



# HILL END GOLD LIMITED

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Hill End Update

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ASX Code : HEG, HEGO

## HIGHLIGHTS

- **Visible gold in first eight diamond drill holes at Hargraves and Valentine's.**
- **Reward gravity gold plant operating and being commissioned this week.**
- **Raise bore machine at Exhibition to start drilling pilot hole in next few days.**
- **Preparations for Reward underground drilling advanced.**
- **Intersections on high grade M2 vein set extend it to over 100 metres strike.**

## HARGRAVES

Three diamond drill holes (HGD01,02 and 03) have been completed at Hargraves on the Big Nugget Hill Anticline (BNHA) on section 9720N for 619 metres and a fourth hole, located 100 metres to the south, is currently at a depth of 200 metres. All holes are carrying visible gold in quartz veins and the BNHA mineralised zone intersected on the 9720N section has a down hole width of over 80 metres and 80 metres down dip extent to date.

HGD01 was deepened to 290 metres to intersect a parallel mineralised structure in the Florence Anticline (FA) position 100 metres to the east of BNHA.

Drillhole surveying and logging data have enabled reliable correlation of individual veins for the first time at Hargraves and five vein sets carrying visible gold have been identified on the limbs of the Big Nugget Hill Anticline (BNHA) with mineralised quartz veins of between 0.10 and 0.15 metre in thickness.

Visible gold was noted in three separate veins in HGD01, two in HGD02 and four in HGD03 and significant bands of quartz veining up to 3 metres in thickness occur immediately to the east of the BNHA axis position in HGD01 and HGD03, and at the FA axis position in HGD01.

Gold mineralisation in quartz veining at Hargraves appears to be controlled by structural dilation, associated with tight anticlinal (and perhaps less so synclinal) axes, instead of competency contrast dilation, such as at Hill End.

The next three holes at Hargraves are being drilled 100 metres to the south on the 9620N section, perhaps closer to the centre of mineralisation. HGD04 is currently at 200 metres with quartz veining showing visible gold noted at 55 metres down hole.

This initial twelve hole diamond drilling program of 2,800 metres is to test the Big Nugget Hill zone to a maximum depth of 350 metres. Given the high grade results from previous drilling

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in the 1980's and 90's, this initial reconnaissance program is expected to be expanded to outline a new resource area.

Samples from HGD01 have been dispatched and results are awaited.

## RED HILL / VALENTINES

Four diamond drill holes totalling 638 metres have been completed to date between 7900N and 8083N in the Valentine's area, which is about 500 metres north of the Red Hill Shaft. Visible gold has been noted in all holes.

Several bedding-parallel vein sets have been identified at Valentine's and labelled V1 to V4, which span an 80 metre down hole width. The majority of the vein sets, in particular V3, can be correlated between the four drill holes over a strike length of about 200 metres.

The V1 vein set comprises abundant quartz veining over a ten metre interval with visible gold and indicator minerals. V3 is a bedding parallel vein between 0.20 and 0.30 metre in thickness with indicator minerals and is tentatively correlated with the main mineralisation in the previously worked Valentine's Mine some 150 metres updip. The V4 vein set comprises stockwork and laminated quartz veining with visible gold and indicator minerals over a three metre interval.

The next holes (RHRC115 and VALD03) are to be drilled on section 7954N to test for extensions of the Valentine's vein sets to south towards Red Hill.

## GERMANTOWN

The first Germantown hole (GTD03) in this program is nearing completion at a depth of 200 metres in the core of the Hill End Anticline. The hole is drilled parallel to, and 60 metres above a previous hole GTD02, between the old hole and the Germantown surface workings. Six quartz veins up to 0.12 metre in thickness have been intersected but no visible gold to date.

The drilling program is to establish the position of the Germantown mineralised corridor before drilling deeper for the extension of the Reward veins at about 300 metres below surface.

The next hole is to be drilled in a similar configuration to GTD03 some 100 metres to the south.

## RAISE BORE SHAFT (Exhibition surface to Amalgamated level)

The raise bore machine and associated equipment have been established at the Exhibition site and drilling the 0.2 metre vertical pilot hole will start in the next day or so (see attached photo). The pilot hole is expected to be completed within two weeks and back reaming to a 2.4 metre hole will then proceed over the next five weeks.

## REWARD

Eight underground diamond drill sites have been established between Patriarch and the Exhibition raise bore site in the Amalgamated drive on about 50 metre centres. An underground rig is on site and a 2,000 metre diamond drilling program is planned to start in the near future. The diamond drilling will test the Central group of veins in the Patriarch-Cornelian area, above and below the Amalgamated drive level.

The diamond drill sites were cross cut to the M2 vein set position and vein samples were checked for gold mineralisation. All samples showed coarse gold and the M2 north face at the 1374N position yielded visually strong, coarse (>1mm) gold mineralization over a 0.16 metre vein. The M2 vein set is now strongly mineralised for over at least 100 metres strike length, including the 45 metre M2 test drive which averaged 58g/t gold over a diluted mining width of 0.8 metre.

An underground truck is due to arrive on site to assist with the transport of raise bore chips from the Amalgamated level. The underground miners are preparing to bulk sample the Patriarch – Cornelian vein sets from the Amalgamated level for processing through the plant.

## PROCESS PLANT

Construction of the gravity recovery gold plant for the Reward Gold Mine at Hill End is now complete and the plant is operating, with wet commissioning now underway.

Full commissioning is anticipated over the next week with the commencement of processing of stockpiled material of various grades, which was produced during the Reward development phase.

Processing of underground material will continue to increase over coming months as new areas are opened up.

### *Attribution*

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 and Mr Bruce is a 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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Raise bore equipment at Exhibition for 2.4m shaft