



HILL END GOLD LIMITED

ACN 072 692 365

Excellent drilling and development results

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- The 5,000 metre underground diamond drilling program at Reward is extending resources and providing mine planning data for the proposed expansion of the Hill End project.
- Initial drilling has intersected wide Paxton's, Steven's and Frenchman's veinsets at the undrilled 730 - 780 levels some 125 metres south of the Reward mine.
- Reward 780 level crosscut intersects 10 metre wide Frenchman's veinset
- 780 level breakthrough into the old Exhibition 324 (foot) level confirms wide unmined Frenchman's veinset.
- High grade Mica 1 veinset delineated on 640 level from 1630N.
- High grade Scandinavian drilling intersections extend the Mica veinset 450 metres to the north from Reward.
- Confirmation of the Indicator Fault system as the source for gold mineralisation identifies new high grade targets.
- Early target for Indicator system mineralisation at the intersection with the Mica veinset and Robert Emmett's cross course at 1740N on the 640 level.

Patriarch zone drilling

Significant veining has been intersected in the Paxton's veinset and visible gold in the Steven's veinset on the 730 level at 1430N, which is approximately 125 metres south of the Reward shaft and is at the same level as the old Consolidated development. The Reward 730 level is planned to drive the 100 metres south to connect with the old Consolidated 730 level. The current drilling is focusing on testing the unexplored Patriarch area from Mica to Frenchman's veinsets between 1250-1500N with drilling on 25 metre spaced sections with 10-20 metre vertical coverage for each vein.

Wide gold mineralisation intersections

Recent diamond drilling and cross cut development on the Reward 780 level has intersected abundant visible gold in numerous veins in the Frenchman's veinset approximately 8-10 metres in true thickness. This is 50 metres directly above a similar zone in Steven's on the

Hill End Site and Registered Office
4 Bowen Street
Hill End NSW 2850
Phone +612 6337 8343
Fax +612 6337 8345

Sydney Principal Office
3 Spring Street
Sydney NSW 2000
Phone +612 8249 4416
Fax +612 8249 4919

Website: www.hillendgold.com.au
Email: admin@hillendgold.com.au

730 level which intersected 8 metres at 5.2g/t gold. Similar zones of thickened multiple veining which may be bulk mineable are expected in new veins above the 780 level, and in the Mica veins below the 640 level.

Wide high grade zones in the historical Hawkins Hill and Reward workings have produced 45,000 tonnes at 300g/t gold and 200,000 tonnes at 15g/t gold respectively and the drilling and development in the upper levels of the Reward shaft are targeting the extensions of these workings.

Mica 1 640 level

Results from floor sampling of the Mica 1 drive north from 1630N average 30.7g/t gold diluted over a 1.1 metre stoping width for a strike length of 60 metres. Further development along strike and dip in the Mica 1 will outline a high grade stope which will commence production next week.

The 640 level will be continued north along the Mica veinset to intersect the Robert Emmett's cross course at approximately 1740N. The Robert Emmett's crosscourse was previously mined near surface at a grade of approximately 20 ounces per tonne. The combination of cross course, Mica veinset and the mineralising Indicator system is similar to the location where large gold specimens were mined in Hawkins Hill during the 1870's.

Scandinavian drilling

Excellent assay results from previous Scandinavian diamond drilling have been received, including Mica vein intersections in each of the three holes of 0.4 metres at 5.3g/t gold, 0.3 metres at 11.3g/t gold and 0.1 metre at 88.4g/t gold. These intersections span a 100 metre dip extent from 670-570RL and are interpreted extension of the Excelsior workings which mined 80 metres below surface to 800RL. Visible gold was also noted in the Amalgamated, Star of Peace, Paxton's and Frenchman's veins, and abundant veining with anomalous results intersected in the Rowley's and Mountain Maid position. This drilling extends the Hawkins Hill - Reward potential from the current development at 1690N to at least 2200N.

Indicator Fault plumbing system for gold mineralisation

The Indicator Fault system noted in historical reports of Hawkins Hill – Reward has been mapped in detail in the current workings and is frequently associated with high grade mineralisation. This structural system is coincident with the empirical 'mineralised corridor' and is considered to represent the plumbing system for the Hill End gold mineralisation. A study being carried out by a Consultant Structural Geologist is expected to result in further understanding of the controls of the very high grade gold shoots for mine planning and to assist in identifying targets for future exploration.

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