
Excellent results from Reward and Red Hill

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Excellent drilling results have enhanced the size and continuity of the Reward and Red Hill gold projects at Hill End, New South Wales, Australia.

REWARD

Diamond drilling in the Reward area has intersected wide high grade gold zones in Paxton's and Steven's and has demonstrated the continuity of the gold mineralisation between Hawkins Hill and Reward. The strike length of the individual Hawkins Hill – Reward vein sets is confirmed to be approximately one kilometre. In addition, new mineralised vein sets were intersected above and below the main Reward vein sets.

All assay results from the last three holes (HHD30, 31 and 32) of the 2,071 metre seven hole diamond drilling program at Reward have been received.

HHD30 intersected Paxton's with **12.25g/tAu over 12.9 metres** or about six metres true width, including 106g/tAu over 1.4 metres and abundant visible gold. In the same hole Steven's vein set assayed **7.17g/tAu over 4.4 metres** including 114g/tAu over 0.24m and 29.23g/tAu over 0.13m. Note that HHD30 is located 30 metres south of previous drill hole NRI005, which intersected the Paxton's central veins with 208g/tAu over 0.9m.

In HHD31, which is located 48 metres south of HHD30, the Paxton's high grade zone returned **5.39g/tAu over 6.2 metres**, including 34.39g/tAu over 0.96m.

Old workings and topography have prevented the drilling of Reward further south than HHD32, however a review of the workings and drill results from Reward to Hawkins Hill shows geological and grade continuity of the unexplored vein sets of the order of a kilometre.

At the edge of the mineralised corridor, HHD32 drilled through eight metres of quartz stockwork in altered greywackes between the Phillipson's and Amalgamated vein sets, which is followed by 15 metres of abundant quartz veining with veins up to 1.5 metre thick in the Brand and Fletcher's vein position. Further drilling is planned to test these wide zones inside the mineralised corridor down dip to the east.

Other significant intersections include the Mountain Maid vein set in HHD30 at a depth of 29 metres with 11.92g/tAu over 0.34m and, in HHD31, the Brand and Fletcher's vein set, which is located *en echelon* below the Phillipson's, with 3.64g/tAu over 0.71m. This is the first Reward program to drill above and below the main target vein sets inside the mineralised corridor, with significant intersections indicating the potential for further extensions.

The Reward resource estimate update is focussing on the high grade Paxton's vein set, with mining criteria for the trial mining, which is to commence this year. The estimate will include the exploration potential in the Hawkins Hill and Reward areas. The addition of wide intersections in Paxton's and Steven's and the confirmation of geological and grade continuity of the vein sets from Hawkins Hill to Reward has required further estimation time.

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The start of mine development to Reward and the refurbishment of the sample gravity plant are planned for April. A 250 metre geotechnical hole to test the new Exhibition shaft position for rock quality and the presence of significant structures is to be drilled in the near future.

RED HILL

Drilling and initial assays from the Red Hill drilling program have confirmed the remarkable continuity of the vein sets in the Red Hill mineralised system and a new *en echelon* vein set have been discovered at depth. The program has confirmed that the Red Hill mineralisation is similar to the high grade vein sets in the Hawkins Hill – Reward deposit and of similar strike extent.

A wide stockwork zone of gold mineralisation was intersected in the White's vein set in the first diamond tail of the current program in hole RHRCD108. The zone assayed **2.43g/tAu over 12 metres** from 116 metres downhole with individual veins carrying up to 51g/tAu.

Diamond drilling has now extended the White's vein set by 300 metres to a total strike length of 550 metres and to a depth of 150 metres below surface. Most holes into White's have intersected a wide stockwork / vein set of about six metres true width containing numerous veins carrying visible gold.

A new vein set has been discovered *en echelon* 25 metres below the White's vein set with four diamond drill intersections over a strike length of 500 metres. Visible gold is noted in three of the intersects. The new zone is of great importance in that it confirms Red Hill to have the same mineralisation style and type as Hawkins Hill / Reward: stacked veins with gold shoots within a structural corridor in bedding parallel quartz veins, and it demonstrates the strong geological continuity of the vein sets and continuity of mineralisation if not grade.

The current reverse circulation drilling program has been completed with 2,812 metres drilled in 36 holes at Red Hill, including the Clines Gully, Valentine's and Emily lines of workings. To date six diamond drill holes, including five diamond tails for a total of 612 metres have been completed at Red Hill. Assay results for only the first diamond drill hole at Red Hill have been received and results are pending for the remaining diamond holes and all the reverse circulation holes.

Reverse circulation drilling to the west of Red Hill to test the location of future infrastructure has identified a source of water which will be a significant benefit for future operations.

GERMANTOWN

Numerous quartz veins have been intersected in diamond drill holes GTD01 and GTD02. Assays pending.

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 his information in the form and context in which it appears.

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Attached:

- Reward Stage Four and Red Hill Drilling 2007 - Significant Assays.
- Long Section of Reward Area.
- Long Section of Red Hill Area.
- Hill End Project Regional Overview.

Reward Stage Four and Red Hill Drilling 2007 – Significant Assay Results

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth (MGA)	Total Depth	From	To	Interval	Gold Grade (g/t)*	Vein	Gold
REWARD											
HHD30	725361	6341549	-80	280	309.7	28.85	29.19	0.34	11.92	MM	
						81.96	82.26	0.30	1.68	Ro	
						127.33	127.43	0.10	1.74	Fr	
						141.50	141.76	0.26	2.69	St	
						144.24	144.38	0.14	3.50	St	

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth (MGA)	Total Depth	From	To	Interval	Gold Grade (g/t)*	Vein	Gold
HHD32	725421	6341350	-68	270	303.1	212.05	212.15	0.10	22.75	St	vg3
						242.84	243.09	0.25	4.31	Px	
						258.40	258.56	0.16	3.42	Mi	
						264.89	265.00	0.11	6.35	Mi	
						268.04	268.21	0.17	1.94		
						275.20	275.40	0.20	2.31	Ph	
						275.70	276.00	0.30	1.52	Ph	
						279.35	279.5	0.15	4.75	Ph	vg
						280.64	280.92	0.28	0.46	Ph	vg
RED HILL											
RHD108	726593	6347236	-65	302	168.2	90.05	90.18	0.13	1.16	RHD	
						90.37	90.55	0.18	12.10	RHD	
								12.00	2.43		
					Incl	116.20	116.44	0.24	3.21	W	vg
					Incl	117.51	117.75	0.24	9.85	W	
					Incl	118.42	118.56	0.14	4.77	W	
					Incl	119.18	119.40	0.22	1.27	W	
					Incl	119.79	120.07	0.28	5.94	W	
					Incl	120.07	120.19	0.12	51.04	W	
					Incl	120.19	120.38	0.19	1.39	W	
					Incl	121.36	121.76	0.40	2.06	W	
					Incl	122.28	122.50	0.22	19.60	W	
					Incl	125.04	125.26	0.22	7.10	W	
					Incl	125.26	125.53	0.27	8.88	W	
					Incl	125.53	125.65	0.12	16.50	W	
					Incl	125.65	125.8	0.15	6.17	W	
					Incl	127.5	127.95	0.45	8.13	W	
					Incl	127.95	128.2	0.25	2.35	W	
						129.50	129.83	0.33	1.68	W	
						131.50	131.79	0.29	1.53	W	
						132.00	132.31	0.31	4.35	W	
						134.45	134.75	0.30	14.00	W	
						136.22	136.55	0.33	2.72	W	
						137.83	137.98	0.15	1.99	W	vg
						154.34	154.63	0.29	10.90	new	vg2

All samples are from half HQ3 diamond core.

All lengths and intervals in metres.

* Gold content by Accelerated Cyanide Leach Technique (Leachwell) by SGS Townsville, Queensland, Australia unless otherwise noted.

¹ Samples in bold were analysed by amalgamation fire assay technique at Metcon Laboratories, Brookvale, NSW, and SGS Townsville QLD. Only assay values above 1g/tAu are shown unless containing visible gold (vg20 - visible gold with 20 grains).

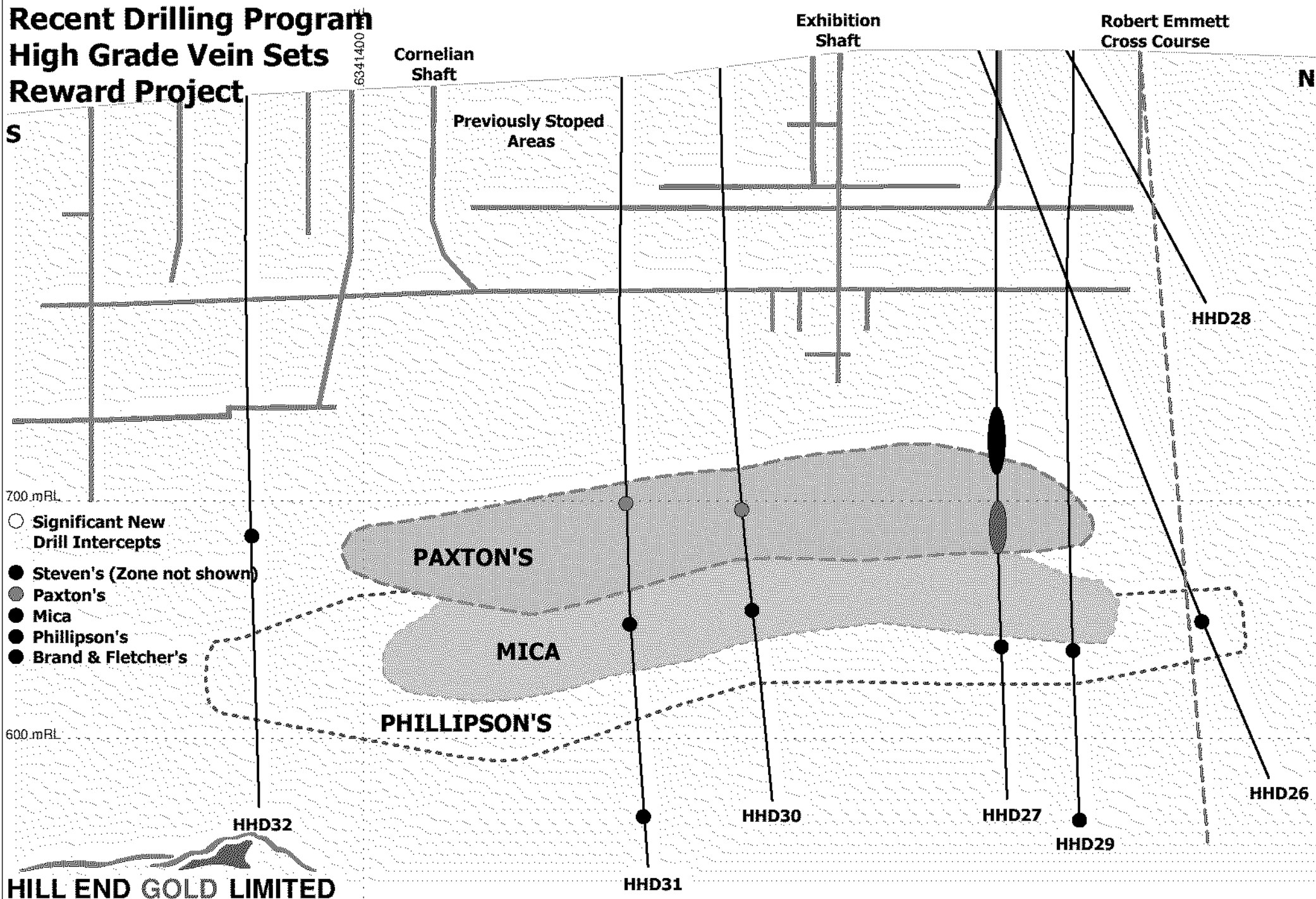
Reward vein sets

MM Mountain Maid
Fr Frenchman's
St Steven's
Px Paxton's
Mi Mica
Ph Phillipson's
BF Brand & Fletcher's
Leader Leader Veins

Red Hill vein sets

RHD Red Hill Deep's
W White's
new New Zone

Recent Drilling Program High Grade Vein Sets Reward Project



Recent Drilling Program Vein Sets Red Hill Project

