

Hargraves Project Acquisition

6 September 2007

ASX Code : HEG, HEGO

Further to our announcement of 24 August 2007 on the acquisition of the Hargraves Project from Austexploration Pty Ltd, Hill End Gold Limited now advise that:

1. Hill End Gold will pay \$300,000 and issue two million HEG shares and two million HEGO options to Austexploration. Two million HEG shares will be issued to Austexploration on the delineation of 70,000 recoverable ounces of gold on the tenements and a further two million HEG shares on the production of 70,000 ounces of gold.
2. Austexploration Pty Ltd has agreed for the Department of Primary Industry – Minerals to replace EL 5952 and the Exploration Licence issued in satisfaction of ELA 2743 with a new Exploration Licence to be granted to HEG (currently ELA 3275).

The acquisition of the Hargraves Project and our Exploration Licence Applications over the Windeyer and Avisford areas have consolidated three major goldfields in the Hill End area with previous reported gold production of over two million ounces. The Company's Hill End region holdings have been tripled in size to 1,531 square kilometres.

The Hargraves Project has early development targets in the Big Nugget Hill and Tuckers Hill zones, where explorers have outlined non-JORC mineralisation of approximately 100,000 ounces to a maximum depth of 70 metres below surface. In addition there are numerous prospective zones across a mineralised trend of four kilometres width, which have had little modern exploration.

Hargraves is the site of Australia's earliest gold reef mining in 1851, when large pieces of gold in quartz, containing up to 1,546 ounces, were discovered in quartz vein outcrops at Big Nugget Hill. Rich alluvial deposits were also mined in the Louisa, Daly and Meroo Creeks and many large nuggets were found, with the 'King of Waterworn Nuggets' being the largest at 2,680 ounces of gold.

Previous exploration on the Big Nugget Hill zone of mineralisation has identified strong gold mineralisation over a strike length of 600 metres by drilling, and over 1,500 metres by surface sampling.

Mining in the Hill End Shaft, located on the Big Nugget Zone, was suspended in 1915, although a parcel of ore from the bottom 50 metre level was reported as containing fifteen ounces per tonne. In 1989 a two tonne bulk sample was mined from this same level with the material reported to contain more than 5 ounces per tonne.

Hill End Gold will commence diamond drilling at the Hargraves Project on Big Nugget Hill within the next few months to delineate economic resources and commence bulk sampling.

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