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Hargraves Gold Project – Significant drilling targets in Meroo Trend 27 June 2012

ASX Code: HEG, HEGOA

Highlights

Hargraves Gold Project - Meroo Trend Exploration - EL 6996 (HEG 100%)

Hill End Gold Limited has recently commenced exploration of the 6 km long Meroo trend in the Hargraves Gold Project with the objective of adding to the large gold resource already delineated at the Big Nugget Hill deposit (221,000 ounces*).

Results of on-going mapping, rock chip sampling and a multi-element soil geochemical survey have defined an extensive zone of gold mineralisation that warrants priority drill testing.

Background

The Big Nugget Hill deposit within the Hargraves Gold Project has been the focus of extensive exploration by Hill End Gold and a resource of 221,000 ounces has been delineated to an average depth of 200 m. The strategy for the Hargraves Gold Project is to outline a mineral reserve estimate on the Big Nugget Hill deposit as the basis for a pre-feasibility development plan for a Mining Lease application. A current diamond drilling program is testing the northern extension of the Big Nugget Hill resource for a further 300 m along strike and to a depth of about 100 m.

Regional exploration in the Hargraves area is identifying drilling targets to add resources for a potential commercial project on the Big Nugget Hill deposit and activities have been directed towards the six kilometre long Meroo Trend (Figure 1). The Meroo Trend is a mineralised zone that is parallel to the Big Nugget Hill structure and links several prospects defined by historic mine workings, namely Eldorado, Hampden Hill, Homeward Bound and Great Western. Most of Hill End Gold's recent exploration has been focused on the Homeward Bound Prospect, which is three kilometres north of the Big Nugget Hill deposit.

* Total resource estimate for Big Nugget Hill is 2.2 Mt at 3.1 g/t Au for 221,000 ounces contained Au:

| | | |
|---------------------|----------------------|-----------------------------|
| Indicated Resources | 1.3 Mt at 3.5 g/t Au | 143,000 ounces contained Au |
| Inferred Resources | 0.9 Mt at 2.6 g/t Au | 78,000 ounces contained Au |

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Meroo Creek near the north end of the Meroo Trend was a famous alluvial gold field in the 1850s. Large gold nuggets were mined including the 313 ounce 'Maitland Bar', which was discovered at a depth of 3.4 metres on 17 June 1887. The nugget was purchased by the government and remains one of the few surviving large gold nuggets recovered in New South Wales.

Until recently, no exploration has been done on the Meroo Trend since the 1980s. Three diamond drill holes were completed in 1988 for a total of 294.5 m.

- A drill hole at the Eldorado Prospect intersected 1 m @ 3.2 g/t gold from 16 m in bedding-parallel quartz veins.
- A drill hole at the Hampden Hill Prospect intersected 0.2 m @ 38 g/t gold at 61 m in bedding-parallel quartz veins.
- A drill hole at the Homeward Bound Prospect was drilled in the wrong direction and proved an ineffective test of the mineralisation.

Hill End Gold has compiled a database of 656 rock chip samples collected during the 1980s which were analysed for gold and silver. 43 of these samples returned assays higher than 5 g/t gold (maximum 58.2 g/t). The better results are clustered around Hampden Hill, Homeward Bound and Great Western Prospects (Figure 1).

Hill End Gold's Recent Exploration – Results and Implications

Hill End Gold has undertaken geological mapping, rock chip sampling and a soil geochemical survey.

Gold mineralisation is interpreted to occur in east-dipping bedding-parallel and west-dipping fault-hosted quartz veins. Two large fault zones and numerous other smaller structures host most of the veins. In the vicinity of the Homeward Bound and Hampden Hill Prospects multiple quartz veins sets occur within an 80-120 m wide, 1,600 m long, north-north-westerly trending zone.

Thirty two chip samples of quartz veins from the Eldorado and Homeward Bound Prospects have been analysed for gold by fire assay at SGS Laboratories in West Wyalong. Fourteen samples from the Eldorado Prospect were also assayed. A maximum assay of 5.6 g/t gold was obtained from the Homeward Bound Prospect. The Eldorado Prospect returned a maximum of 8.4 g/t gold. These results are similar to those obtained in the 1980s.

A soil geochemical survey extending from the Eldorado Prospect to the Homeward Bound Prospect is incomplete, but initial results are encouraging. At each sample site 30 chemical elements are being analysed using a hand-held portable XRF analyser. Elements of most interest are those that may be associated with gold mineralisation. Arsenic, silver, zinc, bismuth, tungsten and lead anomalies have proven particularly useful for identifying the location of the gold-mineralised trends. Figure 2 illustrates the close spatial correlation of arsenic anomalies and gold-mineralised quartz veins. The geochemical anomalies define an 80-120 m wide, north-north-westerly trending zone for further investigation.

The Meroo Trend results to date are extremely encouraging and indicate that excellent potential exists for adding to the large gold resource (Big Nugget Hill) already defined at the Hargraves project.

The XRF analyser provides quick and inexpensive results that can be used for delineation of mineralised zones and drilling targets. The Homeward Bound survey has already outlined a 120 m by 600 m mineralised area that is expected to be extended and XRF surveys continue into other areas along the Meroo Trend. A reverse circulation drilling program is planned to test the Homeward Bound Prospect.

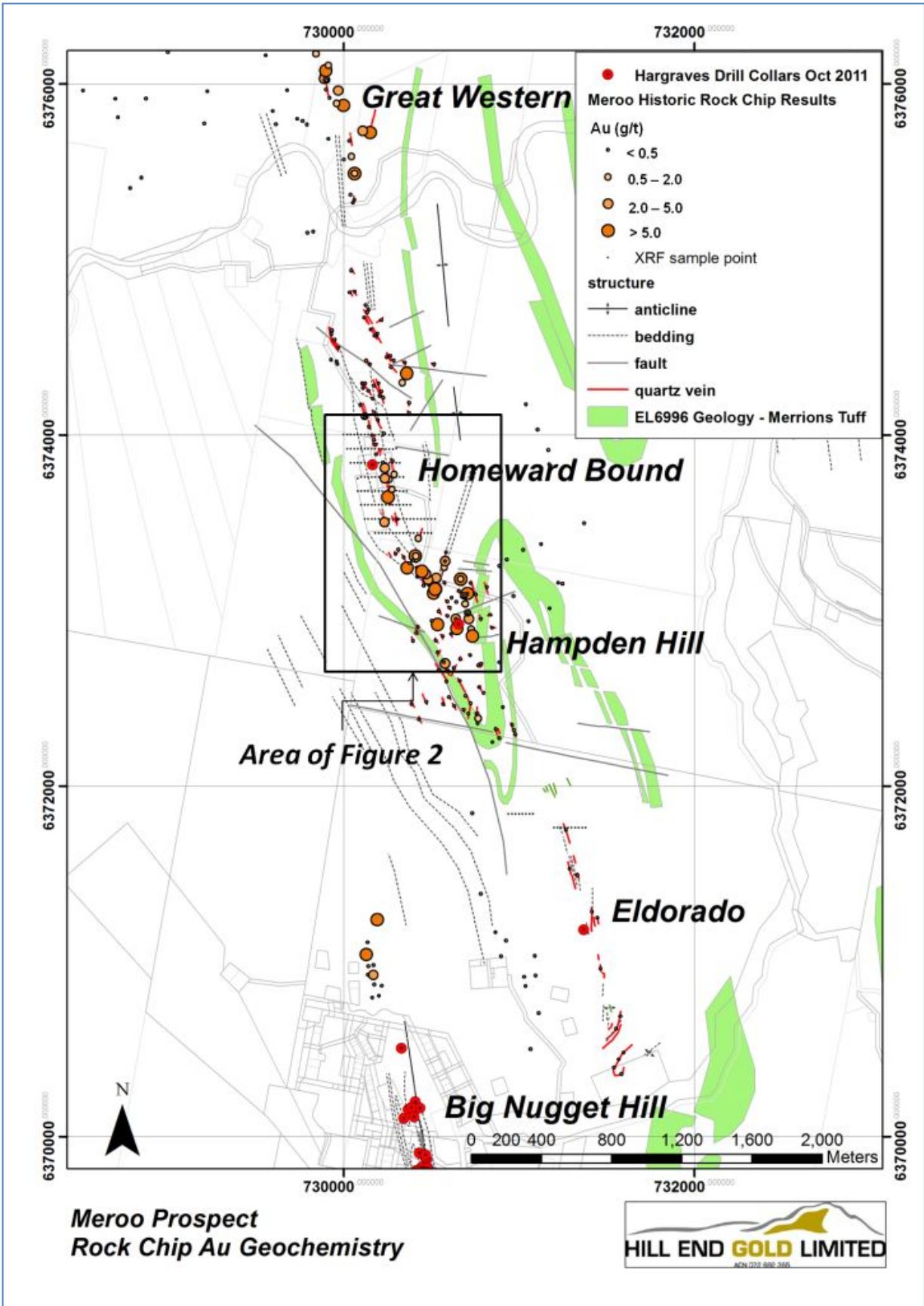


Figure 1. Meroo Trend geology, structure and rock chip gold results

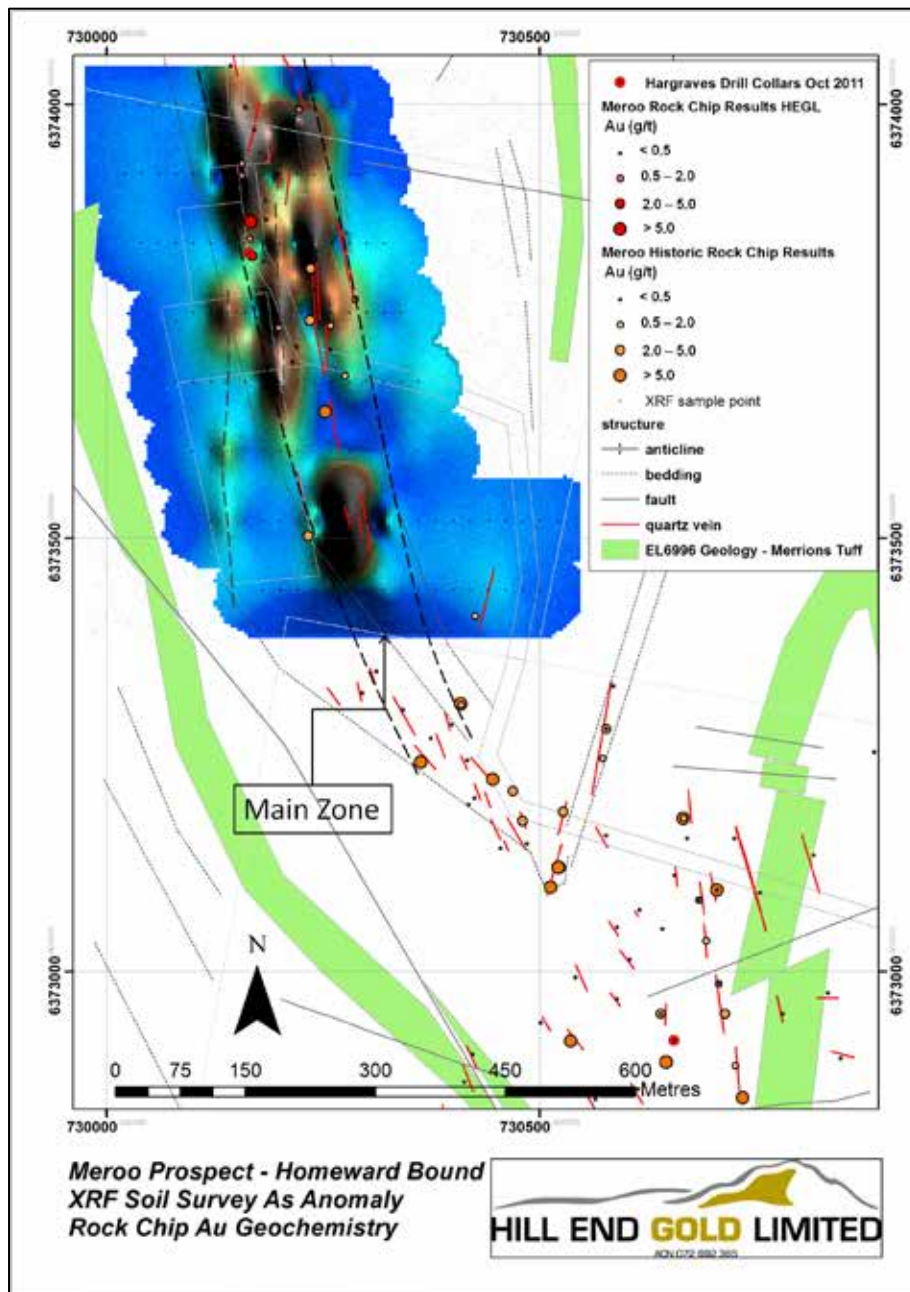


Figure 2. Merero rock chip gold results and the Homeward Bound prospect XRF anomaly for trace element Arsenic which highlights the location of gold mineralisation along structures and bedding

Attribution

The information in this report relates to exploration data which has been compiled by Dr Stuart Munroe. Dr Munroe is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Hill End Gold Limited. Dr Munroe has 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). Dr Munroe consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

About Hill End Gold Limited

Hill End Gold Limited (ASX:HEG) is a gold explorer with the objective of becoming a mid-tier gold producer based on its two flagship projects at Hill End and Hargraves in an historically gold-rich region in central New South Wales, Australia. Gold resources defined by the Company currently total 557,000 ounces. The Company's strategy is to increase resources to more than one million ounces in the short term to form a basis for profitable production on a significant scale.

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