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Drilling Update - Emily Star Prospect

Hillgrove Gold Limited (ASX: HGO) is pleased to advise that reverse circulation drilling is continuing on the Emily Star Prospect, with a total of 8 holes for 1,258m having been completed to date.

Drilling is targeting both the down dip and strike extents of the four broad zones of high-grade copper-gold mineralisation identified in the recent rock chip and channel sampling. Mineralisation has been intersected in all holes with widths exceeding 30m in some holes. The drilling has now confirmed the depth extensions to the four broad zones, although the grade needs to be confirmed via assaying. One further additional zone of mineralisation without a surface expression appears to have been confirmed by the drilling at depth.

A further 15 holes are planned to be drilled over the coming week with the first assay results expected in late March or early April.

The Emily Star Prospect is part of EL 2663, which is located 55 kms southeast of Adelaide in the Mount Lofty Ranges in South Australia.

Hillgrove holds a 40% interest in the EL and has established a joint venture with Kelaray Pty.Ltd, a wholly owned subsidiary of Argonaut Resources N.L. (ASX: ARE), under which

Hillgrove may earn a further 50% interest by spending a minimum equivalent to the PIRSA exploration expenditure commitment by 2 May 2004 which shall be the lesser of $375,000 or such other amount as shall ensure that the expenditure requirements outstanding on the EL are met or deemed by PIRSA to be met by that date. Kelaray's remaining 10 % interest will be free carried by Hillgrove until a decision to mine at which time Kelaray may elect to contribute on a pro-rata basis or convert its interest to an overriding 2% net smelter royalty. Hillgrove will be the manager of this joint venture.

Data in this report were compiled by Mr. Dale Ferguson of Hillgrove Gold Limited who is a 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 km² 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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