
High Grade Reward Resource and ~1M oz exploration target potential 16 April 2007

ASX Code : HEG, HEGO

KEY POINTS

- High grade portion of Reward has 75,900oz inferred resource with 124,400 tonnes grading 19g/t gold.
- High grade resource estimate is based on 33 diamond holes and a 5g/t cutoff grade.
- Paxton's vein set alone, targeted for trial mining later in 2007, has 23,000 tonnes grading 47.8g/t gold containing 35,350oz.
- 1 million ounce exploration target potential in two kilometre long Hawkins Hill – Reward – Germantown vein system.

REWARD RESOURCE UPDATE

Hill End Gold Limited announced today a resource update for the high grade zone at Reward as well as the first estimate of exploration target potential for the Hawkins Hill – Reward – Germantown area at its Hill End Gold Project in New South Wales, Australia.

An inferred resource of 125,000 tonnes at 19g/tAu containing 75,900 ounces at a cutoff grade of 5g/tAu and minimum width of 0.8 metres is conservatively estimated for the high grade vein sets at Reward. The Paxton's vein set alone, which is the target for trial mining later this year, has 23,000 tonnes at 47.8g/tAu containing 35,350 ounces at a cutoff grade of 5g/tAu. Negotiations with mining and plant contractors are being finalised for development to commence within the next couple of months.

The current estimate includes only the high grade portion of the Reward mineralisation, to provide a comparative model of the geological and grade continuity for the trial mining exercise. The previous global resource estimate for Reward, announced on 21 June 2006, of 680,000 tonnes at 6g/tAu included lower grade material, which has been excluded.

The April 2007 Reward area high grade resource estimate is reported in accordance with the 2004 JORC Code and is based on a long section polygonal method of estimation. Diamond drilling to date has only partially drilled the Reward vein sets in an area of approximately 400 metres along strike by 100 metres width to a maximum depth of 300 metres below surface. The average width of the high grade vein sets is one metre with a minimum mining width of 0.8 metres and a dip length of approximately 50 metres. The resource estimate is derived from diamond drilling assay results and mining criteria and the 5g/tAu cutoff grade is based on preliminary costs and recoveries.

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REWARD EXPLORATION TARGET POTENTIAL

The individual mineralised vein sets at Hill End have been found to be very continuous over large distances and recent drilling at Germantown has correlated the Hawkins Hill, Reward and Germantown mineralisation to be the same zone.

The individual Reward vein sets are currently interpreted to have a strike length of over two kilometres and the *en echelon* vein sets extend to a depth of at least 500 metres. An initial estimate of the potential of the Hawkins Hill – Reward – Germantown exploration target, additional to the Reward resources, in the mineralised corridor from Hawkins Hill to Germantown, is 2 – 2.5Mt at 10 - 20g/tAu containing a mid range of approximately one million ounces.

Potential exploration target estimates comprise two sources: proximal to Reward – Hawkins Hill, including interpolated blocks between resource block boundaries and historical stope outlines, plus depth and southern strike extensions (60%), and; extrapolating the known vein sets along strike to the north and at depth to Germantown; at vein set resource widths and grade (40%).

The exploration target potential quantity and grade is conceptual in nature with insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

HILL END REWARD AREA INFERRED GOLD RESOURCE – APRIL 2007

Vein Set	⁽¹⁾ Tonnage (tonnes)	⁽²⁾ Gold Grade (g/t Au)	⁽¹⁾ Contained Gold (ounces)
5g/tAu Cutoff Grade			
Frenchman's	9,500	8.6	2,650
Steven's	32,400	10.4	10,800
Paxton's	23,000	47.8	35,350
Mica	7,500	12.5	3,000
Phillipson's	52,000	14.4	24,100
TOTAL	124,400	19.0	75,900
10g/tAu Cutoff Grade			
Frenchman's	950	13.1	400
Steven's	12,500	16.3	6,550
Paxton's	19,500	55.0	34,450
Mica	4,950	15.1	2,400
Phillipson's	36,000	17.6	20,400
TOTAL	73,900	27.0	64,200

⁽¹⁾Tonnage and ounces are rounded to the nearest 50.

⁽²⁾Diluted grade figure is rounded to the nearest 0.1g/t Au.

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.

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