



HILL END GOLD LIMITED

ACN 072 692 365

High grade Paxton's width and grade increase

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ASX Code : HEG, HEGOB

Paxton's veinset is improving in grade and width as higher levels are opened in the Reward Shaft development.

The 695 level crosscut has now reached the Paxton's veinset position, where high grade Paxton's hangingwall veins have increased the width of the Paxton's veinset to 4.5 metres at a grade of approximately 20g/t gold. Face samples to date include 355g/t gold over 0.2m, 7g/t gold over 0.2m and 48g/t gold over 0.05m from visual estimates of gravity table gold concentrate.

The wide zone confirms the 2006 Paxton's intersection in surface diamond drillhole HHD30 of 35.8g/t over 3.5 metres true width, which is approximately five metres away from the crosscut position and thirty metres south of surface diamond hole NRI05, which intersected 208g/t gold over 0.8 metre.

Note that the current Reward resource of 160,000 tonnes at 17g/t gold is expected to be quite conservative since it only includes the narrow marker veinsets for Paxton's, Steven's, etc. and not these wide zones.

Wide zones, such as the Paxton's ~4 metre wide veinset, are known to be highly significant ore sources in previous mining in the Hawkins Hill – Reward area, however the wide drill hole intersections were excluded from the resource estimate owing to insufficient information available to correlate the wide zones from hole to hole.

Development and drilling is scoping out the actual size of the Reward resource and we are opening up the Paxton's veinset as the initial development and drilling platform.

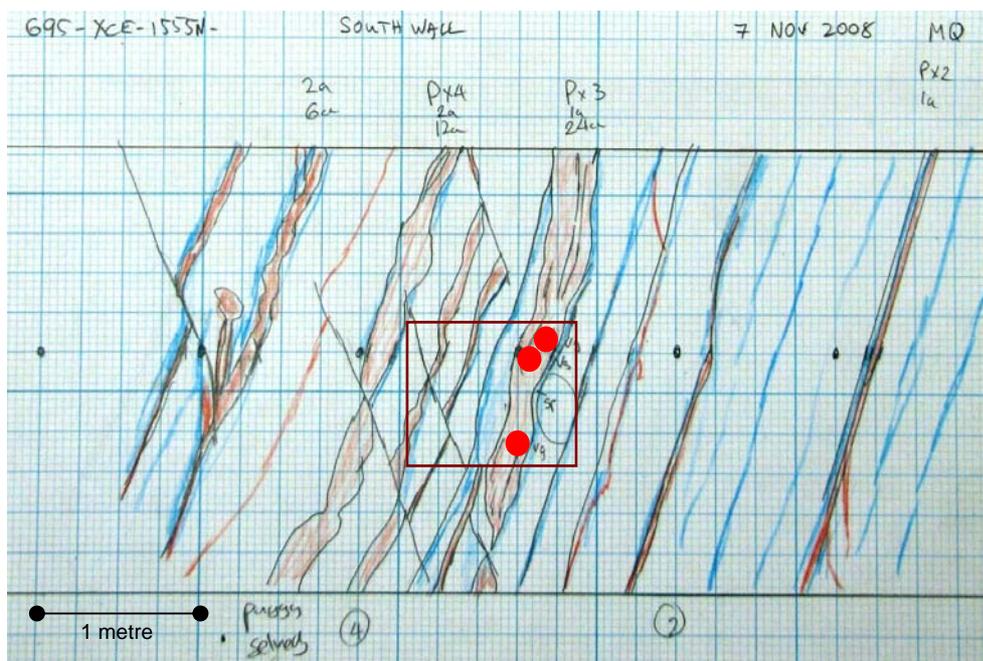
Paxton's level development from the Reward Shaft is at a 12 metre vertical spacing (671, 683, 695 and next is 707) and we are rising main ore passes at 50 metre intervals along strike from the 640 level up along the Paxton's (1500N, 1555N and 1600N so far). Between each level and between the main rises we are putting up three short rises at equal spacing from level to level to break up the veinset into ten by ten metre blocks in preparation for stoping.

Material from the first three short rises developed between 1555N and 1600N from the 671 level on Paxton's vein has been processed. Visible gold was encountered throughout the central rise and towards the top of both the north and the south rises. Recovered gold (in part) produced from the south rise was 23g/t gold from 20.2 tonnes, 31.3g/t gold from 25.4 tonnes from the central rise and 16g/t gold from 25.3 tonnes from the northern rise. Grades in the rises are more consistent and considerably higher than along the 671 level.

Attribution

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and is a full-time geological contractor for the company. Mr Bruce is Fellow of the Australasian Institute of Mining and Metallurgy. Both Mr Quayle and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle and Mr Bruce consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

For further information: Philip Bruce 0412 409555



Mapping south wall of 695 level 1555N crosscut Paxton's veinset with visible gold ●



South wall detail of 695 level 1555N crosscut Paxton's veinset