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New development targets M2 extensions

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Underground development, drilling, sampling and initial stoping on the Amalgamated level has confirmed the high grade continuity of the Cornelian M2 veinset. Development will now be extended below the level by ramping down on the M2 veinset itself to a depth of 30 metres below the level. Decline driving will access the Cornelian M2 under the very high grade zones on the Amalgamated level between 1375 - 1460N and will also target the high grade M2 intersections in HHUG08 and HHUG13 and new M2 potential in the Patriarch area.

HHUG08 intersected 7.4g/t gold over 5.7 metres at 25 metres below the level and HHUG13 intersected 544.9g/t gold over 0.3 metre at 16 metres below the level.

In addition, recent drilling has confirmed the potential for the high grade Cornelian M2 veinset to extend south into the Patriarch area (1225 – 1375N). A wide Central group zone intersection totalling 4.1g/t gold over 17.3 metres in HHUG09 included 284.7g/t gold over 0.2 metre in the M2 at 1250N and spot sampling of the M2 in earlier development on the Amalgamated level returned up to 191g/t gold over 0.2 metre at 1340N.

It is noted that historical development, dating from 1918 in the Patriarch area, only followed the M1 veinset, leaving the M2 in the hangingwall. Planning is underway to open up the M2 and to commence a second decline ramp under the Amalgamated level in the Patriarch area.

Decline driving down the M2 veinset will provide a continuing source of feed for the processing plant and will access approximately 20,000 tonnes of potential feed in the M2 veinset alone. M2 decline driving will also provide access to other Central group veinsets, the Amalgamated and the Brand and Fletchers veinsets below the Amalgamated level.

The wide Central group intersected in HHUG09 is about 15 metres above the Amalgamated level at 1250N. The zone will be tested by three rises up the M2 vein at 25 metre spacing and three similarly spaced cross cut rises across the Central group veinsets which will commence outlining the new resource.

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. 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 their information in the form and context in which it appears.

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