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Reward drilling update

16 November 2006

ASX Code : HEG, HEGOA

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Four diamond drill holes have been completed to date in the latest Reward drilling program for a total of 1098 metres. The drilling has extended the strike length of the high grade Reward gold mineralisation in the Exhibition area to a total of 120 metres and has intersected multiple high grade veins with individual assays up to 74.7g/tAu over 30cm. The Exhibition high grade area is open to the south and has a depth extent of 150 metres below old workings.

Drilling is continuing to infill and extend the Exhibition area, particularly to the south and at depth, and an updated resource estimate is expected early in the new year.

A review of the development requirements to quickly and cheaply access the Exhibition area will be included into the preliminary scoping study. Drilling is delineating the high grade area and underground bulk sampling will provide larger samples for a reliable estimate. Following bulk sampling, the Exhibition high grade area target potential is expected to be of the order of 100,000 tonnes at 20 – 30g/t.

HHD26 was drilled to test the northern end of the Reward mineralisation and the Robert Emmett's Cross Course at about 250 metres and to test for gold mineralisation beyond the cross course. While some gold mineralisation was intersected in Rowley's and Paxton's vein sets, the Robert Emmett's Cross Course intersection returned no gold mineralisation. However, for the first time, mineralization has been intersected on the north side of the cross course, with the Phillipson's vein set returning assays of up to 8.88g/tAu over 20cm, this is 58 metres to the north of the HHD29 visible gold intersection in Phillipson's, which is a further 40 metres from the high grade intersection HHD27.

HHD27 was drilled to test the northerly strike extension of the high grade part of the Reward mineralisation by drilling down the structural corridor to intersect all veins to the depth of Amalgamated vein set at approximately 300 metres down hole. Abundant visible gold was observed in multiple quartz veins throughout the hole.

#### HHD27 vein assays:

Unknown veinset	1.42g/tAu over 30cm from 46.5m 3.26g/tAu over 40cm from 47.7m
Rowley's	1.12g/tAu over 23cm from 63.65m 9.33g/tAu over 22cm from 63.88m
Steven's	7.17g/tAu over 15cm from 153.60m 15.8g/t over 10cm from 159.40m 65.6g/tAu over 16cm from 162.68m 13.45g/tAu over 20cm from 171.71m
Paxton's	3.71g/tAu over 18cm from 187.90m 40g/tAu over 14cm from 188.08m 4.87g/tAu over 17cm from 191.88m 11.6g/tAu over 40cm from 195.25m 19.85g/tAu over 30cm from 198.20m 2.73g/tAu over 30cm from 198.50m 5.87g/tAu over 16cm from 199.32m
Phillipson's	45.31g/tAu over 0.5m from 249.80m Including 74.7g/tAu over 30cm from 250.10m

HHD28 was drilled to the north to test the Robert Emmett's Cross Course just below old workings, however it intersected the workings at the target position. Visible gold was observed in veins between the Rowley's and Frenchman's positions on the north side of the cross course. Assays are awaited.

HHD29 was drilled at 40 metres along strike to the north of DDH27 to test for further northern extension of the Exhibition high grade area. Visible gold was observed in veins in the Paxton's, Mica and Phillipson's positions. Assays are awaited.

The current hole HHD30 is planned to intersect Phillipson's 45 metres to the south of a previous 71.6g/tAu intersection in NRI009 and 100 metres south of the 74.7g/tAu intersection in HHD27. All other vein sets will be tested from surface, including the Paxton's some 30 metres south of the 546g/tAu intersection in NRI005.

*The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and is a full-time geological contractor for the company. Mr Bruce is Fellow of the Australasian Institute of Mining and Metallurgy. Both Mr Quayle and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons 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 and Mr Bruce consent to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*

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