

Thursday, 10 October 2013

## HILLGROVE RESPONSE TO MEDIA COMMENT

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Hillgrove Resources Limited (ASX: HGO) wishes to provide the following response to shareholders and the market following coverage in The Australian Financial Review today of a letter written by one of the Company's major shareholders.

The Chairman of the Board of Hillgrove received a letter from Ariadne Australia Limited outlining some suggested strategies to improve the performance of the Company, to which a formal response is being formulated. The letter also acknowledged the considerable cashflow expected to be generated in coming years.

Following the significant operational and corporate improvements the Board and management team have put in place over the past 12 months, Hillgrove is now positioned for growth in production and cash flow from its major producing asset, the Kanmantoo Copper Mine in South Australia. These significant changes have been documented through numerous releases to shareholders and the ASX over the last four months.

The Board of Hillgrove was pleased to have attracted an investor of the calibre and experience of Ariadne to join the HGO register earlier this year. Ariadne joined several other high quality institutional investors, with these investors now accounting for over 40% of the Company's share register.

The improvements made within the Company are part of ongoing strategies and plans to build value, with the directors of Hillgrove regularly reviewing opportunities to drive operational and corporate improvements. The Company appreciates all feedback and looks forward to the continued support of its shareholders.

**For more information contact:**

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## ABOUT HILLGROVE

Hillgrove is an Australian mining company listed on the Australian Securities Exchange (ASX: HGO) focused on the operation of the Kanmantoo Copper Mine in South Australia, and exploration on its Indonesian tenements. The Kanmantoo Copper Mine is located less than 55km from Adelaide in South Australia. With construction completed in late 2011, Kanmantoo is an open-cut mine which has now ramped up to a throughput of 2.8Mtpa, to produce approximately 80,000 dry metric tonnes of concentrate per annum.

### Kanmantoo Global Mineral Resource Estimate at end February 2013

	JORC 2012 Classification	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)
In Situ Resource	Measured	2.63	0.88	0.10	1.95
	Indicated	21.77	0.82	0.23	2.21
	Inferred	5.0	0.67	0.13	1.79
		<b>29.46</b>	<b>0.80</b>	<b>0.20</b>	<b>2.11</b>
Long Term Stockpiles	Measured	1.39	0.46	N/A	N/A
	Indicated	0.50	0.18	N/A	N/A
		<b>1.89</b>	<b>0.39</b>	-	-
<b>Total</b>		<b>31.30</b>	<b>0.78</b>	<b>0.20</b>	<b>2.11</b>

Note: In Situ Resource >0.20% Cu, Long Term Stockpiles >0.15% Cu.

### Competent Person's Statement

*The information in this release that relates to Mineral Resources is based upon information compiled by Mrs Michaela Wright, who is a Member of The Australasian Institute of Mining and Metallurgy. Mrs Wright is a full-time employee of Hillgrove Resources Limited and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)'. Mrs Wright has consented to the inclusion in the release of the matters based on their information in the form and context in which it appears.*