
Hill End drilling program update

22 February 2006

**ASX Code : HEG
HEGOA**

The reverse circulation / diamond drilling program on the Reward project at Hill End, New South Wales continues on schedule with the fifth hole (HHRCD22) of the current seven hole program at Reward now approaching completion.

As announced previously, the Reward area gold mineralisation has expanded to include the lower Central group of veins in addition to the Frenchmans zone. Holes HHD13 and 14 intersected the Frenchmans and Central group as a broad zone of coarse gold in quartz veins totalling some 80 metres true width. The 50 metre wide Central group contains the Mica, Star of Peace, Middle and Paxtons sets of veins which hosted the rich Hawkins Hill deposit which is located approximately 300 metres to the south.

The current program at Reward includes five holes of approximately 300 metres depth to test the Frenchmans and Central group veins (HHRCD19,20,22,23,24) and two shallow holes HHRCD18 and 21) to test below near surface Frenchmans workings. Total drilling to date in the current program at Reward is 950 metres combined reverse circulation and diamond drilling advance. The budget for drilling at the Hill End project is approximately 8,000 metres for the 2006 calendar year.

Assays have been returned for HHRCD19 with a number of narrow high grade veins containing visible gold intersected as noted on the attached cross section. The hole intersected the Rowleys veins and both the Frenchmans and Central group veins with the Frenchmans zone carrying strong coarse gold mineralisation from 156 – 171m and the Central group veins carrying minor coarse gold from 187 – 240m. This Central group intersection is interpreted to be on the western margin of the mineralised Structural Corridor.

The current drilling program at Reward is outlining the coarse gold zones in the Frenchmans and Central groups of veins with further drilling proposed to extend the Central group mineralisation along strike within the Structural Corridor and to target high grade areas.

An additional dual purpose tracked drill rig is being arranged to commence at the end of March 2006 to undertake drilling in the Red Hill area and other targets along the Hill End Anticline Structural Corridor. High potential for significant deposits exists along strike and at depth as shown in the attached Hill End cross section.

Sampling / assaying results are pending for holes HHRCD18, 20 and 21. Assaying is by the screen fire technique at the ALS Chemex laboratory in Orange, New South Wales.

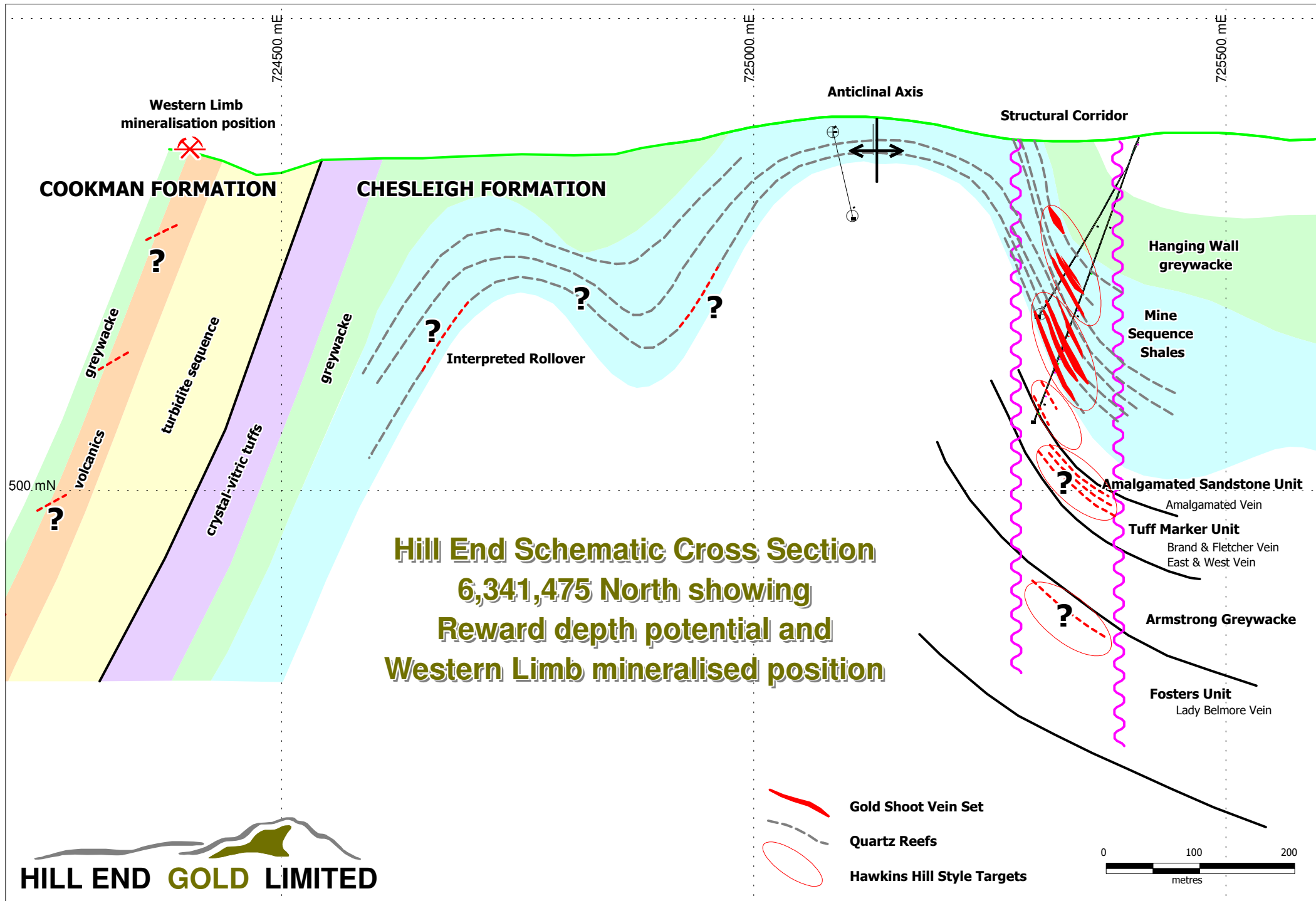
Work has commenced on the preparation of a first resource estimate for the Reward area which is expected to be available by May 2006 with scoping studies for development planned for mid-2006. The Red Hill resources are expected to be recalculated and available in the second half of 2006.

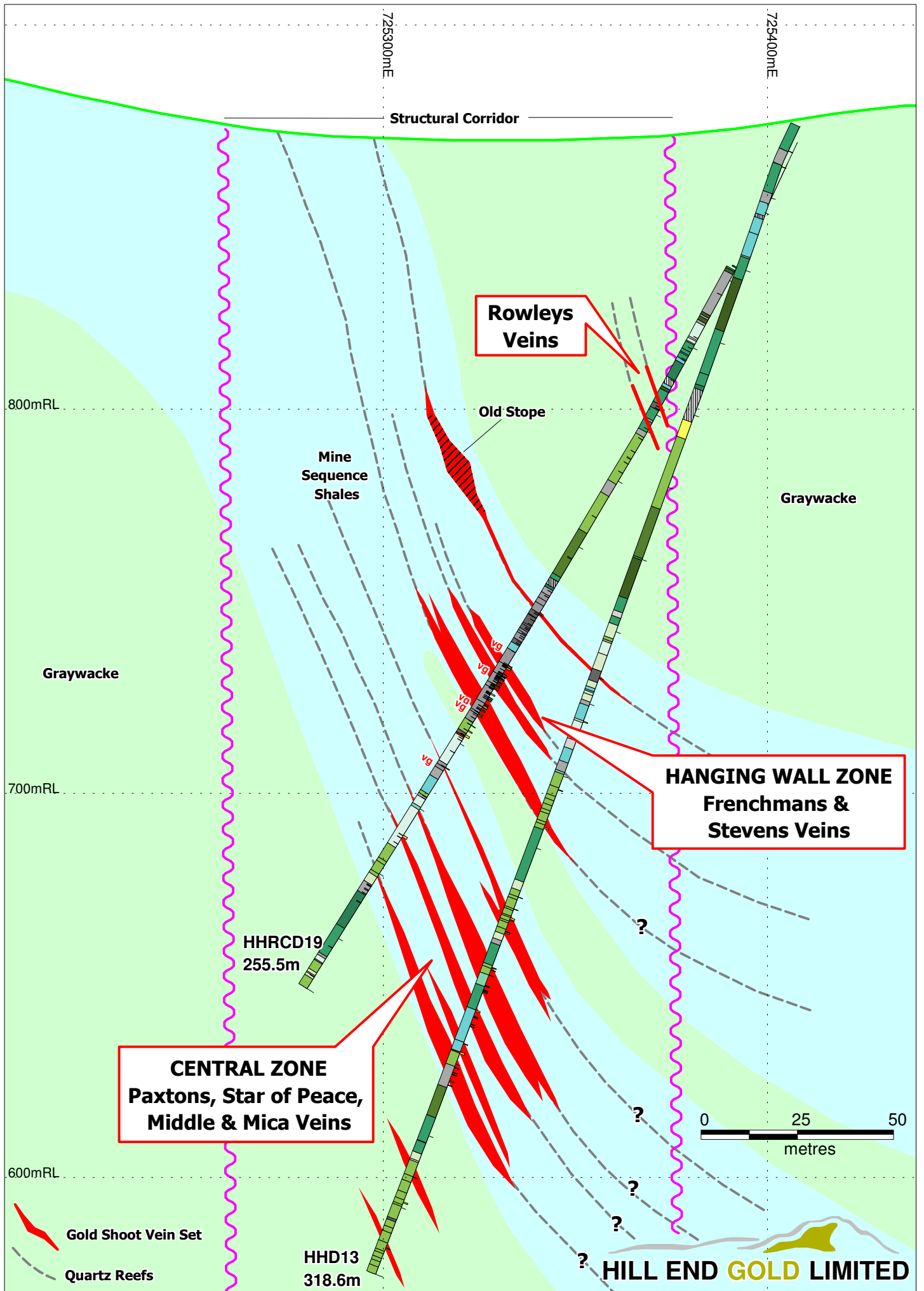
ASSAY RESULTS FOR HHRCD19

Hole Number	MGA Easting	MGA Northing	Dip (°)	MGA Azimuth	Total Depth (m)	From (m)	To (m)	Interval (m)	Gold Grade (g/t)*	Visible Gold
HHRCD19	725408	6341472	-65	270	255.5	77.90	78.58	0.68	2.6	
						84.23	84.96	0.73	1.3	
						155.94	156.11	0.17	0.3	
						156.46	156.65	0.19	10.05	on cut
						158.48	158.58	0.10	0.35	
						158.67	158.95	0.28	1.2	
						159.15	159.19	0.04	1.69	
						159.35	159.44	0.09	6.08	in tray
						160.18	160.40	0.22	8.97	
						161.28	161.50	0.22	1.13	
						161.95	162.13	0.18	1.24	
						162.32	162.60	0.28	2.94	
						163.00	163.20	0.20	2.34	
						166.00	166.17	0.17	0.22	
						166.40	166.53	0.13	1.96	
						167.65	167.73	0.08	1.9	
						168.05	168.18	0.13	0.33	
						168.32	168.70	0.38	2.81	
						168.70	168.90	0.20	6.74	in tray
						169.36	169.60	0.24	1.32	
						169.60	169.84	0.24	0.32	
						170.47	170.75	0.28	3.03	in tray
						171.06	171.34	0.28	2.01	
						187.25	187.45	0.20	0.25	assayed
						208.10	208.70	0.60	0.29	

For further information : Philip Bruce 0412 409555

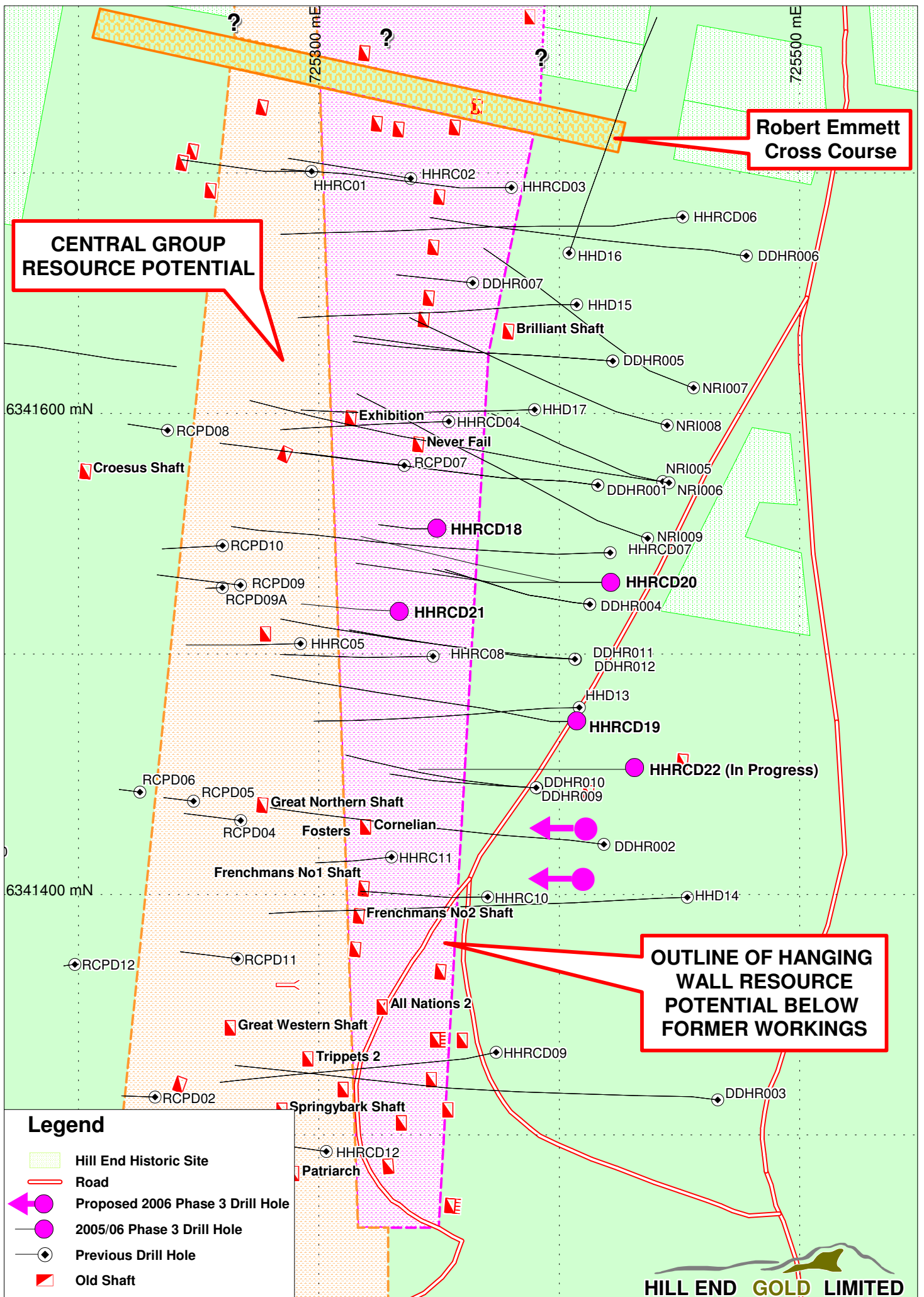
Attached: - Hill End Schematic Cross Section
 - Reward Cross Section
 - Reward Drill Hole Location Plan





REWARD PROJECT - RECENT DRILLING

6,341,475 NORTH - CROSS SECTION



REWARD PROJECT - HILL END NSW
Drill Hole Location Plan