen continues to meet our expectations of developing into a high grade polymetallic resource. The grades continue to be robust with very good gold and silver credits and there is excellent potential to extend the mineralisation along strike and down dip".

About Wheal Ellen

The Wheal Ellen Prospect (EL 3232 Hillgrove 100%) is located 40km east south east of Adelaide and 8km north of Strathalbyn, and 7km along strike from the Angas silver-lead-zinc mine (see Figure 1). Wheal Ellen is named after the historic silver-lead-zinc mine at the centre of the tenement which was worked primarily in the 1850's and produced an estimated 75,000 tons at an overall grade of 25% zinc, 20% lead and 12oz/ton silver.

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The information in this report that relates to Exploration Results is based on information compiled by Mr Dale Ferguson, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ferguson is the Director – Exploration and Operations of 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 Ferguson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

About Hillgrove

Hillgrove is a listed Australian resources company on the Australian Stock Exchange (ASX: HGO) focused on developing its South Australian base and precious metals projects.

The Company possesses an exploration portfolio covering over 970km² within the Kanmantoo Trough and the Gawler Craton, recognised among Australia’s most prospective regions for copper and gold.

Hillgrove’s key asset is the Kanmantoo Copper Gold Project, located less than 60km from Adelaide on the site of a former mine. Kanmantoo currently hosts a JORC-compliant Inferred Resource of 33.4Mt grading 0.9% copper and 0.20g/t gold, containing 290,000t of copper and 216,900oz of gold. With first production targeting early 2009, Kanmantoo will be a 2Mtpa operation producing approximately 19,000t copper in concentrate and 6,000oz of gold per annum.

Hillgrove also holds a number of strategic positions in emerging energy and resources companies, including a fully diluted 25.7% shareholding in coal seam gas company Eastern Star Gas (ASX:ESG) and a 31.0% shareholding in South Australian-focussed explorer InterMet Resources (ASX:ITT).

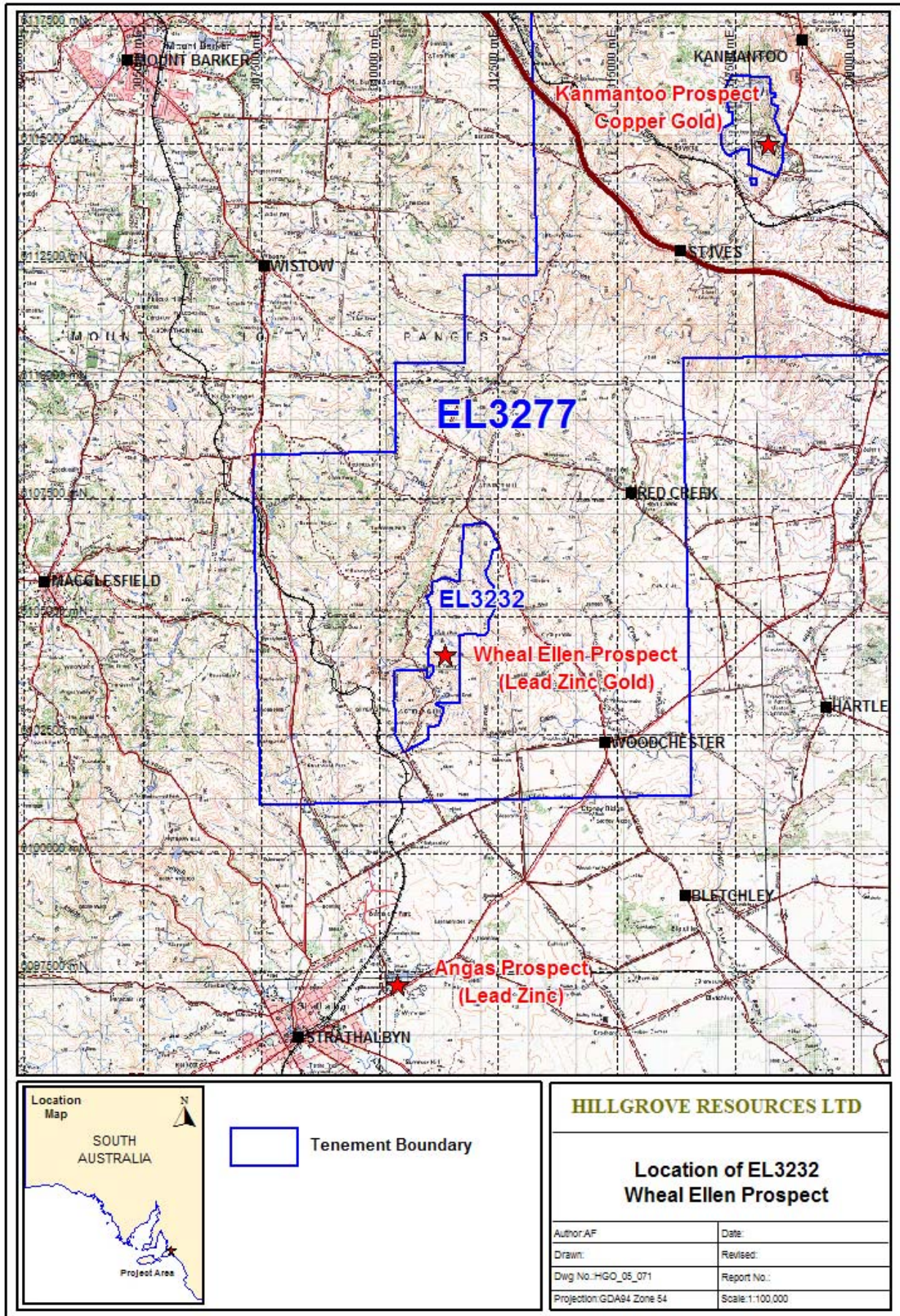
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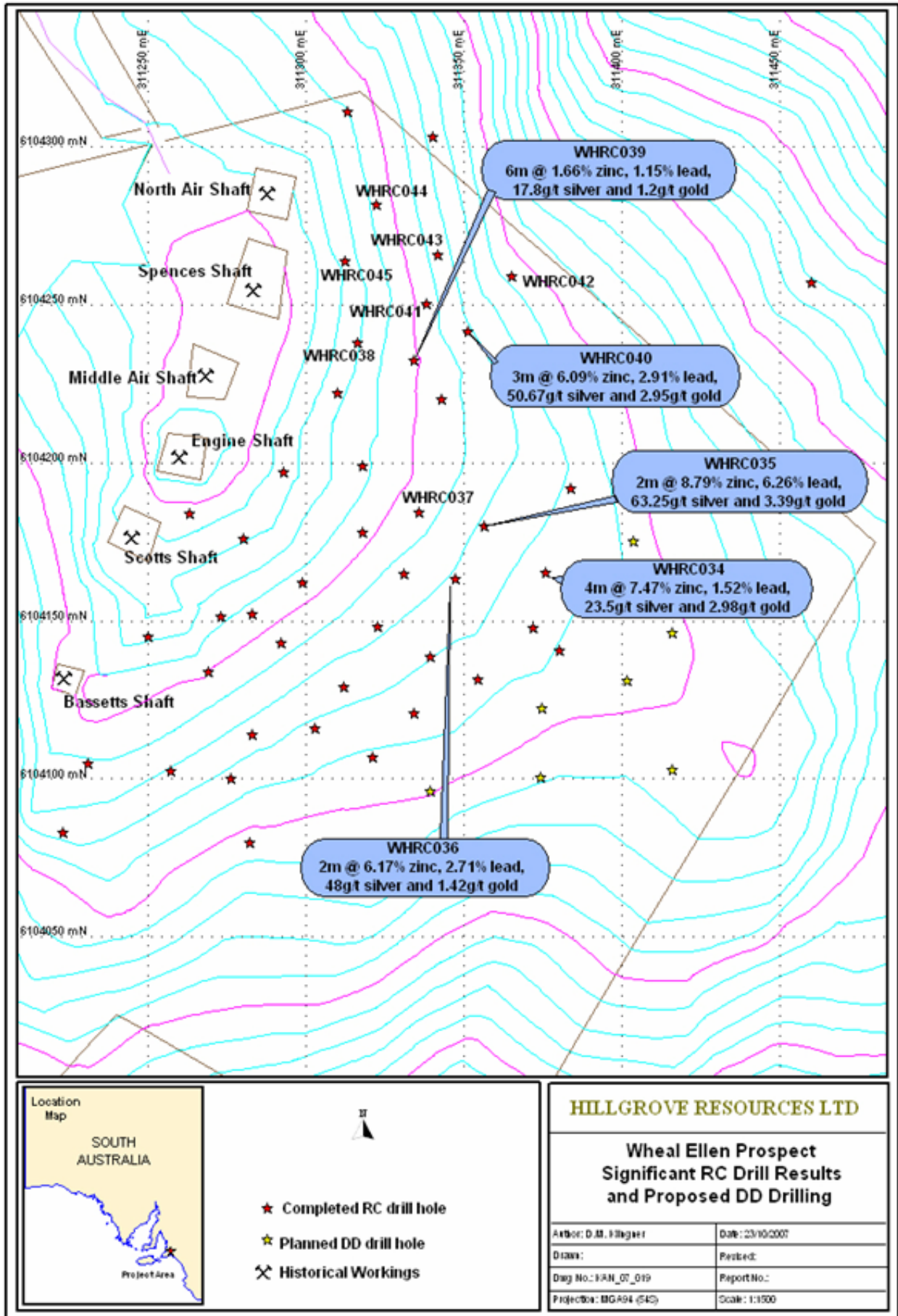
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Figure 1: Location of Wheal Ellen Prospect



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Figure 2: Significant Intercepts and Planned Diamond Drilling



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Table 1. Summary of Significant Intercepts from Wheal Ellen RC Drilling

Hole ID	Intercept
WHRC034	4m @ 7.47% zinc, 1.52% lead, 23.5g/t silver and 2.98g/t gold from 107m
	Including 2m @ 11.88% zinc, 2.15% lead, 36g/t silver and 1.83g/t gold from 108m
WHRC035	2m @ 8.79% zinc, 6.26% lead, 63.25g/t silver and 3.39g/t gold from 86m
	Including 1m @ 16.35% zinc, 11.97% lead, 120.5g/t silver and 5.6g/t gold from 86m
WHRC036	2m @ 6.17% zinc, 2.71% lead, 48g/t silver and 1.42g/t gold from 83m
WHRC037	2m @ 0.81% zinc, 0.42% lead, 3.5g/t silver and 0.75g/t gold from 70m
WHRC038	2m @ 2.56% lead, 0.3% zinc, 59.5g/t silver and 1.47g/t gold + 1m stope from 37m
WHRC039	6m @ 1.66% zinc, 1.15% lead, 17.8g/t silver and 1.2g/t gold from 53m
	Including 3m @ 2.63% zinc, 1.83% lead, 28.7g/t silver and 1.83g/t gold from 53m
WHRC040	3m @ 6.09% zinc, 2.91% lead, 50.67g/t silver and 2.95g/t gold from 65m
WHRC041	2m @ 3.65% zinc, 2.25% lead, 44.5g/t silver and 2.34g/t gold from 51m
WHRC042	No significant intercepts
WHRC043	1m @ 1.06% zinc, 0.57% lead, 17g/t silver and 0.6g/t gold from 51m
WHRC044	No significant intercepts
WHRC045	Intercepted a 3m stope from 27m

Note.

- All widths refer to down hole intersections.
- The word “stope” is used in reference to historical workings and represents a cavity where ore has already been mined.

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