

ACN 072 692 365

Hill End update 19 March 2009

ASX Code: HEG, HEGOB

- Production continues to increase at the Reward Gold Mine with 1,000 tonnes processed at a provisional head grade of 30g/t by mid-March.
- March daily production up to 100 tonnes per day at a feed grade of an ounce per tonne.
- Rising on the M2 is extending the zones of high grade mineralisation above the 640 level.
- Plant gold recovery is approximately 97%.

The gravity gold treatment plant has increased throughput to average approximately 70 tonnes per day during March and the provisional feed grade of 30g/t includes Paxton's high grade stope material and low grade development material. Plant recovery continues at approximately 97%. Gold pours are being done every few days and yesterday's gold shipment was valued at over \$1m.

Stoping has recommenced in the M2 veinset from the 640 level and rising is being done on the M2 in the 1400 – 1500 section, which is delineating high grade material above the 640 level. The wide Patriarch Central Zone is to be tested with crosscut rises over a strike length of 100 metres between 1240N and 1340N.

Development on the 730 level of the Reward shaft is planned to open up the bottom level of the old Exhibition shaft workings, which mined the wide Frenchman's veinset. Some water is present in the old shaft and connected workings below the 780 level and will be drained to the Amalgamated level for use in the processing plant.

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.

For further information: Philip Bruce 0412 409555

Website: www.hillendgold.com.au

admin@hillendgold.com.au