Hillgrove Gold Limited

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Hillgrove Farms into the Gawler Craton

Hillgrove Gold Limited (ASX: HGO) advises it has entered into a Deed of Option whereby it may earn up to a 70% interest in Exploration License 3037. The EL is located at Alford in South Australia and the within the Gawler Craton which has shown the potential to host world class Iron Oxide Copper Gold ("IOCG") Deposits. This initiative is consistent with Hillgrove's stated objective of identifying outstanding copper opportunities.

The Alford Project covers 477 km² of the highly prospective Moonta-Wallaroo district, which is a part of the larger Proterozoic Fe-Cu-Au province (Gawler Craton), which includes the Olympic Dam Cu-Au-U deposit. Until the advent of Olympic Dam, the Moonta-Wallaroo area was the largest producer of copper in South Australia, with most mining being conducted between 1860 and 1923. Total production from the area was 9.6 million tonnes of ore at an average grade of 3.7% copper, 3g/t gold, 5g/t silver, which yielded 340,000 tonnes of copper. The recent discovery of Olympic Dam style mineralisation at Prominent Hill confirmed the potential of the Gawler Craton to host multiple world class IOCG deposits.

Whilst there are a number highly prospective targets for drilling the initial exploration focus will be on the Netherleigh Park prospect which is slated to be drilled in early February with two holes. Netherleigh Park is the most significant ot the targets and is contained in a north-south de-magnetised carbonaceous siltstone unit which magnetic modelling suggests is 1800 metres in strike and up to 400 metres wide. Diamond drilling of this anomaly (ALDDH001) produced some encouraging results including 76m at

0.95% copper, with associated silver (10m at 180g/t) and anomalous lead and zinc

Work completed by past explorers has highlighted the main Alford Shear Zone within the EL as a conduit for mineralising fluids, but to date no structural or chemical trap to focus the mineralisation has been identified. A number of geophysical anomalies on late stage faults cross-cutting the magmatic centres have been identified and are considered highly prospective for IOCG style deposits. A large portion of the past exploration work has been targeted at the magnetic highs. Recent work completed by other explorers in the region suggests that de-magnetised zones with associated gravity highs along the main structural corridors are the most prospective zones. A number of targets which fit these criteria are present within the EL and await comprehensive assessment.

Under the terms of the Deed of Option, Hillgrove Copper Pty. Limited, a wholly owned subsidiary of Hillgrove, may exercise the Option after spending $250,000 on exploration costs and the reimbursement of expenses whereupon it will be deemed to have earnt a 20% equity in the tenement from the tenement owner, Argonaut Resources N.L.. Hillgrove Copper may earn a further 50% interest in the EL by spending a further $4 million over a five year period.

About Hillgrove

Hillgrove is an Australian mineral exploration and development company listed on the Australian Stock Exchange which is focussing on identifying resources opportunities that can either be brought into production readily or those where there is a clearly defined value adding route within a clearly understood risk environment. Commodities that are of particular interest include copper, gold and nickel.

For more information contact:

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