

Thursday, 10 December 2009

TRENCHING CONFIRMS HIGH GRADE GOLD AT SUMBA

Work has highlighted high grade gold in trenches in the Western Vein system at the Pahandanjal Prospect, with multiple veins striking approximately N-S over about 250m, with trench results including:

- 4m at 10.04g/t gold and 17.18g/t silver (FT4)
- 7m at 8.34g/t gold and 6.17g/t silver (FT3)
- 5m at 7.5g/t gold and 18g/t silver (FT2)
- 2m at 12.5g/t gold and 11.6g/t silver (FT5)
- 9m at 6.51g/t gold and 9.40g/t silver, within a zone of 18m at 3.93g/t gold and 8.02g/t silver (FT1)

Hillgrove Resources Limited (ASX: HGO) is pleased to announce results from the ongoing exploration program at the Masu Project (Pahandanjal Prospect) on the island of Sumba, Indonesia (Figure 1). Trench sampling at Pahandanjal Prospect is ongoing.

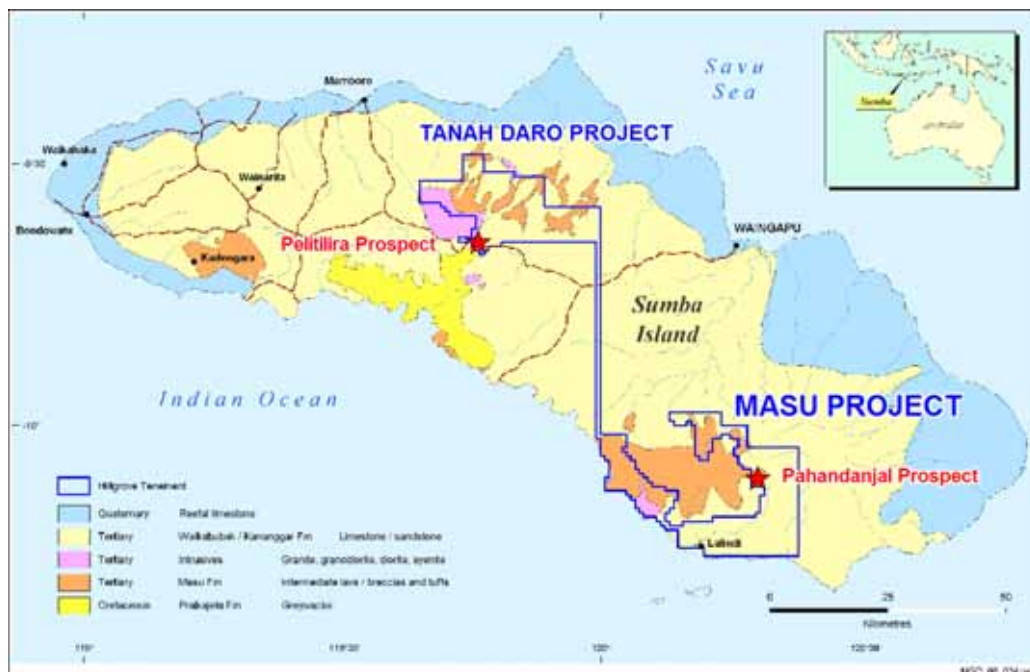


Figure 1. Map showing basic geology, project areas, main prospects and IUP tenement boundary for Sumba (2010)

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David Archer, the Managing Director of Hillgrove Resources said today “The results continue to highlight the Masu Project’s potential to host multiple, high-grade, fracture-controlled vein systems, of comparable grades and dimensions to high grade epithermal low sulphidation systems mined elsewhere in the Indonesian archipelago. These results are in addition to the excellent results we announced on Tuesday from the Pelitalira Prospect – Tanah Daro Project further to the north.

“These new high grade gold results have successfully pinpointed high quality targets in the Western Vein system for drill testing early in 2010 at the start of the dry season”.

Masu Project

The Masu Project is located in South East Sumba and has been the principal focus for exploration activities on Sumba in 2009. Significant results to date from the recent trench sampling program are shown in Tables 1 and Figure 2.

Pahandanjal Prospect- Western Vein

A high-grade outcropping vein zone previously identified by Hillgrove in rock chip sampling in May-June 2009 was trenched in October-December 2009 (Figure 2). Trenching has revealed multiple high grade lodes which are enveloped by low grade alteration. Significant trench results are listed in Table 1, and include the following:

- **Trench FT1: 9m at 6.51g/t gold , 9.4g/t silver, within a zone of 18m at 3.93g/t gold, 8.02g/t silver**
- **Trench FT2: 5m at 7.5g/t gold, 18g/t silver and 1m at 6.73g/t gold, 72.2g/t silver**
- **Trench FT3: 7m at 8.34g/t gold, 6.17g/t silver**
- **Trench FT4: 4m at 10.04g/t gold, 17.18g/t silver ,2m at 3.34g/t gold, 4.25g/t silver and 1m at 3.68g/t gold, 1.8g/t silver**
- **Trench FT5: 2m at 6.25g/t gold, 21.35g/t silver, 2m at 12.5g/t gold, 11.6g/t silver, 1m at 10.2g/t gold, 17.5g/t silver and 2m at 1.03g/t gold, 1.2g/t silver**
- **Trench FT100: 15m at 1.51g/t gold, 6.18g/t silver**
- **Trench FT101: 1m at 11.5g/t gold, 20.8g/t silver, and 2m at 1.13g/t gold, 3.7g/t silver, and 1m at 4.71g/t gold, 3.7g/t silver**
- **Trench FT102: 4m at 5.34g/t gold, 10.40g/t silver**
- **Trench FT103: 3m at 2.35g/t gold, 8.57g/t silver.**

The Western Vein system strikes approximately north - south, but has multiple lodes and bifurcations which vary from NNW to NNE. The true widths of the lodes vary from up to 18m in trench FT1 to less than 2m in some trenches. The outcropping strike length is approximately 250m, but this has not been closed off to the south, and occurs over a vertical interval at surface of at least 170m (top and bottom of hill).

The continuation of the lodes to the south has also been trenched (FT6, FT7, FT8, FT105), however results have not yet been received. The lodes weaken and trend under cover towards the north.

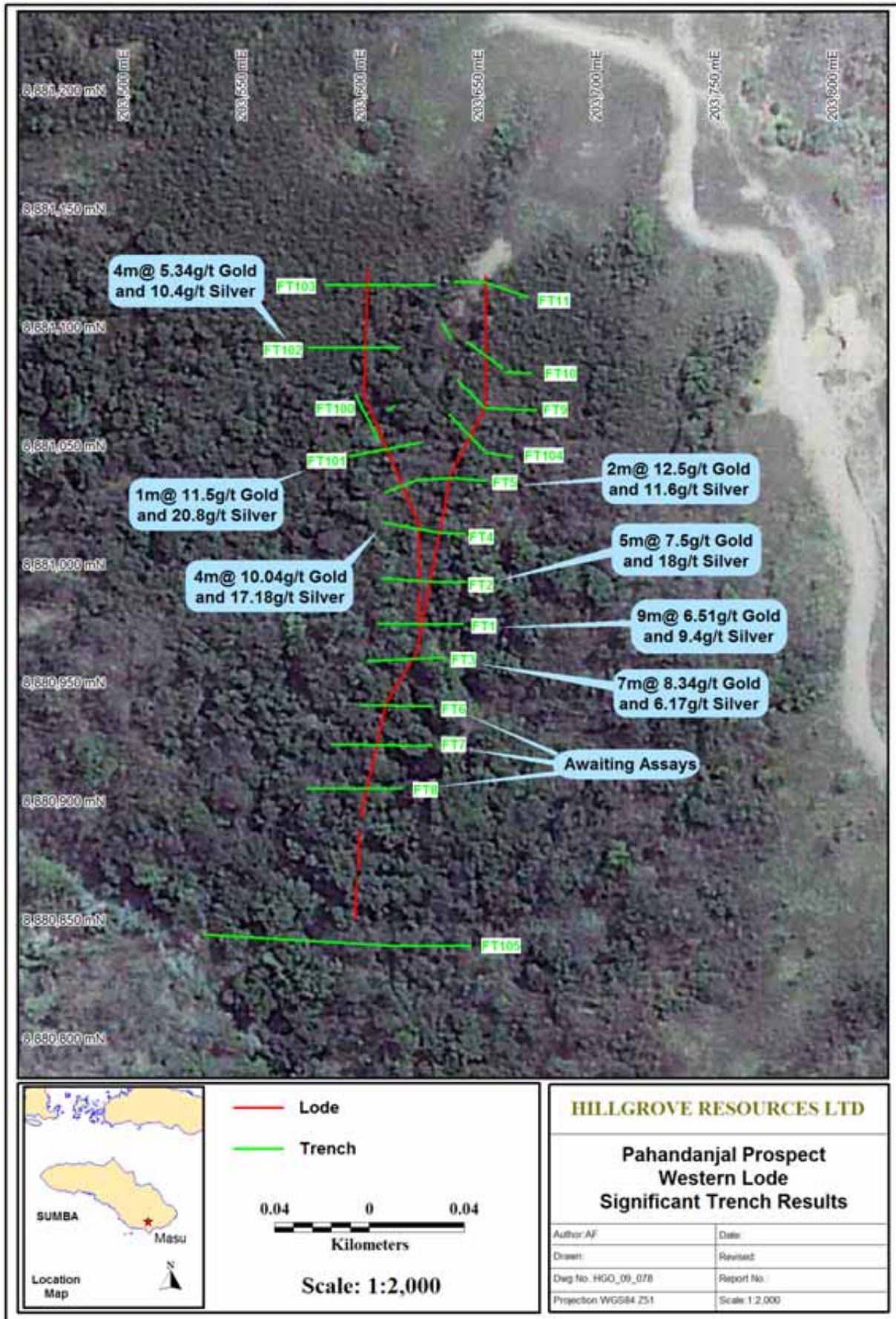


Figure 2. Map showing Significant Intercepts from Trench Sampling on the Western Lode at Pahandanjal Prospect, 2009

The area is in steep terrain and previous trenches excavated by BHP have eroded away. There are two major veins which appear to join towards the south. To the south the lode trends beneath thick scree cover which is difficult to effectively trench, however a strong silica float train is evident within the thick scree on the inferred trend of the lodes. It is likely the lode system continues to the south but with unknown grade and dimensions. The geology of the lode shows some classical banded and brecciated epithermal vein textures highlighting the prospectivity of the area.

Work is continuing on defining the extent of mineralisation with an aim to have the prospect drill ready by early 2010. Further results will be released when they come to hand.

Pahandanjai Prospect- Satellite Prospects

Satellite prospects at Pahandanjai include North Pahandanjai, Pandanjara, and South Pahandanjai which are likely to be similar in style to that at Pahandanjai, which have the potential with further exploration to add to the high quality targets that are outlined in the area.

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 Western Vein, Pahandanjai (December, 2009)

Trench ID.	UTM E	UTM N	TO	UTM E	UTM N	Interval	Gold g/t	Silver g/t
FT1	203605	8880984		203641	8880976	9m	6.51	9.40
						6m	1.52	9.16
FT2	203606	8881001		203641	8880994	5m	7.5	18
						1m	6.73	72.2
FT3	203599	8880967		203623	8880957	7m	8.34	6.17
FT4	203606	8881017		203635	8881003	4m	10.04	17.18
						2m	3.34	4.25
						1m	3.68	1.8
FT5	203612	8881032		203643	8881034	2m	6.25	21.35
						2m	12.5	11.6
						2m	1.03	1.2
						1m	10.2	17.5
FT6	Results not yet received							
FT7								
FT8								
FT9	203646	8881080		203669	8881061	NSR		
FT10	203641	8881094		203657	8881084	1m	1.26	4.70
FT11	203608	8881120		203662	8881109	2m	1.18	4.40
FT100	203594	8881078		203609	8881051	15m	1.51	6.18
FT100A	203609	8881067		203610	8881068	1m	2.49	9.00
FT100B	203632	8881097		203633	8881097	NSR		
FT101	203607	8881051		203609	8881051	2m	1.13	2.85
						1m	11.5	20.8
						1m	4.71	3.7
FT102	203565	8881085		203607	8881084	4m	5.34	10.40
FT103	203577	8881116		203602	8881116	3m	2.35	8.57
FT104	203625	8881064		203658	8881051	6m	2.64	2.2
FT105	Results not yet received							

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.

Highlighted trench Intervals are based on 6g/t Au cut-offs averaged over the interval, other intervals based on 1g/t Au cut-off averaged over the interval.