



ACN 072 692 365

Development nears first high grade target

27 September 2007

ASX Code : HEG, HEGO

Reward

The Reward drive for the bulk sampling program will be into the first high grade target in the Phillipson's and Mica vein sets within the next few weeks. The drive is approaching the southern end of the Reward resource area and there are 75 metres go to the high grade intersections in diamond drill hole HHD14.

Drill hole HHD14 intersected coarse gold in bedded quartz veins, including 28.50g/t over 0.42m (Mica), 37.70g/t over 0.14m (West), 70.40g/t over 0.15m and 10.95g/t over 0.16m (Phillipson's). The grades are believed to be conservative due to the low grade bias of the drill core sampling and assaying techniques.

The Phillipson's and Mica vein resource grades are 14.4g/t and 12.5g/t gold respectively, and the main bulk sampling target in Paxton's has an average resource grade of 47.8g/t gold. While Phillipson's and Mica are accessible from the Reward drive, the Paxton's, Stevens and Frenchman's vein sets will be opened up by a raise bore hole in the Exhibition area from surface to the Reward drive, some 200 metres north of the present face position,

The Reward drive has been advancing along the Phillipson's vein set and is to be moved to the Mica vein set position to take advantage of existing workings, where the Mica vein set was developed but not mined. These old workings mark the northern limit of mining on this level. The unmined Mica vein, which is exposed over a strike length of 125 metres, is up to 45cm wide and is being sampled for gold content.

The drive development rate is increasing to three blasts per day and, at the current rate, the raise bore hole access into Paxton's will be completed by the end of the year. Some bulk sampling of the Phillipson's and Mica vein sets is expected to commence during the next quarter with Paxton's early in the new year.

Diamond drilling

The diamond drilling programs for Hill End and Hargraves have been delayed by rig availability and are planned to start by mid-November. We are sourcing at least two rigs for a 4,000 metre program on extending the Reward zone to the north in the Scandinavian area and Germantown and to include drilling of bulk sampling targets at Red Hill.

An additional 1,500 metre program is planned for immediate drilling of the Big Nugget Hill bulk sampling target at Hargraves.

Attached : Reward Bulk Sampling Program
Reward Drive Plan

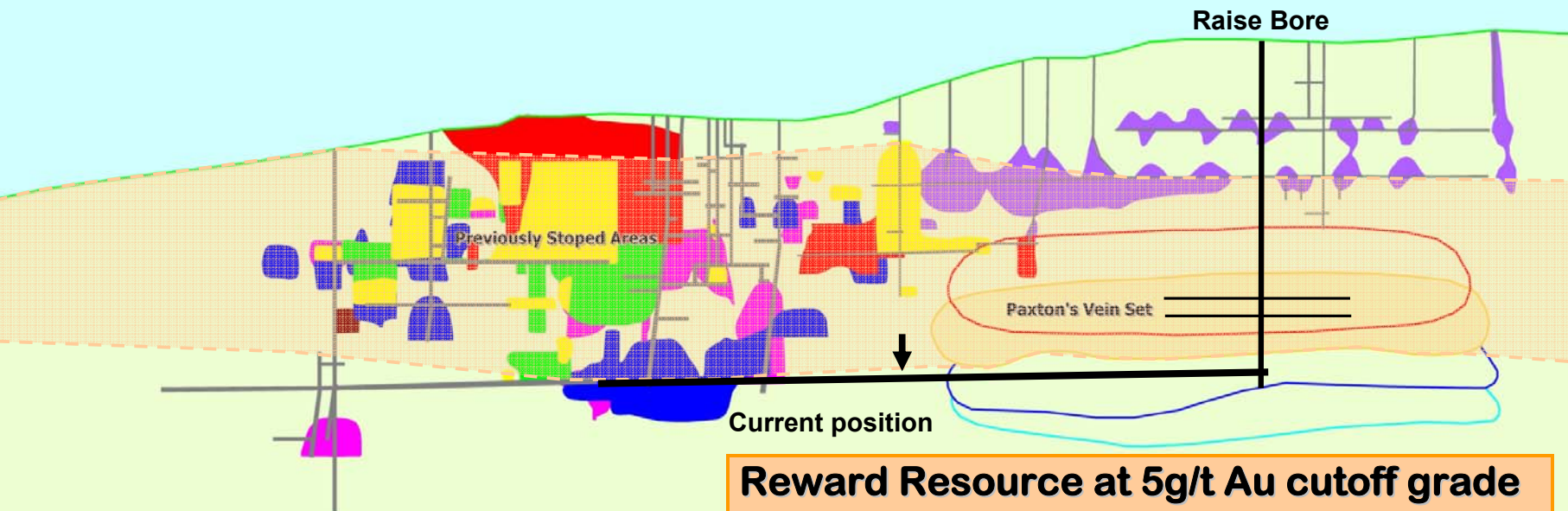
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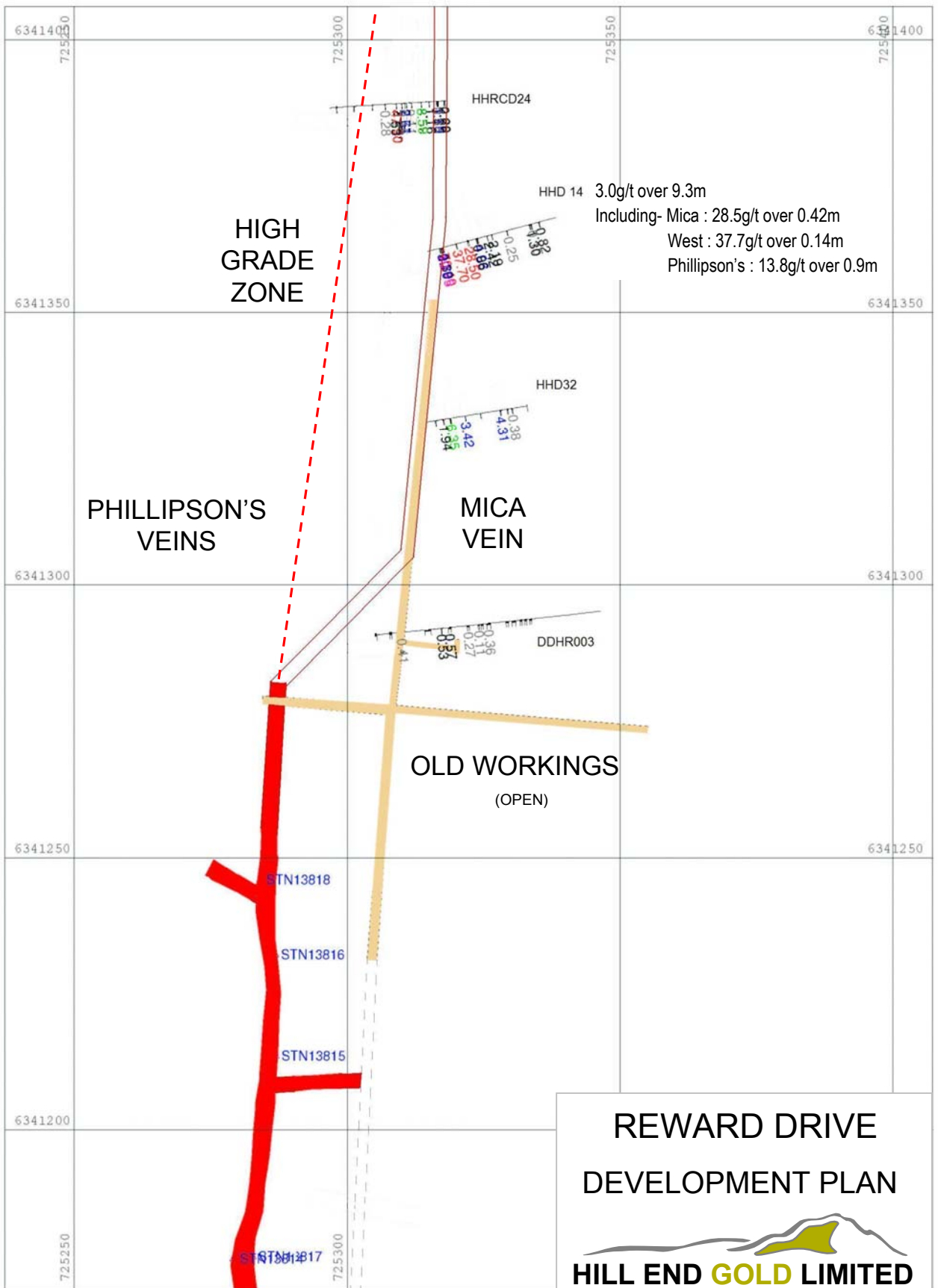
HAWKINS HILL - REWARD PAXTON'S BULK SAMPLING PROGRAM



- Excellent geological continuity.
- Simple structural setting.
- Good continuity of mineralisation.
- 98% recovery to gravity concentrate.

Reward Resource at 5g/t Au cutoff grade

VEIN SET	TONNES	GOLD g/t	OUNCES
Frenchman's	9,500	8.6	2,650
Steven's	32,400	10.4	10,800
Paxton's	23,000	47.8	35,350
Mica	7,500	12.5	3,000
Phillipson's	52,000	14.4	24,100
TOTAL	124,400	19	75,900



**REWARD DRIVE
DEVELOPMENT PLAN**

