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ASX ANNOUNCEMENT

ASX Code: HEG
HEGAK

28 November 2005

CHAIRMAN'S ADDRESS

Ladies and Gentlemen:

During the past year, Hill End, despite operating within the restraints of tight financing, has made significant advances in determining its structures, skill requirements and work programmes.

This statement results from the close analysis of earlier work, a lot of which has been there but not subjected to comprehensive analysis within new concepts formulated for target areas within our leases.

Together with new selective surface exploration and analysis over target areas adjacent to the strike, along the mineralised field from Hawkins Hill to the north of Red Hill - something that has not been before due to the myriad of small leases and stoppages.

The Company achieved last years outcomes with two small capital raisings totalling approximately \$1.3 million.

Most of the original \$2.7 million from the IPO was applied to getting the Company and operation underway with underground development toward Hawkins Hill and including the reconstitution of the Amalgamated and Consolidated adits and a compact bulk sampling process plant.

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Surface drilling has now supplanted the underground development for the current phase of corporate development along the target project areas Reward and north below Germantown and the Golden Mile workings and at Red Hill. Drilling programmes over these areas are budgeted during this current fiscal year and commence with Red Hill in December of this year.

This next capital raising, a placement of \$3 million which is virtually completed is the subject of resolution 5 today. These funds will be focused on surface drilling programmes as already mentioned.

We expect this drilling to concentrate on mineralisation we consider could repeat at depth along the strike in target areas already identified.

Following this placement (\$3 million), the Directors are proceeding with an issue of 3 free bonus options for every 7 held by the shareholders at the Record Date being the close of trading on the ASX on Friday, 16 December 2005.

The details of the Share Option Issue are as follows:

Issue ratio: 3 share options for every 7 shares held at the Record Date.
Exercise date: Exercise any time up to and including 5 pm AEST on 31 May 2007.
Exercise price: \$0.15 Cents.

Dated 28 November 2005

Alfred L Paton
Chairman

For further information: Philip Bruce 0412 409555

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