

HILMGROVE RESOURCES

Tuesday, 27 April 2010

DRILLING COMMENCES ON SUMBA

Hillgrove Resources Limited (ASX:HGO) advises that diamond drilling at the Pahandanjal Prospect on Sumba has now commenced.

The first phase of the drilling program will consist of 14 diamond drill holes for a total of 2,000m. The Pahandanjal program is designed to confirm the presence of significant epithermal gold mineralisation below existing trenches over the Western and Eastern Vein systems where high grade gold mineralisation was identified.

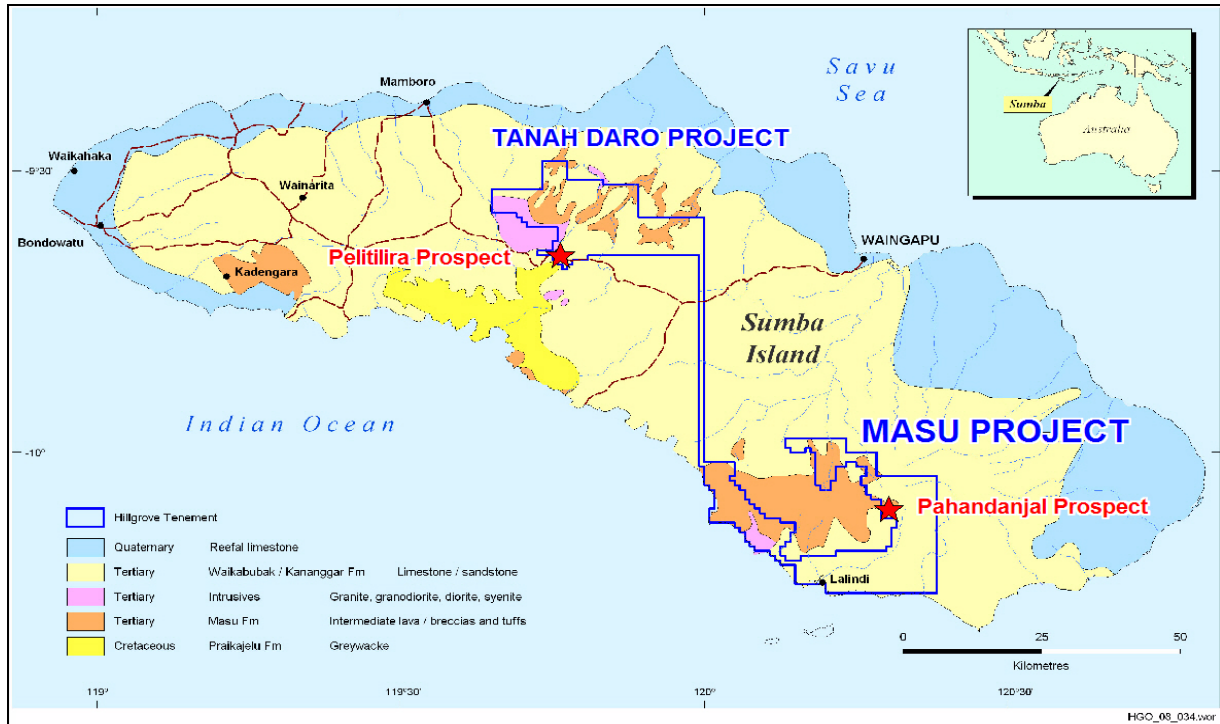
A second program of 2,000m will follow immediately after the first program if results look encouraging. A total of 8,000m of drilling has been budgeted for, depending on results.

Hillgrove's Managing Director, David Archer said today "We are hopeful that this drilling will highlight the potential of the Sumba Project to add a major gold element to Hillgrove's growing resources portfolio".

Photo 1. Diamond drilling rig arriving at site



Figure 1. PT Fathi Resources Sumba IUP Boundary 2010



Proposed Drill Program

The first drill program at Pahandanjal Prospect (see Figure 1) is designed to test down-dip extensions of surface mineralisation identified by trench sampling programs in 2009. The program involves 14 diamond holes for a total of approximately 2,000m. Collar details are provided in Table 1 and shown in Figures 2 and 3.

The drilling will target both narrow (<10m) high grade lodes and the broader (10 to 80m) zones of disseminated mineralisation that has been found to occur within the host rock.

Pahandanjal Prospect is divided into two areas based on a narrow cover sequence of greywacke that separates the two. It should be noted that the cover is only shallow (<10m) and it is highly likely that known lodes continue beneath this and that additional mineralisation will be discovered.

The Western Vein System is characterised by a high grade narrow lode that strikes for approximately 200m before disappearing beneath scree to the south and greywacke in the north.

Eight holes will be drilled into the Western vein off four pads and these have been designed to intercept mineralisation at 40m spacing both vertically and along strike (see Photo 2).

The Eastern Vein System is much more complex and is characterised by multiple lodes of various thickness which generally strike northwards and are crosscut by breccia zones of considerable width.

For the Eastern Vein, six holes will be drilled off six pads targeting broad mineralisation. Hole spacing will be 80m and final depths will be dependant on the rig's capabilities given the broad targets.

A second larger man portable drill rig will be brought in if initial results are encouraging.



Photo 2. Drill pad on Western Vein

About the Sumba Project

Sumba is located in the province of East Nusa Tenggara and is south of the islands of Flores and Sumbawa in Indonesia. An Exploration Mining Business License (in Indonesian, an Izin Usaha Pertambangan or 'IUP') has been awarded to Hillgrove's Indonesian joint venture partner, PT Fathi Resources.

The IUP (322/KEP/HK/2009) has been granted for a term of six years and permits exploration for metals, gold and other associated minerals over an area of 999km². Hillgrove has an 80% economic interest in the Project.

The IUP encompasses highly prospective ground which has been shown to contain identified zones of gold and base metal mineralisation.

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.

The information in this report that relates to Mineral Resource estimates is based on information compiled by Mr Paul Payne, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Runge Limited 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. Collar Details for 1st Pass Diamond Program, Pahandanjai, 2010

Proposed_Hole_ID	MGA_E	MGA_N	Azi Mag	Dip	Depth (m)	Priority	Main Target
pDPH001	203586	8880962	90	-50	~75	1	Main ~N-S lode, trench FT3, 40m from surface
pDPH002	203585	8880962	90	-66	~115	1	Main ~N-S lode, trench FT3, 80m from surface
pDPH003	203591	8881001	90	-50	~75	1	Main ~N-S lode, trench FT2, 40m from surface
pDPH004	203590	8881001	90	-66	~115	1	Main ~N-S lode, trench FT2, 80m from surface
pDPH005	203587	8881041	90	-50	~90	1	~2 lodes: NNW and NNE strikes, trench FT5, 40m from surface
pDPH006	203586	8881041	90	-66	~130	1	~2 lodes: NNW and NNE strikes, trench FT5, 80m from surface
pDPH007	203565	8881078	90	-50	~90	1	NNW lodes, trench FT102, 40m from surface
pDPH008	203564	8881078	90	-66	~140	1	NNW lodes, trench FT102, 80m from surface
pDPH009	203930	8881407	260	-50	~200	1	~2 lodes: NNW lode, NNE lode (trenches FT21, 21A, 21B), approx. 40m and 80m from surface
pDPH010	203930	8881327	260	-50	~200	3	Intercept in trenches FT20, and possibly 21A?, approx. 40-80m from surface
pDPH011	204046	8881258	260	-50	~200	1	Intercepts in trenches FT12, FT13, approx. 80m from surface
pDPH012	204065	8881075	260	-50	~200	1	Intercepts in trench FT23, approx. 80m from surface
pDPH013	204060	8880938	260	-50	~160	1	Intercepts in trench FT18, approx. 40m and 80m from surface
pDPH014	204220	8881161	260	-50	~200	2	Intercepts in trench FT24, approx. 40m from surface

Figure 2. Planned Drill Holes for the Western Vein System

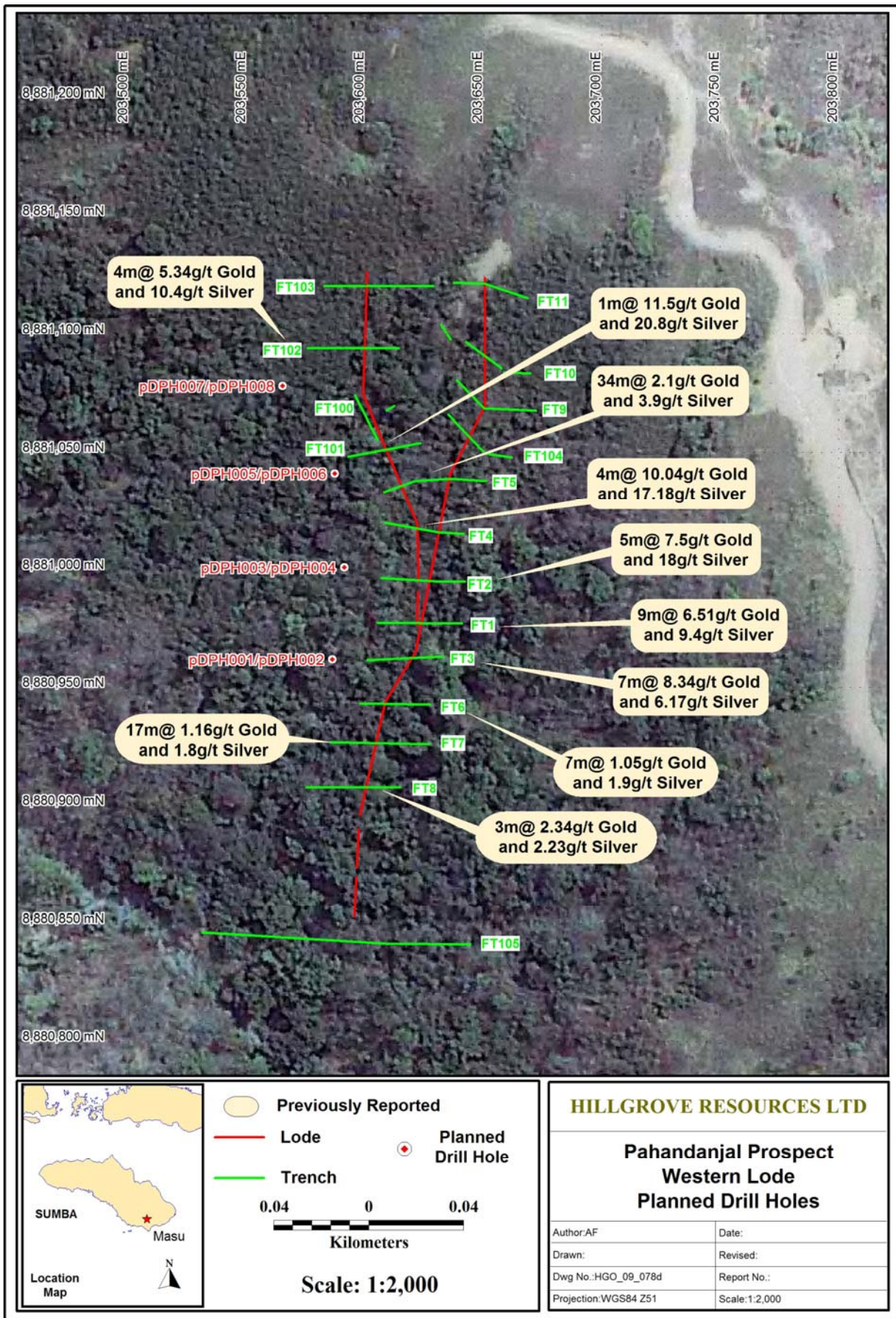


Figure 3. Planned Drill Holes for the Eastern Vein System

