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## Project Update

25 August 2006

ASX Code: HEG  
HEGO

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### Drilling

The Company has contracted Major Drilling Pty Ltd to commence a 2,000 meter diamond drilling programme during the first week of September 2006. The programme will be testing extensions of the Reward resource area and new areas to the north of Reward below outcropping gold mineralisation.

Drillhole assays have now been received for the Red Hill South drilling programme completed in May 2006. Further to the previously announced broad intersections in the Old Red Hill Area, there has been confirmation of the width of the White's Resource which is located 300 meters along strike to the south of Old Red Hill.

Reverse circulation drillhole RHRC 100, which intersected 1.77g/t Au over 29 meters downhole is 25 meters south of previous hole RC 39, which intersected 2.25 g/t Au over 36 meters downhole. In both holes mineralisation commences at 30 meters and true is approximately the same as downhole width.

Infill and extension drilling of the Red Hill South project area followed by a resource estimates update are planned. Drilling north along strike to the Red Hill North project area, which includes the Valentine, Emily and Old Company workings, is also planned.

### Farm-in Agreement

Hill End Gold Limited has granted Senator Inc. an extension to 30 September 2006 for the first tranche of funding under the Hill End Project Farm-in Agreement.

### Acquisitions

A number of advanced acquisition opportunities are under review.

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