HILLGROVE

RESOURCES

Monday, 1 November 2004

October Capital Raising & Allotment of Bonus Options

Hillgrove Resources Limited (ASX: HGO) advises that today it has allotted 27,713,040 Bonus Issue Options exercisable at 20 cents per option before 31 December 2006.

A summary of issued capital movements since 30 September 2004 is set out in the table below. During this period the Managing Director increased his shareholding from 7,375,000 to 10,187,500 shares through the exercise of 2,812,500 10c options and was allotted 2,037,500 20c bonus options. A non-executive director increased his shareholding from 1,000,000 to 3,500,000 shares through the exercise of 2,500,000 10c options and was allotted 700,000 20c bonus options.

	Fully paid	Listed Options	Unlisted Options**	Additional Funds (Gross)
ASX Code	**HGO**	**HGOOA**	**-**	**$**
Total 30 September 2004	106,055,681	-	18,562,500	
Options Exercised				
1 October 2004	8,912,500	-	(8,912,500)	$891,250
21 October 2004	2,100,000	-	(2,100,000)	$210,000
22 October 2004	250,000	-	(250,000)	$25,000
25 October 2004	2,500,000	-	(2,500,000)	$250,000
Share & Option Placement				
22 October 2004	18,750,000	9,375,000	-	$3,750,000
ESOP Option Issue				
28 October 2004	-	-	1,340,000	-
1 for 5 Bonus Option Issue				
1 November 2004	-	27,713,040	-	-
Total 1 November 2004	138,568,181	37,088,040	6,140,000	$5,126,250

** Unlisted options consist of 4,500,000 @10c expiring 31/12/2004, 300,000 @ 20c expiring 31/3/2007and 1,340,000 ESOP options @ 20c expiring 28/10/2009.

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About Hillgrove

Hillgrove is an Australian resources company listed on the Australian Stock Exchange which is focusing 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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