

Tuesday, 19 January 2010

UPDATE ON EXPLORATION PLANS FOR SUMBA 2010

Hillgrove Resources Limited (ASX: HGO) is pleased to announce the final results for the 2009 trench sampling program at Pahandanjal Prospect on the island of Sumba in Indonesia along with its plans for drilling in March/April 2010.

The final results from the program confirmed the presence of large zones of low grade gold mineralisation at Pahandanjal Prospect enveloping multiple vein sets of medium to high grade gold mineralisation.

Many of the earlier trenches had to be extended further into the andesitic host rock and some are still not closed off due to the depth of the intermittent scree cover.

Highlights include:

- **Broad low to medium grade gold anomalism identified in trench results from the Western Vein system including:**
 - 34m at 2.07g/t Gold and 3.85g/t Silver(FT5EXT)
 - 7m at 1.05g/t Gold and 1.93g/t Silver (FT6EXT)
 - 17m at 1.16g/t Gold and 1.79g/t Silver (FT7EXT)
- **Broad low grade mineralisation identified in trench results from the Eastern Vein System including:**
 - 78m at 0.8g/t gold and 4.27g/t Silver (FT21A)
 - 52m at 0.51g/t Gold and 5.23g/t Silver (FT20)
 - 24m at 1.06g/t Gold and 3.82g/t Silver (FT23)
 - 20m at 0.52g/t Gold and 1.2g/t Silver(FT16)
 - 20m at 0.54g/t Gold and 0.76g/t Silver(FT16)
- **Additional low grade mineralisation discovered further east including:**
 - 70m at 0.53g/t Gold and 3.49g/t Silver (FT24)

The discovery of broad zones of low grade mineralisation along with narrower high grade shoots confirms just how prospective Pahandanjal is and Hillgrove has commenced preparations for drill testing which is expected to occur in March/ April.

Hillgrove has established an office in Waingapu (capital of East Sumba) which will serve as a logistics/ communications hub and has begun the tender process for the drilling contract.

David Archer, the Managing Director of Hillgrove Resources said today "The 2009 exploration programme on Sumba has been very successful. We've outlined an extensive system of epithermal mineralisation, with multiple high grade vein systems all enclosed within a lower grade halo. A 5,800m drilling programme to test the depth and strike extents of the mineralisation is planned for early 2010".

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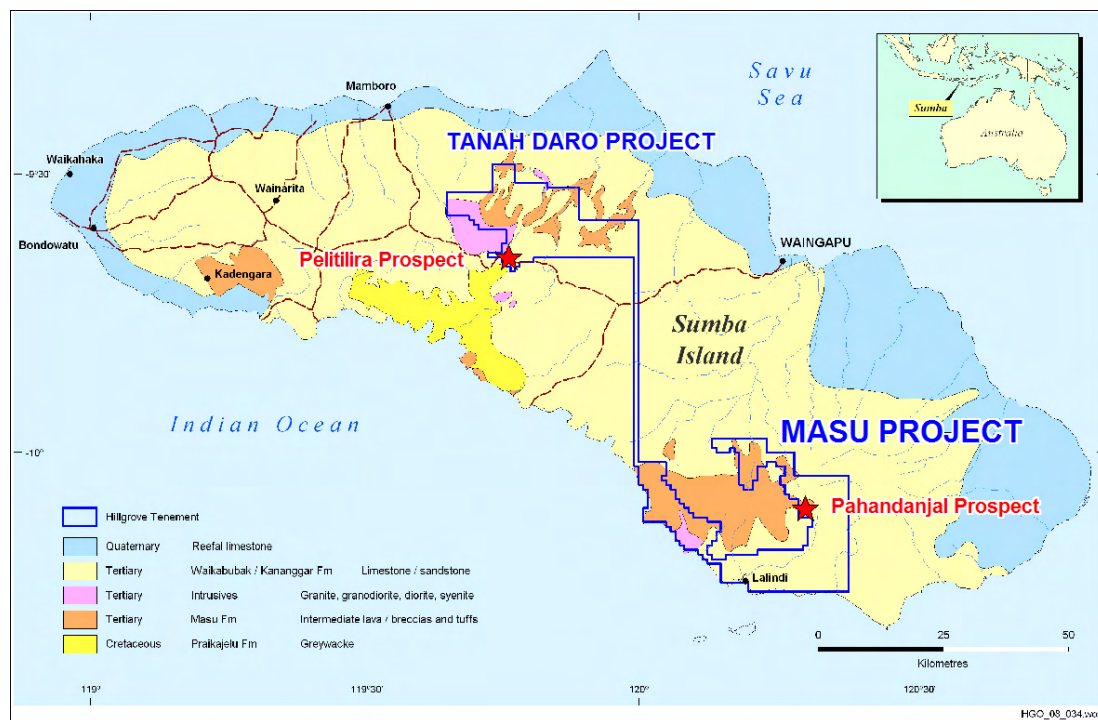


Figure 1. Map showing basic geology, project areas, main prospects and IUP tenement boundary for Sumba (2010)

Pahandanjal Prospect

Hillgrove has now received all the results from the 2009 field season, and is pleased to announce that extensive new zones of gold mineralisation have been identified at the Pahandanjal Prospect in Sumba.

The prospect has received only minimal investigation to date, and historically the focus has been on the narrow high grade epithermal veins.

Hillgrove has taken a broader view and implemented detailed soil sampling early in the General Survey period as part of a systematic approach to pinpoint additional veins and to characterise the mineralisation response in the shallow soil cover.

Soil sampling has proven to be rather effective and one of the outcomes from the program was the realisation that gold anomalism in some cases extended well beyond the obvious outcropping vein systems.

At this stage it appears that there are two distinct styles of mineralisation present at Pahandanjal. The first is high grade epithermal gold silver mineralisation that is characterised by narrow veins which display classic epithermal textures, high silica content and banding. The second is characterised by low grade disseminated gold/ base metal mineralisation which may represent a carbonate base metal-gold/ epithermal gold system.

Results from the Western Vein system consisted dominantly of narrow high grade gold mineralisation which strikes over 200m before being concealed by greywacke cover to the north and by scree to the south. It is likely that this vein system continues both to the north and south but drill testing will be required to confirm this.

Results from the Eastern vein system consisted dominantly of numerous broad low grade zones, many of which remain open, along with intermittent narrow high grade shoots. An additional zone of mineralisation was discovered 150m east of the main Eastern vein system in FT24.

Significant trenching results from the 2009 program, not previously reported, are included in Table 1, Table 2 and Figures 2 and 3.

Plans for 2010

Geochemical sampling programs resumed in early January at Pahandanjaj where mineralisation remains open to the north and east. There are still numerous anomalies to follow up in the immediate vicinity of Pahandanjaj and Hillgrove will work methodically through this area and then move on to Okajara Prospect which is 5km to the north.

An additional team will begin initial soil sampling and rock chip sampling programs at Pelitalira Prospect in Central Sumba with the aim being to have this ready for drill testing around June. An outline of the time lines and exploration activities planned for Sumba in 2010 is shown at Table 3.

An office is currently being set up in Waingapu which is the capital of East Sumba. The office will serve as the logistics/administration/communications hub for operations in East and Central Sumba.

Hillgrove has also invited several drilling contractors to tender for the subsequent drill program and the plans are at this stage to have a man portable diamond drill rig on site around March/April.

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 completion of construction 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.

The Mineral Resource estimate is based on information compiled by Mr Paul Payne, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne is the Principal of Resource Evaluations Pty Ltd 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 Payne 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 System (January 2010)

Trench ID.	UTM E	UTM N	To	UTM E	UTM N		Interval	Gold g/t	Silver g/t
FT5/5EXT	203612	8881032		203643	8881034		34m	2.07	3.85
						incl	8m	4.56	10.87
						incl	2m	10.2	17.5
						and	1m	11.67	40
							8m	3.67	3.65
						incl	2m	12.75	11.6
FT6/6EXT*	203601	8880948		203629	8880948		7m	1.05	1.93
						incl.	2m	1.66	2.90
						and	1m	2.59	3.7
FT7*	203583	8880906		203625	8880918		17m	1.16	1.79
FT8/8 EXT*	203570	8880098		203600	8880807		3m	2.34	2.23

TABLE 2. Significant Trench Results from the Eastern Vein System (January 2010)

Trench ID	UTM E	UTM N	TO	UTM E	UTM N		Interval	Gold g/t	Silver g/t
FT16	204012	8880899		204121	8880926		20m	0.52	1.2
						and	20m	0.54	0.76
						Incl.	6m	1.13	0.67
FT20	203827	8881319		203898	8881365		52m	0.51	5.23
						incl.	14m	0.74	10.29
FT21A	203877	8881414		203948	8881352		78m	0.80	4.27
						Incl.	54m	1.01	5.16
						incl.	14m	2.27	3.19
						incl.	2m	7.95	3.70
						and	4m	1.00	6.00
FT21	203780	8881383		203874	8881424		24m	0.51	3.89
						incl.	8m	1.05	7.92
						and	4m	1.80	2.85
FT22	203920	8881000		204013	8881002		7m	1.31	4.73
						Incl.	2m	3.07	9.80
FT23	203997	8881078		204078	8881081		24m	1.06	3.82
						Incl.	16m	1.50	5.62
FT24/2 4EXT*	204157	8881160		204216	8881167		70m*	0.53	3.49
						incl	26m*	1.04	6.11
						incl	12m	1.79	6.85

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.
 Red highlighted intervals based on 6g/t Gold cut-offs averaged over the interval. Yellow highlighted trench intervals based on 1g/t Gold cut-offs averaged over the interval.
 * Denotes minor subcrop/scree in the trench

TABLE 3. Sumba Project – Anticipated Timeline for Exploration Activities

PROSPECT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Masu												
Pahandanjal West Vein	Yellow	Yellow	Red	Red	Red							
Pahandanjal East Vein	Yellow	Yellow	Yellow	Red	Red	Red	Red					
North Pahandanjal	Green	Yellow	Yellow	Yellow			Red	Red	Red			
South Pahandanjal	Green	Green	Yellow	Yellow			Red	Red				
Okajara	Green	Yellow	Yellow	Yellow	Yellow	Yellow		Red	Red	Red	Red	
Pandanjara	Green	Green	Green	Yellow	Yellow	Yellow			Red	Red		
Kanjilu	Green	Green	Green	Yellow	Yellow	Yellow				Red	Red	
Nggongi			Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Red	Red	Red
Tanah Daro												
Pelitalira		Green	Green	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Red	
Langela		Green	Green	Green	Yellow	Yellow	Yellow					
Regional		Green	Green	Green	Green	Yellow	Yellow	Yellow		Red	Red	Red

Legend:

Green – Reconnaissance (Rock Chip Sampling/ Soil Sampling)
 Yellow – Trench Sampling/ Detailed Mapping
 Red – Drill testing

Figure 2. Significant Trench results from the Western Vein System

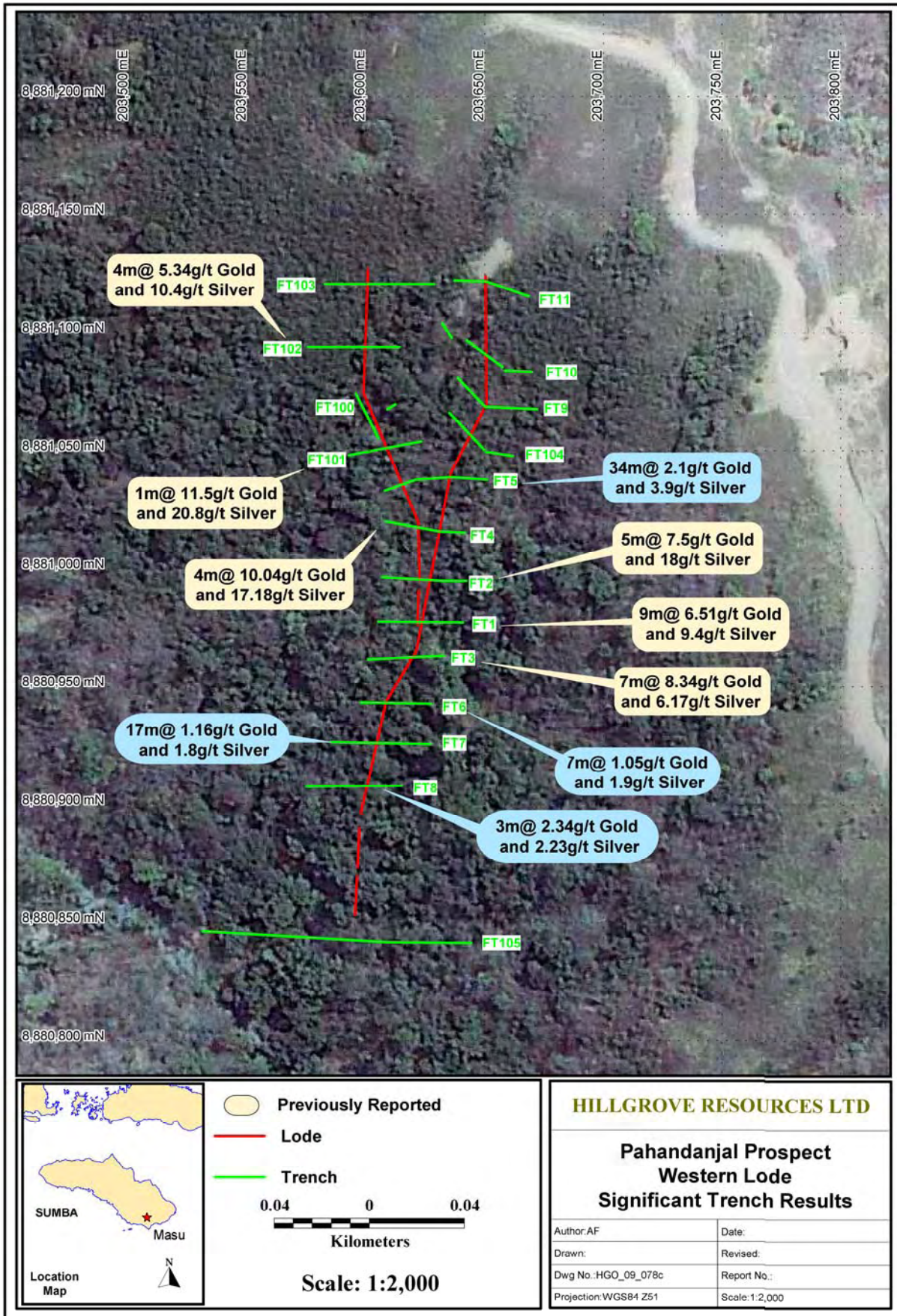


Figure 3. Significant Trench results from the Eastern Vein System

