HILLGROVE
RESOURCES

Wednesday, 9 February 2005

STRATEGIC DRILLING TARGETS MAJOR POTENTIAL RESOURCE EXTENSIONS AT KANMANTOO

Highlights

- 2005 drilling campaign under way with an RC rig on site and diamond rig due to arrive late February targeted at extensions of existing zones of mineralization and the discovery of new ore bodies.
- A series of untested zones totaling at least 1,200 metres in strike to the north and south of the Kanmantoo Open Cut are early prime targets for the identification of potential major resource extensions.
- Assay results from resource extension drilling at Emily Star expected shortly.
- Regional exploration is continuing on a number of highly prospective green-fields targets with best results to date of 17.2% copper and 49.8g/t gold in rockchips.

Kanmantoo Project

Hillgrove Resources Limited (ASX: HGO) is pleased to announce that it has commenced a major round of reverse circulation and diamond drilling primarily targeting previously untested areas to the north and south of the Kanmantoo Open Cut.

These highly prospective zones have the potential to materially increase the previously reported JORC compliant 18.37MT Indicated and Inferred 1.1% copper and 0.2 g/t gold resource at Kanmantoo by:

- Linking the 500 metres of strike between the Main Zone and Emily Star/Paringa to the south. This zone has not previously been drill tested and is a large information void that is a prime target for extension of the main zone of mineralization visible in the south eastern quadrant of the pit wall. Extensive surface mineralization (the Green Zone) is visible between the Open Cut and Emily Star.

- The extension of a major zone of mineralization identified in a zone in the northern wall of the Kanmantoo Open Cut called "The Slot" (12 metres at 3.82% in channel sampling) to the north. This zone has had only very limited drill testing and is also a prime zone, immediately along strike from the open cut, with surface indications of mineralisation extending a further 700 metres to the north.

Drilling commenced at Emily Star and has moved onto the floor of the Open Cut before moving to the main Open Cut strike extensions described above.

Drilling will total an additional 6 to 8,000m of RC and 1 to 2,000m of diamond drilling planned.

Assay results from the drilling are expected to start being received this week.

Regional Exploration

Detailed exploration including rock chip and soil sampling and geological reconnaissance is continuing to the south and north of the Kanmantoo mine and to the north in the Kanappa and Mt Rhine areas. Reconnaissance work at Kanappa has returned rock chip results up to 17.2% copper and 49.8g/t gold (not same rock chip) and outlined an anomalous sheared corridor up to 20 metres wide and over 1km in strike length. At Mt Rhine sampling of a gossan at a sandstone and limestone contact has outlined an anomalous zone over 500m in strike with results up to 9.6g/t gold. A detailed work program including geological mapping, rock chipping and soil sampling is now nearing completion over these areas. A number of these new prospects will be drill tested as a third stage to the drilling.

Project Background

The Kanmantoo Project is located 55km southeast of Adelaide in the Mount Lofty Ranges in South Australia. Hillgrove holds a 90% interest in EL 3277 (Argonaut Resources 10%) and 100% of Mining Lease 5776 and Exploraton License 3298, covering an area of 246 hectares around the former Kanmantoo Copper Mine. The Mine produced a total of 4.05 million tonnes of ore grading 1.1% copper and unknown gold.

About Hillgrove

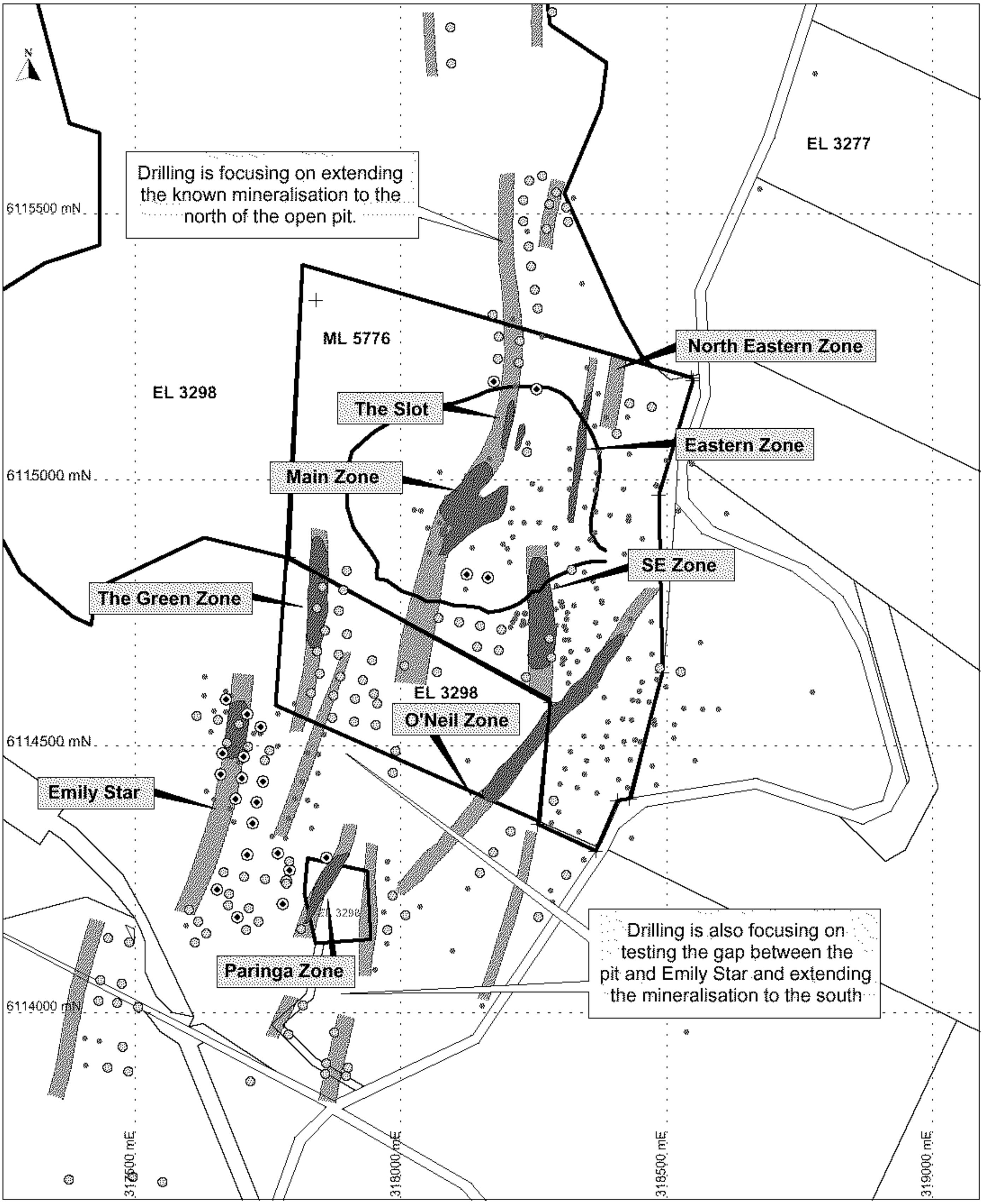
Hillgrove is an Australian resources company listed on the Australian Stock Exchange which is focusing on identifying resources opportunities that can either be brought into production readily or those where there is a clearly defined value adding route within a clearly understood risk environment. Commodities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

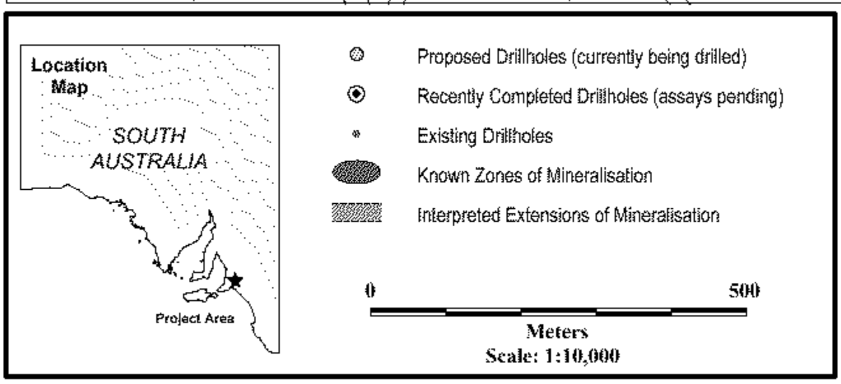
Hillgrove is exploring a total of 974 km^2 in the Gawler Craton and the Kanmantoo Trough, two of the most prospective regions of South Australia for copper and gold, and is earning a 32.5% interest in the PEL 238 Coal Seam Gas Project in the Gunnedah Basin in NSW. Four production test wells have recently been completed and are currently undergoing production testing. PEL 238 contains one of the largest onshore accumulations of natural gas in Australia.

For more information contact:

David Archer
Managing Director
Hillgrove Resources
+ 61 2 8221 0404

Geological information contained in this report was compiled by Mr. Dale Ferguson of Hillgrove Resources Limited who is a Member of the Australasian Institute of Mining and Metallurgy and has in excess of five years experience in this field of activity. Mr Ferguson consents to the release of the information dealing with these matters in the form in which it is reported.





HILLGROVE RESOURCES LTD

KANMANTOO PROJECT

Past and Current Drilling Showing Known Zones and Interpreted Extensions

Author:	D. Ferguson	Date:	04/02/05
Drawn:	MGIS	Revised:	.
Dwg No.:	HGO_05_004	Report No.:	.
Projection:	MGA 94 Zone 54	Scale:	1 : 10,000