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Hillgrove Extends Copper-Silver Mineralisation Alford Project - Gawler Craton

Hillgrove Gold Limited (ASX: HGO) advises that the results from drilling at the Alford Prospect in South Australia have been received and have materially extended the zone of mineralisation along strike both to the north east and south west.

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. The Moonta-Wallaroo area has been a significant copper producer with historical production totalling 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. Exploration License 3037 covers over 10 km of strike of the highly prospective Alford Shear Zone and a number of prospective magmatic centres with associated Iron Oxide Copper Gold ("IOCG") style alteration and mineralisation.

A two-hole (339m) mud rotary/diamond drilling programme (see Figure 1) targeting the strike extensions of the Netherleigh Park Prospect, a north-south de-magnetised carbonaceous siltstone unit 1800m in strike and up to 400m wide, has returned encouraging results including **28m at 0.47% Copper and 12.7g/t Silver**

(ALDDH006, see Table 1). ALDDH006 finished in an altered zone of mineralisation. Significant copper mineralisation has now been defined over 200m in strike and remains open both along strike and down dip.

Table 1.

Hole	Easting	Northing	Depth	From	To	Width	Mineralisation
ALDDH005	764,699	6,257,678	183.2m	114m	144m	30m	0.46%Copper and 5.4g/t Silver
ALDDH006	764,584	6,257,570	156.2m	52	80	28m	0.47% Copper and 12.7g/t Silver

Note. All holes drilled magnetic azimuth 319, dip 60 degrees, GDA94, Zone 53

The mineralisation identified to date occurs in breccia and shear zones, in country rocks consisting of early to middle Proterozoic mudstone, siltstone and hornfels. Primary mineralisation consists predominantly of variable amounts of bornite, chalcopyrite, chalcocite, pyrite and hematite, with traces of gold, silver and basemetals. Exploration completed to date indicates that the Alford Prospect shares some of the key features common to an IOCG Olympic Dam style mineralisation.

Recent exploration successes in the region suggest that the most prospective areas are de-magnetised zones with associated gravity highs along the main structural corridors. A number of targets which fit these criteria are present within EL 3037, but to date have been poorly tested or not tested at all. Geophysical modeling of these targets is currently underway and will be the prime focus of the next round of drilling, together with further drilling along strike from the Netherleigh Park mineralisation.

Hillgrove recently entered into an option agreement with Kelaray Pty Ltd, a wholly owned subsidiary of Argonaut Resources N.L. (ASX: ARE). Under the terms of the option Hillgrove can expend \$220,000 on exploration and pay Argonaut \$30,000 within 12 months in order to earn the right to initiate a Farm-in Joint Venture and take a 20% interest in the tenement.

The Joint Venture Agreement provides that Hillgrove may earn a further 50% interest by spending $4,000,000 in five years provided that exploration expenditures do not fall below $150,000 in any one year.

Drilling intersections detailed in this report were compiled by Mr. Dale Ferguson of Hillgrove Gold Limited who is a corporate member of the Australian Institute of Mining and Metallurgy and who has in excess of 5 years experience in this field of activity.

About Hillgrove

Hillgrove is an Australian resources 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, natural gas and silver, lead and zinc.

Hillgrove is exploring a total of 974 km^2 in the Gawler Craton and the Kanmantoo Trough, two of the most prospective regions of South Australia for copper and gold, and is earning a 32.5% interest in the PEL 238 Coal Bed Methane Project in the Gunnedah Basin in NSW. PEL 238 contains one of the largest onshore accumulations of natural gas in Australia.

For more information contact:

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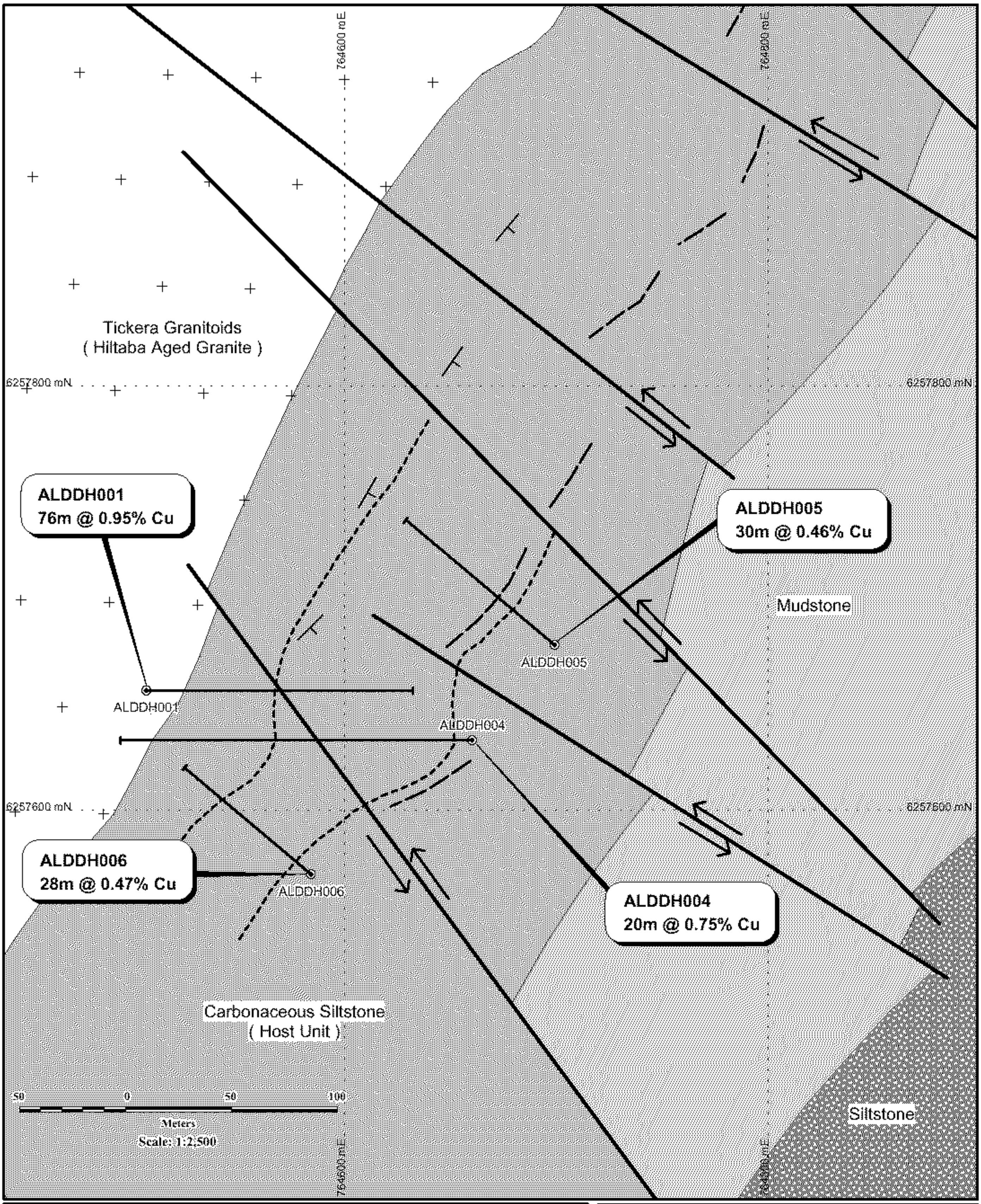

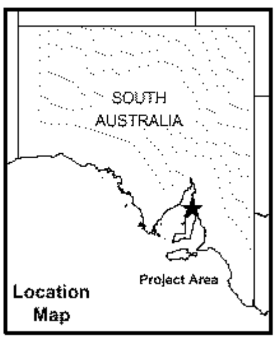

GEOLOGY LEGEND

- Diamond Drill Hole
- Fault / Shear
- Geological boundary
- Trend of De-magnetised Zone
- Margins of known Alteration Halo
- Strike / Dip of Stratigraphy

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NETHERLEIGH PARK PROSPECT

DIAMOND DRILLHOLES AND INTERPRETED GEOLOGY

Author: D Ferguson	Date: 3/3/2004
Drawn:	Revised:
Dwg No.: HGO 04009	Report No.:
Projection: GDA 94 Zone 53	Scale: 1 : 2 500