



ACN 072 692 365

Hargraves drilling update

17 March 2010

ASX Code : HEG

- Further diamond drilling results from the South BNH zone extend the potential of the 9000N area along strike to the south and at depth.
- Central BNH zone drilling results provide a predictable ore model and first assays commence.
- Major gold mineralisation feeder structures identified in the Central BNH zone in two holes separated by 125m along strike with both holes intersecting abundant visible gold at the bedded reef positions and scattered over 30-40m down hole length.
- Central BNH feeder structures are parallel to BNH zone and carry very high grade mineralisation into the bedded reef positions and may have a vertical extent of 1000's metres.

Diamond drilling completed on the BNH deposit is 3941 metres in twenty one HQ3 diamond drill holes on the Central zone with 2650 metres in 18 drill holes to go in the current program. A further 3753 metres in twenty holes have been completed in the South zone and another 880 metres in the Alma zone, which is approximately 1000 metres to the south of the Central zone. The BNH Central zone program is delineating initial resources from surface to 150 metres depth over a 300 metre strike length under extensive old workings and the South program is testing extensions of economic mineralisation over 500 metres to the south of the Central zone and to assist in mine planning and decline access design.

BNH South Zone

South zone drilling has indicated a remarkable continuity of two reef zones, Reef 1 and Reef 3, which are sub-horizontal along strike for 300 metres and approximately 40 and 110 metres below surface respectively. Both Reef 1 and Reef 3 have bonanza grades at the southern end of the drilling on the 9000N section and mineralisation remains open to the south and at depth. On the 9000N section Reef 1 is intersected in HGD35 with 627g/t over 0.8m at 38m and hole HGD37, five metres to the west, has intersected 133g/t over 0.2m at 38m and 695g/t over 0.3m at 49m. In HGD35 on 9000N Reef 3 has 248g/t (8oz/t) over 3.6m at 107m. Another section has been drilled 50m to the south at 8950N with HGD41 intersecting two veins, 0.4m and 0.5m thick, with visible gold from 36 and 40m downhole in the Reef 1 position and a 2.5m zone of quartz veining from 115m with visible gold in the Reef 3 position. HGD41 also intersected a 0.6m laminated vein at 62m downhole in the Reef 2 position. Assays are awaited.

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BNH Central Zone

A review of drill core from the 2008 program together with results from the current 2010 BNH Central zone drilling have led to an advance in understanding the geological and ore control models in the BNH deposit. Sufficient drilling has now been completed in the BNH Central zone for a geological model of the mineralisation to be developed and again indicates remarkable continuity in Reefs 1, 3 and 5. Reef 5 is approximately 150m below surface and has at least a 200 metre strike extent. The near-vertical feeder structures are some metres wide and introduce high grade gold mineralisation into the bedded veins for some 10's metres on both sides. Parallel feeder structures have also been identified.

The model indicates potential for multiple and parallel ore zones of 20-30m in vertical extent, up to 20m in thickness and 100's metres in strike extent to be developed in the vicinity of each dominant bedded vein / feeder intersection position.

Strong gold mineralisation occurs in a 40 metre wide zone along the axis of the BNH anticline and the bonanza grade zones are located at the intersection of well developed bedded reefs with major feeder structures. The bedded veins are continuous for over a kilometre and the dominant ones intersected to date (Reefs 1, 3 and 5) are flat lying and occur at approximately 40-50m intervals down the BNH structure. The feeder structures are interpreted to link Reefs 1, 3 and 5 together and will continue at depth, possibly for 1000's metres.

Recent holes, HGCD11-9600N and HGCD20-9725N, have targeted the reef / feeder position and have intersected quartz veining with visible gold over 30-40m, with particularly strong gold mineralisation at the Reef 3 and Reef 5 positions.

HGCD11 intersected the feeder structure from 110 – 154 metres and hole HGCD20 from 107 – 142 metres. HGCD11 has visible gold at 130m in massive quartz, at 146m and 150m in stockwork quartz and also at 180m in stockwork quartz to the west of the feeder structure. HGCD20 has very abundant gold at 83m in the Reef 3 position and at 126m in the Reef 5 position and scattered visible gold throughout.

Note that the feeder / Reef 3 position was also intersected in the 1987 RC drill hole H-17, which returned 85.7g/t over 6m downhole at 79m depth.

The remaining 18 drill holes are being assessed and redesigned as drilling progresses to target the strong gold mineralisation on either side of the feeder structure for Reefs 1, 3 and 5 and testing the horizontal thickness and vertical extent of gold mineralisation in the main feeder structure.

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 employee of the company. Mr Bruce is Fellow of the Australasian Institute of Mining and Metallurgy and 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 they appear.

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Attached: Significant recent assay results from Hargraves BNH deposit

Significant recent assay results from Hargraves BNH diamond drill program

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)
HGD05	730411	6369623	-50°	79	242	100.04	100.19	0.15	3.12*
						101.25	101.43	0.18	4.36*
						101.83	102.16	0.33	1.37*
						106.6	106.71	0.11	3.84*
						110.84	110.94	0.1	9.08*
						113.85	113.93	0.08	3.29*
						115.88	116	0.12	8.13*
						221.32	221.67	0.35	1.40*
HGCD01	730513	6369660	-77°	259°	225	24.15	24.6	0.45	12.35
						27.89	28.15	0.26	1.46
						38.4	38.53	0.13	3.24
						90.8	91.15	0.35	2.67
						92.01	92.3	0.29	4.54
						99.88	100.12	0.24	2.62
HGCD02	730533	6369526	-75°	259°	221.8	36.03	36.23	0.2	5.26
						49.53	49.8	0.27	36.17
						50.3	50.51	0.21	1.90
						62.83	62.97	0.14	5.14
						67.55	67.85	0.3	1.06
						69.57	69.72	0.15	1.50
						74.35	74.54	0.19	2.05
						74.54	74.7	0.16	14.90
						74.74	75.06	0.32	1.59
						80.16	80.35	0.19	4.79
						84.51	84.74	0.23	5.60
						90.95	91.18	0.23	6.06
						91.47	91.63	0.16	2.02
						91.97	92.1	0.13	2.28
						98.02	98.19	0.17	9.56
						98.31	98.52	0.21	6.62
						107.21	107.35	0.14	1.68
						120.6	120.8	0.2	2.64
						123.3	123.42	0.12	4.73
						126.18	126.3	0.12	4.33
127.18	127.3	0.12	1.14						
144.42	144.6	0.18	3.94						
144.94	145.05	0.11	6.16						
147.57	147.75	0.18	2.33						
148	148.2	0.2	2.03						
148.82	149.1	0.28	18.40						
152.1	152.36	0.26	41.30						
152.37	152.62	0.25	54.58						
154.85	154.97	0.12	1.43						
161.5	161.61	0.11	1.29						
162.87	162.99	0.12	1.35						
171.01	171.09	0.08	8.80						

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)
HGCD03	730499	6369524	-75°	259°	182.9	82.4	82.6	0.2	7.30
						82.96	83.03	0.07	16.65
						87.1	87.23	0.13	3.48
						87.74	87.92	0.18	1.07
						89.64	89.76	0.12	1.98
						101.4	101.5	0.1	1.97
						107.95	108.15	0.2	4.94
						109.5	109.7	0.2	3.28
						111.85	112.1	0.25	1.43
						113.33	113.43	0.1	4.46
						114.28	114.35	0.07	605.70
						123.1	123.21	0.11	5.67
						127.98	128.9	0.92	1.05
						129.3	129.43	0.13	16.70
						147.51	147.64	0.13	1.78
						156.8	156.96	0.16	3.27
						157.65	157.95	0.3	218.30
						157.95	158.25	0.3	32.79
						158.25	158.55	0.3	25.10
						158.95	159.1	0.15	16.70
						159.1	159.32	0.22	7.03
167.25	167.5	0.25	6.74						
173.39	173.59	0.2	1.01						
174.1	174.23	0.13	2.07						
179.1	179.23	0.13	3.45						
179.77	180	0.23	1.81						
HGCD04	730494	6369540	-72°	259°	200.7	26.96	27.02	0.06	76.80
						66.09	66.38	0.29	1.14
						69.08	69.26	0.18	1.95
						78.42	78.54	0.12	1.60
						80.4	80.63	0.23	1.88
						93.88	94.31	0.43	1.13
						117	117.09	0.09	1.92
						139.7	139.84	0.14	1.42
						141.04	141.18	0.14	3.88
						149.07	149.93	0.86	1.33
						150.94	151.16	0.22	1.82
						151.61	151.93	0.32	3.85
						152.82	152.9	0.08	1.03
						153.38	153.45	0.07	9.81
						155.19	155.26	0.07	41.10
						158.73	158.8	0.07	2.64
						159.74	159.78	0.04	1.44
						161.31	161.4	0.09	2.90
						162.34	162.4	0.06	7.96
						162.93	163	0.07	3.56
						166.47	166.56	0.09	1.85
167.66	167.74	0.08	3.35						
174.89	175	0.11	1.13						
194.09	194.21	0.12	2.49						
196.57	196.71	0.14	1.29						

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)
HGCD05	730514	6369525	-76°	259°	201	9.44	9.6	0.16	3.08
						22.61	22.9	0.29	1.38
						47.15	47.37	0.22	1.55
						48.08	48.37	0.29	5.41
						58.47	58.61	0.14	5.08
						70.84	71.17	0.33	1.35
						80.7	80.84	0.14	3.33
						84	84.13	0.13	1.75
						90.82	91.1	0.28	1.36
						94.15	94.44	0.29	2.19
						99.82	100	0.18	1.09
						100.53	100.83	0.3	1.44
						105.37	105.48	0.11	1.06
						109.54	109.66	0.12	2.29
						111.43	111.64	0.21	1.20
						113.79	114	0.21	2.69
						129.49	129.58	0.09	1.21
						135.89	136	0.11	2.11
						144.81	144.92	0.11	25.46
						146.18	146.28	0.1	2.11
						150.84	151.03	0.19	19.20
						151.53	151.8	0.27	245.40
						153.43	153.58	0.15	7.22
						156.12	156.21	0.09	15.30
						158.4	158.5	0.1	4.03
						159.96	160.29	0.33	14.90
						163.85	164.13	0.28	1.97
						164.13	164.27	0.14	3.94
						166.5	166.62	0.12	2.11
						167.23	167.35	0.12	2.53
						167.74	167.85	0.11	2.89
						168.73	168.84	0.11	3.42
						171.93	172.03	0.1	1.58
175.53	175.68	0.15	5.62						
176.27	176.38	0.11	1.04						
179.31	179.4	0.09	4.26						
182.04	182.18	0.14	1.92						
182.44	182.53	0.09	2.44						
184.09	184.24	0.15	13.25						
185.04	185.16	0.12	1.74						
187.8	187.9	0.1	1.22						
189.07	189.21	0.14	2.14						
189.8	189.83	0.03	2.77						
189.93	190.08	0.15	4.34						
191.51	191.73	0.22	11.40						
194.3	194.41	0.11	3.35						
196.71	196.88	0.17	1.21						
196.88	197.01	0.13	3.27						
200.94	201	0.06	5.48						
HGCD06	730491	6369568	-73°	259°	181.5	42.67	42.8	0.13	1.74
						59.93	60	0.07	1.49
						80.04	80.13	0.09	2.23
						83.8	83.92	0.12	4.45

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)
HGCD06 cont						84	84.12	0.12	4.22
						89.7	89.8	0.1	1.29
						128.3	128.42	0.12	1.77
						135	135.3	0.3	4.25
						136.77	137.02	0.25	2.54
						139.57	139.6	0.03	1.84
						144.4	144.56	0.16	4.33
						145.3	145.38	0.08	10.74
						146.74	146.82	0.08	8.59
						147.48	147.55	0.07	5.68
						149.53	149.7	0.17	2.21
						151.22	151.27	0.05	3.96
						151.53	151.59	0.06	9.09
						155.25	155.34	0.09	76.40
						164.4	164.9	0.5	1.70
						167	167.06	0.06	23.7
HGCD08	730491	6369568	-80°	259°	180.2	43.16	43.25	0.09	4.57
						47.34	47.49	0.15	10.60
						86.77	87.2	0.43	2.13
						87.9	88.2	0.3	14.70
						89.14	89.47	0.33	1.04
HGCD09	730484	6369604	-75°	259°	186.1	66.45	66.68	0.23	42.60
						74.27	74.34	0.07	2.15
						113.93	114.24	0.31	3.14
						120.72	121	0.28	2.03
						121	121.25	0.25	5.04
						121.38	121.52	0.14	9.37
						121.91	122.14	0.23	1.05
						122.43	122.54	0.11	3.88
						126.31	126.43	0.12	4.61
						126.55	126.64	0.09	3.58
						128.8	129.09	0.29	1.71
						132.33	132.44	0.11	4.02
						132.75	132.84	0.09	10.90
						132.95	133.06	0.11	6.48
						136.1	136.27	0.17	104.80
						137.16	137.28	0.12	1.45
						139.91	140.12	0.21	3.72
						149.71	149.8	0.09	2.45
						156.72	156.84	0.12	3.52
						157.44	157.53	0.09	2.03
158.23	158.41	0.18	4.33						
163.94	164.02	0.08	3.58						
167.15	167.22	0.07	9.22						
168.42	168.69	0.27	2.00						
169.19	169.28	0.09	1.29						
HGD25	730547	6369257	-84°	259	159.1	109.6	109.9	0.3	2.14
						109.9	110.2	0.3	37.86
						110.2	110.5	0.3	10.05
						110.5	110.75	0.25	6.83
						110.75	111.05	0.3	10.91

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)
HGD25 cont						120.35	120.5	0.15	8.04
						135.52	135.62	0.1	1.13
						136.25	136.34	0.09	1.55
HGD29	730559	6369150	-85°	257°	135	30.85	30.95	0.1	5.04
						33.33	33.66	0.33	12.95
						33.66	33.97	0.31	3.82
						33.97	34.27	0.3	2.82
						36.4	36.5	0.1	15.7
						37.08	37.43	0.35	8.83
						40.47	40.57	0.1	4.50
						49.33	49.45	0.12	1.54
						57.33	57.53	0.2	1.25
						59.28	59.54	0.26	9.14
						62.99	63.12	0.13	1.52
						63.15	63.3	0.15	4.20
						75.59	75.85	0.26	1.77
						85.68	85.79	0.11	4.11
						102.27	102.38	0.11	3.55
						111.27	111.37	0.1	2.89
116.17	116.29	0.12	1.73						
118.78	118.88	0.1	2.05						
HGD30	730580	6369145	-71°	257°	143.9	13.4	13.45	0.05	13.70
						36.07	36.15	0.08	2.71
						42.6	42.85	0.25	5.01
						45.9	46.25	0.35	15.10
						46.25	46.5	0.25	9.38
						54.9	55.05	0.15	1.14
						61.85	62	0.15	1.91
						62.22	62.37	0.15	1.86
						69.58	69.88	0.3	2.08
						77.5	77.7	0.2	2.03
						81.75	81.9	0.15	1.06
						113.5	113.8	0.3	16.65
						113.8	114.04	0.24	1.08
						120.05	120.25	0.2	15.90
						121.9	122.1	0.2	2.63
						123.75	123.9	0.15	7.07
124.32	124.45	0.13	2.56						
132.6	132.89	0.29	2.04						
143.3	143.4	0.1	2.31						
HGD32	730582	6369104	-71°	259°	156	41.72	41.82	0.1	1.52
						45.75	46.04	0.29	1.35
						76.19	76.29	0.1	1.17
						108	108.3	0.3	1.63
						108.9	109.2	0.3	4.07
						109.5	109.8	0.3	2.09
						109.8	110.1	0.3	15.25
						111.5	111.75	0.25	4.07
						111.75	112	0.25	5.03
						112.28	112.57	0.29	2.88
						117.19	117.32	0.13	1.14

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)						
HGD32 cont						119.39	119.53	0.14	1.23						
						120.24	120.37	0.13	1.66						
						129.33	129.53	0.2	6.66						
						130.65	130.81	0.16	1.28						
						132.07	132.17	0.1	1.59						
						134.62	134.95	0.33	1.18						
						135.96	136.07	0.11	1.24						
						137.7	137.8	0.1	2.14						
						139.36	139.5	0.14	2.78						
						141.44	141.6	0.16	3.19						
						142.25	142.4	0.15	3.75						
						147.22	147.44	0.22	2.34						
						HGD34	730590	6369052	-67°	259°	168	19.2	19.38	0.18	33.64
												37.53	37.83	0.3	1.91
52.66	52.92	0.26	11.15												
52.92	53.22	0.3	14.50												
55	55.24	0.24	7.53												
55.61	55.86	0.25	1.81												
90.42	90.57	0.15	2.91												
108.58	108.88	0.3	11.70												
109.22	109.38	0.16	27.11												
109.38	109.6	0.22	4.83												
110.93	111.13	0.2	2.02												
115.09	115.39	0.3	11.95												
116.44	116.73	0.29	8.77												
117.71	117.83	0.12	1.58												
120.44	120.6	0.16	8.08												
135.55	135.75	0.2	1.34												
139.2	139.4	0.2	1.30												
141.82	141.93	0.11	1.48												
145.7	145.97	0.27	2.87												
146.9	147	0.1	10.50												
149.16	149.46	0.3	16.15												
HGD35	730576	6368991	-78°	259°	428.1	16.9	17.04	0.14	4.18						
						prev.ann.	38.76	39	0.24	21.90					
						prev.ann.	39	39.3	0.3	1667.17					
						prev.ann.	39.3	39.57	0.27	11.10					
							44.37	44.55	0.18	29.86					
							44.55	44.6	0.05	2.43					
							52.87	52.93	0.06	1.79					
							57.04	57.12	0.08	4.46					
							58.82	59	0.18	1.30					
							64.86	64.99	0.13	1.69					
							67.8	68	0.2	3.34					
							72.82	72.92	0.1	2.04					
						prev.ann.	107.5	107.8	0.3	1.91					
						prev.ann.	107.8	108.1	0.3	1.24					
						prev.ann.	108.1	108.4	0.3	4.47					
						prev.ann.	108.4	108.7	0.3	3.72					
						prev.ann.	110.2	110.5	0.3	2887.33					
prev.ann.	110.5	110.8	0.3	11.90											
prev.ann.	110.8	111.1	0.3	68.30											

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)
HGD35 cont						114.81	115.01	0.2	1.24
						124.02	124.13	0.11	8.26
						128.39	128.6	0.21	1.85
						130.11	130.28	0.17	10.55
						142.06	142.27	0.21	1.69
						165.83	166.09	0.26	1.54
						168.02	168.2	0.18	1.09
						184.37	184.51	0.14	1.93
						184.51	184.63	0.12	12.65
						190.53	190.69	0.16	5.33
						196.65	197.13	0.48	2.23
						201.87	202	0.13	6.10
						208.21	208.36	0.15	2.84
						232.93	233.03	0.1	1.25
						266.75	267.04	0.29	1.80
						272.5	272.63	0.13	1.29
						290.32	290.46	0.14	3.87
						298.84	298.98	0.14	1.69
						301.15	301.3	0.15	2.39
						320.96	321.11	0.15	1.00
						321.11	321.33	0.22	1.83
						328.1	328.4	0.3	2.97
						329.22	329.52	0.3	1.53
						329.82	330	0.18	2.91
						330.96	331.27	0.31	1.11
						331.86	332.16	0.3	1.09
						333	333.3	0.3	17.2
						333.75	334	0.25	1.17
						335.5	335.7	0.2	1.13
						343.76	344.05	0.29	62.32
						347	347.16	0.16	1.50
						349.35	349.55	0.2	7.25
						360.29	360.7	0.41	9.47
					361.09	361.37	0.28	7.68	
					364.92	365.23	0.31	2.14	
					365.25	365.37	0.12	4.09	
					366.6	366.7	0.1	5.36	
					371.7	371.92	0.22	9.44	
					381.3	381.39	0.09	3.11	
					407.31	407.61	0.3	2.82	
					410.92	411.2	0.28	1.96	
					412.89	413.16	0.27	5.73	
					416.62	416.8	0.18	1.12	
					418.66	418.84	0.18	6.38	
HGD36	730596	6369002	-74°	259°	210	27.4	27.6	0.2	27.66
						45.18	45.48	0.3	32.28
						85.45	85.75	0.3	1.81
						96.42	96.5	0.08	2.05
						192.67	192.85	0.18	1.14
					201.91	202.03	0.12	3.64	
HGD37	730573	6368994	-73°	259°	159	33.55	33.85	0.3	1.27
						37.92	38.12	0.2	132.85

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)
HGD37 cont						48.92	49.2	0.28	694.50
						54.87	55	0.13	7.23
						62.6	62.8	0.2	1.12
						63.17	63.28	0.11	2.85
						70.25	70.44	0.19	2.73
						77.27	77.39	0.12	17.2
						103.37	103.47	0.1	1.03
						106.42	106.7	0.28	3.60
						112.7	113	0.3	13.90
						120	120.3	0.3	2.63
						120.3	120.6	0.3	8.29
						120.6	120.9	0.3	11.95
						123.81	123.93	0.12	2.28
						128.74	128.84	0.1	2.13
						131.75	131.85	0.1	3.61
					137.33	137.45	0.12	1.01	
HGD38	730538	6368981	-55°	79°	95.5	18.82	18.97	0.15	4.43
						37	37.08	0.08	6.02
						39.16	39.6	0.44	33.90
						40.1	40.3	0.2	2.10
						57.05	57.4	0.35	2.03
						59.15	59.22	0.07	2.54

Samples from Hargraves are half HQ diamond core.

Gold analysis by Accelerated Cyanide Leach Technique (Leachwell) by SGS Townsville, Queensland Australia.

Only assay values over 1g/t Au have been shown.

Note:

*Under assay of the gold content using a 24 hour 1% cyanide leach with AA finish and no assay of solid residues.