



HILL END GOLD LIMITED

ACN 072 692 365

Hill End plant goes to double shift

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ASX Code : HEG, HEGO, HEOB

The Hill End gold processing plant is now operating on a double shift basis and operating capacity has been increased to approximately five tonnes per hour.

The plant was originally designed to test batches of material, such as the Paxton's 48g/t gold resource during the Reward underground development phase. The development is planned to open up the Reward mineralisation and to extend the surface drill resource estimate, by mining and processing material from various mineralised vein sets.

The mineralised corridor through the Reward area is up to 100 metres wide with about fifty mineralised quartz veins and previous mining at Reward has reported zones of high grade mineralisation up to 15 metres wide. The current development, mining and processing exercise is to provide data to determine the optimum scope of the Reward operation as a low tonnes / very high grade or high tonnes / moderate grade project.

Initial development into the Reward mineralisation in the Cornelian M2 was spectacularly successful by confirming that the gold mineralisation is of a much higher grade with better continuity and more tonnage than surface drilling had indicated in that area.

Both the mine and the plant operations have been modified for continuous high grade operation and have produced up to 30 tonnes on a single shift however the current target is to process up to 80 tonnes per day on a five day week basis by continuing to increase plant availability and throughput.

The plant is currently treating Cornelian M2 vein material from the initial underground stope on the Amalgamated level, where approximately 1,500 tonnes at grades up to two ounces per tonne are being mined. Gold recovery in the gravity plant is excellent at over 80% and recent production from the stope preparation development on the M2 had a recovered grade of 46g/t, which is in close agreement with underground sampling expectations.

Development on the 48g/t Exhibition Paxton's vein set has now started by rising to the 671 level from the Amalgamated level at 1555N and 1500N. The 671 level crosscut from the shaft will break through to the 1555N rise in the next few days, then further rising on the Paxton's up to the 683 level will be done and the 683 crosscut will break through to it before driving on the Paxton's commences.

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