
Drilling results extend broad gold zone at Old Red Hill

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ASX Code : HEG, HEGOA

The recently completed Stage 2 drilling program at the Red Hill project has intersected a broad zone of near surface gold mineralisation and has extended the Old Red Hill mineral resource area. Results have confirmed the continuity of a wide zone of gold mineralisation previously drilled in hole RC32 which intersected 2.52g/tAu over 30 metres from surface (including 6.54g/tAu over 8 metres).

The Red Hill project is located over a zone of gold mineralisation and old high grade workings of three kilometres in strike length and 50 to 100 metres in width, along the eastern flank of the Hill End Anticline to the north of Hill End, New South Wales, Australia. The company has almost the entire fifty kilometres strike length of the Hill End Anticline under tenement.

In the Red Hill project area, deep weathering to a depth of 70 metres and gently undulating topography is ideal for open pit development.

Reverse circulation drilling has targeted gold mineralisation in the weathered zone above the water table with significant intersections including the following results:

RHRC88 with 1.94g/tAu over 20 metres from 27 metres;

RHRC89 with 2.83g/tAu over 9 metres from 32 metres;

RHRC90 with 2.04g/tAu over 25 metres from surface; and,

RHRC91 with 1.36g/tAu over 20 metres from 6 metres.

The Old Red Hill vein set, which is now outlined by shallow drilling over a 200 metres strike length and up to 27 metres width, is located five kilometres along strike from Hawkins Hill and Reward deposits. It occurs in a similar geological setting to Hawkins Hill and Reward with gold in bedding and spur quartz veins in *en echelon* vein sets, which are interpreted to continue down plunge for a kilometre or more. Four shallow-plunging vein sets have been identified to date in the southern Red Hill area over a near surface strike length of 800 metres: Whites, Red Hill Deeps, Old Red Hill and Marshall-McMahon. Additional areas along strike in the northern Red

Hill area, which are yet to be drilled, are the Valentines, Emily and Old Company workings.

Further drilling on the Old Red Hill vein set is planned down dip and down plunge of the current drilling, and previous drilling by BHP in 1989 will be re-drilled since it is likely that the BHP drilling, sampling and assay methods have resulted in a low bias in the assays received.

Previous metallurgical testing of oxide, transitional and primary samples from Red Hill indicated excellent gold recovery using simple gravity and leach processing at a relatively coarse grind. In summary, for all mineralisation categories:

- gold appears to be free gold and liberated at a maximum particle size of 212 microns;
- gravity gold recovery averaged 77% and the remainder leached quite rapidly over approximately six hours;
- the total gold extraction for all samples was 98-99%.

A review of mining parameters has indicated that the weathered zone to approximately 60 metres is quite soft for excavating and the wide mineralisation will result in a low stripping ratio.

A new resource estimate for Old Red Hill near surface mineralisation will include the planned infill and extension drilling. The previous inferred and indicated mineral resources estimate for the Red Hill area was done in 2004 and totalled 27,000 ounces of oxide and transition material in Whites and Old Red Hill (inferred resource of 8,600 ounces in oxide material).

Some assay results are awaited for the Stage 2 drilling program at Red Hill which included 1,879 metres of reverse circulation drilling and 655 metres of diamond drilling in 31 holes. Further details will be reported at a later date. Reverse circulation drilling samples with visible quartz samples and diamond core samples were assayed with the screen fire assay technique. Visible gold was observed in several core samples with grains to 1mm.

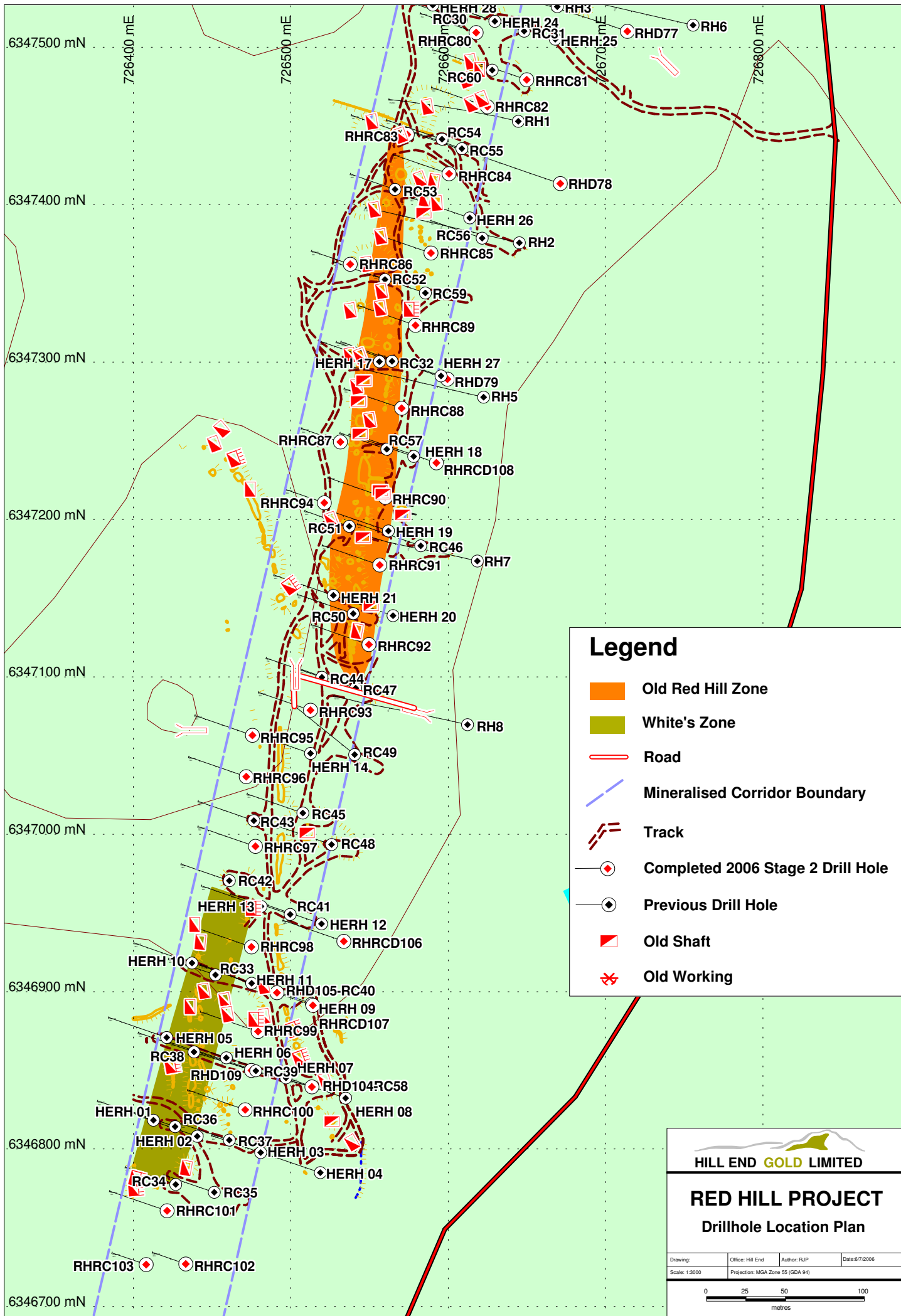
Attribution

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle who is a Member of The Australian Institute of Geoscientists. Mr Quayle is a full-time geological contractor for the company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Philip Bruce
Managing Director


For further information contact Philip Bruce +61 412 409555

Attached: - Southern Red Hill Project Drillhole Location Plan



Legend

- Old Red Hill Zone
- White's Zone
- Road
- Mineralised Corridor Boundary
- Track
- Completed 2006 Stage 2 Drill Hole
- Previous Drill Hole
- Old Shaft
- Old Working

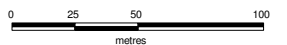


HILL END GOLD LIMITED

RED HILL PROJECT

Drillhole Location Plan

Drawing:	Office: Hill End	Author: RJP	Date: 8/7/2008
Scale: 1:3000	Projection: MGA Zone 55 (GDA 94)		



0 25 50 100
metres