



HILL END GOLD LIMITED

ACN 072 692 365

Stage 2 Drilling to Commence North of Hargraves

26 September 2012

ASX Code: HEG, HEGO A

Hargraves Project – EL 6996 (HEG 100%)

- Additional encouraging drill hole results from the North Big Nugget Hill Deposit at Hargraves are being followed up with deeper Stage 2 drilling and exploration along strike.
- Detailed structural logging of diamond core reveals improved continuity of high grade zones compared to earlier resource models of the Big Nugget Hill Deposit.
- Ongoing drilling and new modelling of high grade zones is expected to provide a more robust resource model and may increase the current 221,000 ounce Resource.*
- Recently received intersections include:

HGD51:	13.5m at 1.1 g/t Au from 36.5m
HGD59:	4.0m at 1.8 g/t Au from 90.0m
HGD64:	4.0m at 2.2 g/t Au from 90.0m
- Stage 2 drilling will test the mineralisation to 150m vertically below surface and to the north where the system remains open.

The wholly-owned Hargraves Gold Project is located in Central New South Wales (Figure 1), where exploration activities are focused on increasing resources and the preparation of a mining plan for commercial development.

Fifteen diamond drill holes totalling 1,642.8m were completed in Stage 1 drilling at the North Big Nugget Hill Deposit (Figure 2). Drill hole results have now been received for all holes. The drilling program is testing the potential for shallow, bulk tonnage-style gold mineralisation first suggested by a diamond hole drilled in 1988 which returned 211m at 0.5 g/t from 30m, including 23.5m at 1.1 g/t from 30m.

The results shown in Table 1 are for the final seven drill holes in the Stage 1 program.

Gold mineralisation occurs in a zone of multiple quartz veins and breccias that trends northerly and dips steeply west. The zone is persistent along strike and dip and is interpreted to extend to surface. So far it has been traced for 300m north of the Big Nugget Hill gold resource and remains open to the north and at depth.

Detailed structural modelling of the high grade zones of the Big Nugget Hill deposit by KRC Mining Consultants is in progress. Initial results have indicated that the mineralisation is well-controlled and far more persistent than previously interpreted. It is expected that this work will extend the Big Nugget Hill resource and provide infill drill targets. It will also provide a more robust framework for resource modelling and mine design.

*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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Managing Director, Philip Bruce, commented “Drilling at the north end of the Big Nugget Hill deposit continues to intersect open-ended wide zones of persistent bulk tonnage-style gold mineralisation at shallow depth. Recent detailed structural modelling done as part of this program has revealed a far better continuity of the high grade zones in the Big Nugget Hill Deposit than previously interpreted. This will lead to a new resource model for the Big Nugget Hill deposits on which a new resource estimate can be based.”

Philip Bruce

Managing Director

Competent Persons’ Statement

The information in this announcement is based on information compiled by Stuart Munroe and Philip Bruce. Dr Munroe is a Member of the Australasian Institute of Mining and Metallurgy and Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and both are full-time employees of HEG. Dr Munroe 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). Dr Munroe and Mr Bruce consent to the inclusion 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 an exploration and development company with the objective of becoming a mid-tier producer based on its projects at Hill End and Hargraves in the historically gold-rich region in central New South Wales, Australia, and through continuing its acquisition of projects with significant potential. 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.

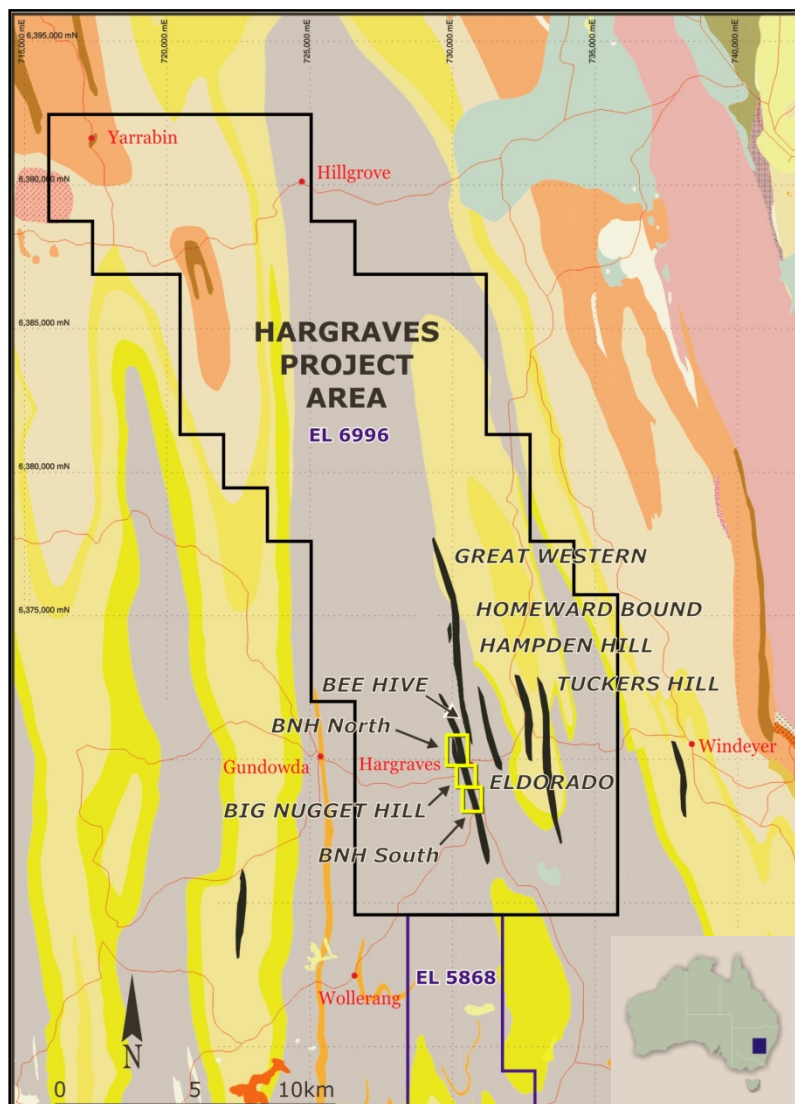


Figure 1. Location plan for Hargraves North BNH Project

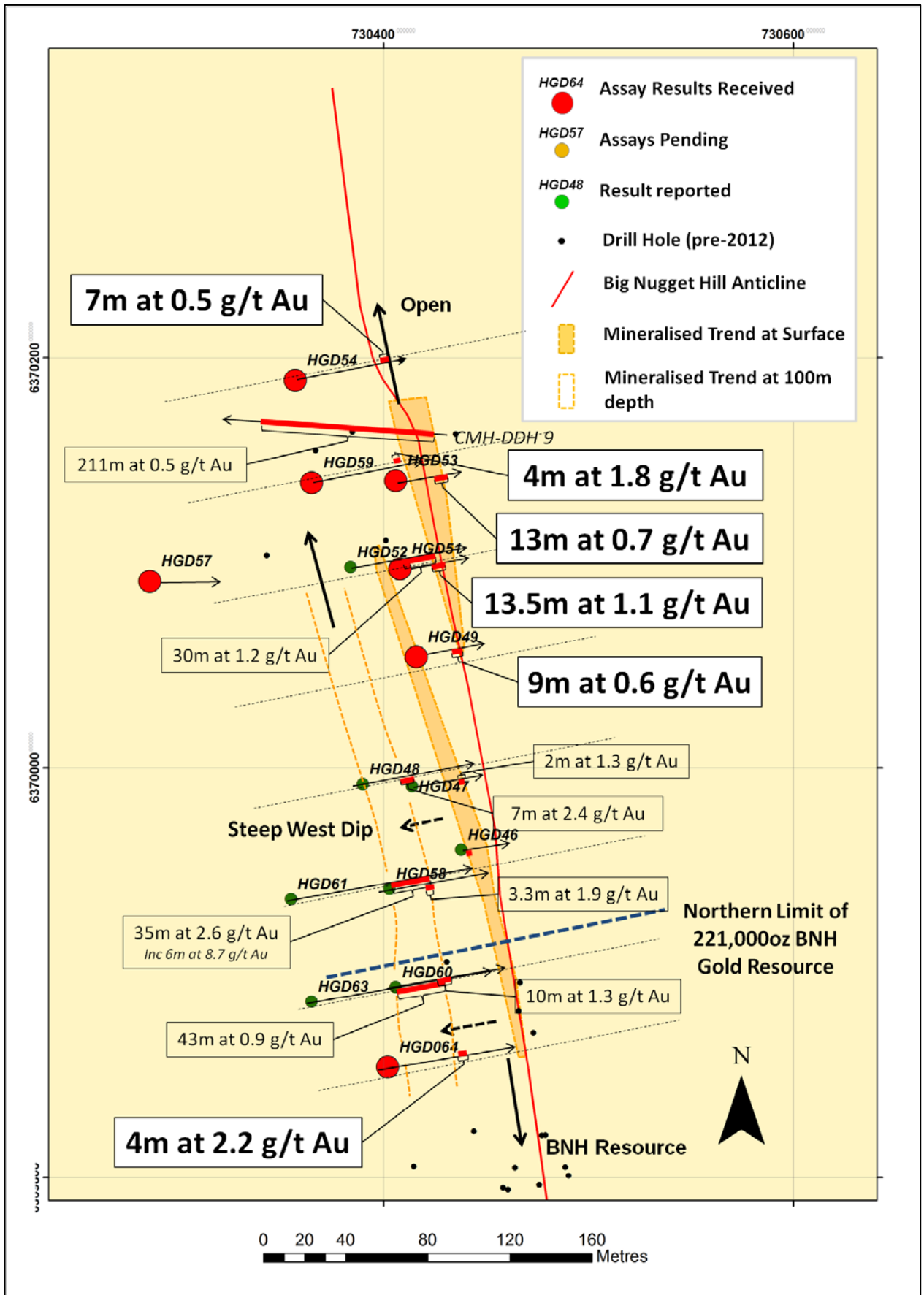


Figure 2. Drill plan for North BNH Project – Stage 1

Table 1 - Significant assay results

Drill Hole	Easting (MGA)	Northing (MGA)	Dip (°)	True Azimuth (°)	Depth (m)	From (m)	Intersection (m)	Assay (g/t Au) ¹	
HGD49	730416	6370054	60	080	69.8	9.0	1.0	0.7	
						32.0	1.0	1.7	
						41.0	9.0	0.6 ²	
						<i>Incl.</i>	41.0	1.0	1.2
							45.0	1.0	1.0
							48.0	1.0	2.1
HGD51	730408	6370097	60	080	72.7	36.5	13.5	1.1 ²	
						<i>Incl.</i>	36.5	0.5	20.7
							39.0	1.0	0.7
							42.0	1.0	0.7
							46.0	1.0	2.2
							49.0	1.0	0.9
							57.0	1.0	0.5
HGD53	730408	6370140	60	080	69.7	21.1	0.8	1.2	
							29.0	1.0	0.5
							33.0	1.0	0.9
							45.0	13.0	0.7 ²
						<i>Incl.</i>	51.0	7.0	0.9
HGD54	730354	6370192	60	080	120.7	14.0	1.0	0.9	
							33.0	1.0	1.8
							38.0	1.0	0.6
							50.0	1.0	0.5
							66.0	1.0	0.9
							91.0	7.0	0.5 ²
						<i>Incl.</i>	91.0	3.0	0.5
							96.0	2.0	0.8
							117.0	3.7	1.0 ²
						<i>Incl.</i>	120.0	0.7	4.5
HGD57	730286	6370091	60	090	71.1	NSR			
HGD59	730365	6370139	60	080	126.7	10.0	1.0	0.8	
							14.0	1.0	0.9
							17.0	1.0	0.5
							40.0	1.0	0.6
							49.0	1.0	0.6
							54.0	1.0	0.6
							60.0	1.0	0.7
							84.0	15.0	0.6 ²
						<i>Incl.</i>	90.0	4.0	1.8
							96.0	1.0	0.7
	111.0	1.0	0.5						
HGD64	730406	6369852	60	080	129.7	5.0	1.0	0.7	
							33.0	1.0	0.8
							79.0	15.0	0.7 ²
						<i>Incl.</i>	90.0	4.0	2.2
							110.0	2.0	0.6

¹ Fire Assay (50 g) analysis by SGS Laboratories in Townsville.

Significant results reported for intervals with assays >0.5 g/t Au over 1 metre with a limit of 1 metre internal dilution except:

² Assays > 0.1 g/t Au with a limit of 2 metres of internal dilution.

NSR – no significant result.