



HILL END GOLD LIMITED

ACN 072 692 365

Hill End Update

8 July 2008

ASX Code : HEG, HEGO

The third gold pour at Hill End has recovered approximately 136 ounces of gold from 265 tonnes of material processed, indicating a total average grade of 16.0g/t gold recovered.

The run included material from the Cornelian M2 stope preparation drive on the Amalgamated level between 1375N and 1460N, which averaged 23.3g/t gold recovered, with one shift alone processing 22 tonnes at 44.7g/t gold recovered and producing over 30 ounces.

The total plant feed material for this pour was sourced as follows :

M2 1375N	102 tonnes at 28.5g/t gold indicated recovered grade (IRG)
M2 1400S	74 tonnes at 16.2g/t gold (IRG)
M2 1460N	32 tonnes at 2.5g/t gold (IRG)
M1, M2 1625N	57 tonnes at 1.0g/t gold (IRG)

These figures include many small specimen nuggets, which are being prepared for separate marketing, and exclude the SGS Laboratories' Knelson tail grades which will be available over coming weeks.

The low grade material processed in this run was from the low grade part of the M2 vein set north of the planned initial stope, which was tested as part of the Reward development exercise. Since the material was low grade the material was only primary and secondary crushed to a nominal size of P₁₀₀8mm and not tertiary crushed to P₁₀₀1mm.

The initial M2 stope preparation in the Cornelian area is proceeding satisfactorily. The Amalgamated level bypass drive has been completed and the excavator to remove material from the floor of the M2 drive has arrived on site.

The ten shaft sublevels which are being developed to the rock pass position are nearing completion and the steelwork for the Alimak conveyance is expected on site within the next month.

The plant continues to be upgraded and operating more continuously. The impact (secondary) crusher is being redesigned for better reliability and less wear and the installation of the ball mill is being held while additional crushing capacity is under review.

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