
Extensive drilling program underway at Hill End

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HEGAK**

Following the successful closing of a \$3m placement announced on 1 December 2005 we are pleased to advise that drilling has re-commenced earlier this month at Hill End, New South Wales. An 8000 metre drilling and exploration program is planned for 2006 to infill and extend the Reward and Red Hill deposits and to drill other targets in the Hill End goldfield.

Reward area drilling and first resource estimate

Initial activities in this comprehensive program include the continuation of infill drilling of the Reward hangingwall mineralisation known as the Frenchman's zone with early results anticipated by February 2006. Work has also started on the preparation of a first resource estimate for the Frenchman's zone which is expected by May 2005 with scoping studies for development planned for the mid-2006.

Further drilling planned for the Reward area includes extension drilling of the new Central zone mineralisation which was recently identified in HHD013 and 014. These intersections have indicated a broad zone of coarse gold mineralisation of 80 metres true width which is striking north – south similarly to the Hawkins Hill and Reward area deposits. The new Central zone is approximately 300 metres along strike to the north of the Hawkins Hill deposit and at in a position about 40 metres below the Frenchman's hanging wall mineralisation at Reward.

Red Hill area drilling resource extension

During the March quarter drilling will be undertaken at Red Hill to test the previously reported high grade gold mineralisation at approximately 100 metres below surface. The slaty host rocks at that depth are similar to those which hosted the rich Hawkins Hill deposit.

In addition, reverse circulation drill holes with diamond tails will be drilled to extend the previously reported shallow resources at Red Hill. Numerous holes in earlier shallow programs ended in potentially economic grades, particularly under the White's zone in the southern part of the Red Hill area.

An updated resource estimate for Red Hill is expected to be completed by mid-2006 with scoping studies to follow.

Hill End project area

Planning is in progress for the drilling of extensions to the Reward mineralisation and at the Germantown area. The Germantown workings extend over approximately 500 metres strike length and a width of 100 metres and are located approximately 500 metres north of Reward.

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