

# HILLGROVE RESOURCES

Wednesday, 19 March 2008

## **HILLGROVE ACQUIRES BALANCE OF KANMANTOO LICENSE**

### **10% Interest Acquired from Argonaut Resources for 10 Million Shares**

Hillgrove Resources Limited (ASX:HGO) advises that it has agreed to acquire the remaining interest in the Exploration License 3277 (EL 3277) at Kanmantoo from Kelaray Pty. Limited, a wholly owned subsidiary of Argonaut Resources N.L., in consideration for the issue of 10 million shares in Hillgrove Resources Limited.

EL 3277 covers an area of 489km<sup>2</sup> in the highly prospective Kanmantoo Trough, east of Adelaide in South Australia. EL 3277 includes the Emily Star deposit of 1.243MT of Probable Ore Reserves which contributes approximately 11% of the total Probable Ore Reserve currently defined as part of the Kanmantoo Copper/Gold Mine development. EL 3277 surrounds Hillgrove's wholly owned tenements which contain the Kanmantoo Copper/Gold Mine development's remaining mining inventory.

First production of copper concentrates from the Kanmantoo Mine is targeted for mid 2009.

Mr David Archer, Hillgrove's Managing Director said today, "The acquisition consolidates Hillgrove's ownership of the Kanmantoo Copper/Gold Project and will materially simplify licensing, project financing and subsequent operations. In addition, the transaction increases our stake in the heart of the highly prospective Kanmantoo base metals province".

### **About Hillgrove**

Hillgrove is an Australian resources company listed 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 970km<sup>2</sup> 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 in South Australia. 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 production targeted for mid 2009, Kanmantoo will be a 2MTPA operation producing approximately 19,000t copper in concentrate and 6,000oz of gold per annum.

#### **Hillgrove Resources Limited**

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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 fully diluted 29.9% shareholding in iron ore, gold and uranium explorer InterMet Resources (ASX:ITT).

The investment portfolio had a market value of \$56 million as at 31 January 2008.

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