



HILL END GOLD LIMITED

ACN 072 692 365

Project Update – Results exceed expectations

23 January 2013

ASX Code: HEG, HEGOA

Highlights

Hargraves Project – EL 6996 (HEG 100%)

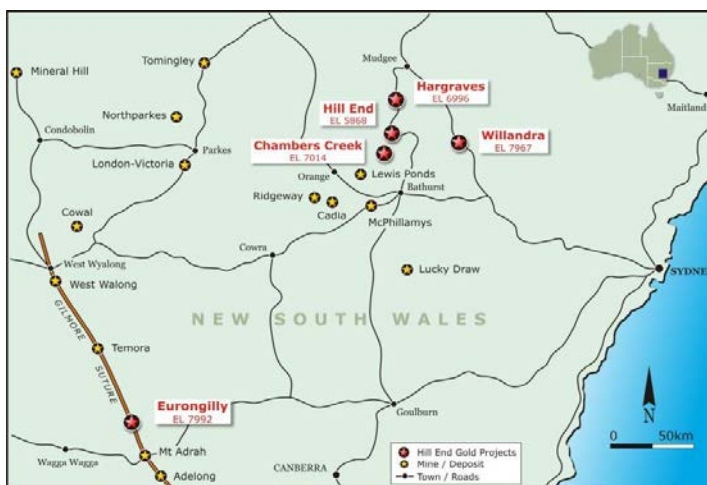
- Stage 2 diamond drilling results confirm extent of mineralisation and increase strike length to 400m north of the existing 221,000 ounce resource.*
- An additional two drill holes have been completed with assay results pending.

Hill End Project – EL 5868 (Mares Nest - HEG 100%)

- The Mares Nest prospect returned excellent rock chip results up to 43.8 g/t gold. Extent of mineralisation confirmed over a four kilometre strike and up to 150m width.
- 24 rock chip samples over Mares Nest averaged 3.1 g/t gold.
- Soil geochemistry survey in progress, over an initial 1.7km strike length, to further define identified drill targets.

Eurongilly Project – EL 7992 (HEG 100%)

- Initial review of data for the Kurrajong Prospect indicates significant gold-copper mineralisation over a 350m strike length based on previous drilling.



HEG Project location

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

Indicated Resources	1.3 Mt at 3.5 g/t gold 143,000 ounces
Inferred Resources	0.9 Mt at 2.6 g/t gold 78,000 ounces

Hargraves Project (EL 6996, HEG 100%)

Results have been received for the first six diamond drill holes of the Stage 2 drilling program at the North Big Nugget Hill Deposit.

The Stage 2 drilling program totalled 1071.3m and is testing the potential for shallow, bulk tonnage-style gold mineralisation which was first suggested by a diamond drill hole drilled in 1988 – this hole returned 211m at 0.5 g/t gold from 25m, including 23.5m at 1.1 g/t gold from 30m.

The results in Table 1, with highlighted intersections below, are for the first six drill holes in the Stage 2 program:

Recently received intersections include:

- HGD50: 6m at 1.6 g/t gold from 39m
- HGD65: 1m at 13.7 g/t gold from 12m
- HGD71: 3m at 3.2 g/t gold from 36m

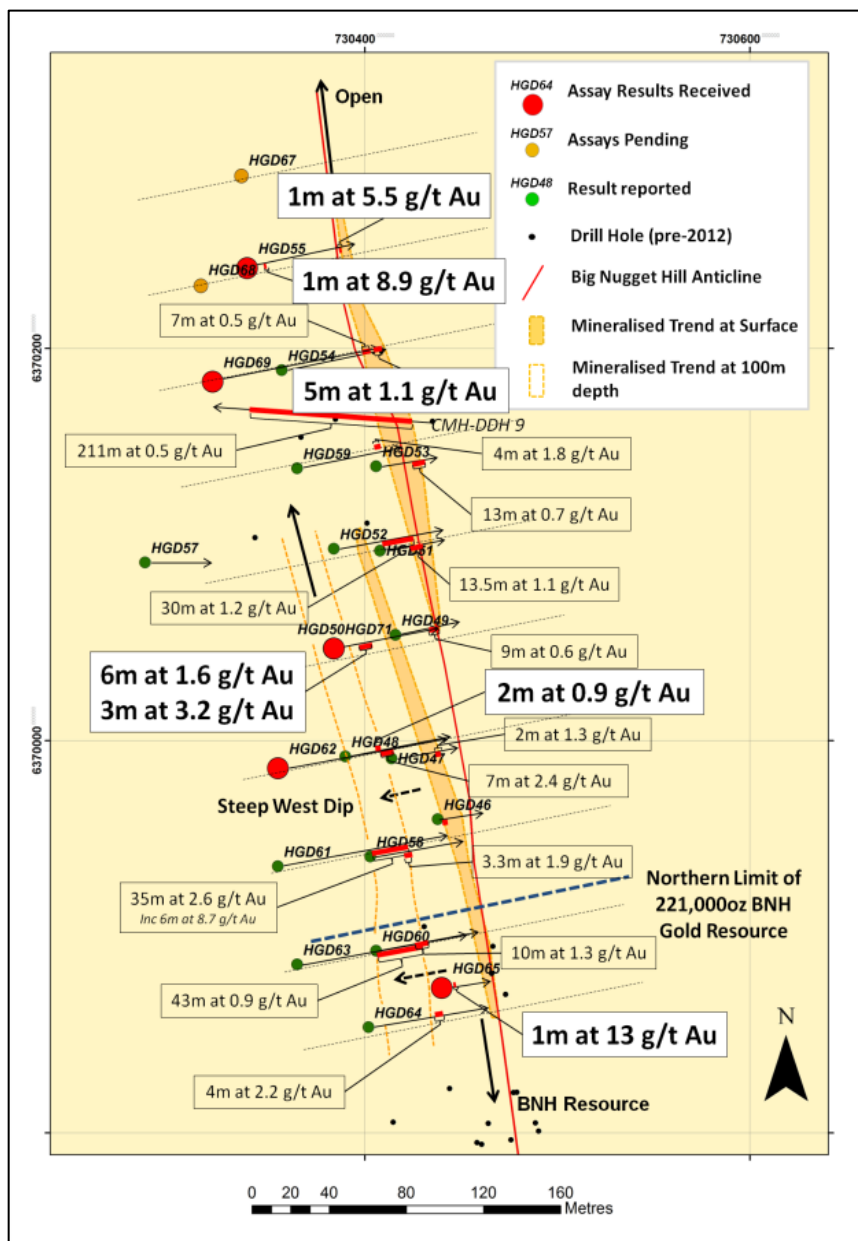


Figure 1: North BNH Project drill plan

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 400m north of the Big Nugget Hill gold resource and remains open to the north and at depth.

A further two drill holes have been completed and assay results are expected later this month. The results of the drilling will be analysed before any further drilling is planned.

Recent detailed structural logging and geological modelling of the entire Big Nugget Prospect has confirmed the continuity of the higher gold grade zones at the intersection of folded bedding-parallel quartz veins with steeply west-dipping faults. The strike and dip of the feeder faults is slightly discordant with the strike of the folds (Figure 1), which creates extensive mineralised regions containing these higher grade shoots.

The updated geological model provides an indication of the continuity of the high grade zones along strike and is providing additional drill targets.

Table 1 - Significant assay results for Hargraves Big Nugget North

Drill Hole	East (MGA)	North (MGA)	Dip (°)	Azimuth (True °)	Depth (m)	From (m)	Intersection (m)	Gold (g/t) ¹
HGD65	730440	6369874	60	080	68.2	12.0	1.0	13.7
						17.0	1.0	0.5
						20.0	1.0	0.5
						23.0	5.0	0.4
HGD62	730355	6369986	60	080	174.0	60.0	1.0	0.7
						78.0	1.0	0.5
						86.0	1.0	0.6
						101.0	2.0	0.9
HGD50	730385	6370047	70	080	111.9	13.0	1.0	0.7
						27.0	1.0	8.8
						39.0	6.0	1.6
						71.0	1.0	0.6
						106.0	2.0	0.8
HGD55	730350	6370241	60	080	120.6	18.0	1.0	8.9
						27.0	1.0	0.5
						48.0	1.0	0.7
						99.0	1.0	0.7
						106.0	1.0	5.5
						113.0	1.0	1.0
						117.0	3.0	0.5
HGD69	730321	6370183	60	080	183.6	128.0	1.0	0.6
						149.0	1.0	0.7
						168.0	1.0	0.5
						175.0	1.0	1.0
						178.0	5.0	1.1
HGD71	730387	6370047	65	080	120.6	5.8	0.8	0.7
						10.3	0.7	0.6
						27.0	1.0	1.3
						36.0	3.0	3.2
						41.0	1.0	0.7
						51.0	2.0	0.8
						56.0	1.0	1.3
						82.0	1.0	0.6
86.0	2.0	0.6						

¹ Fire Assay (50g) 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.

Hill End Project (EL 5868, Mares Nest - HEG 100%)

At the Mares Nest Prospect, which is located four kilometres south of the Reward Gold Mine, an initial surface geological mapping and a geochemical sampling survey obtaining rock chip samples and using a handheld XRF analyser has been completed across the northern 1.7km of the four kilometre Mares Nest mineralised zone.

The Mares Nest deposit is similar to the Hargraves Big Nugget Hill deposit with the better zones of gold mineralisation at Mares Nest occurring along the mineralised feeder structures, particularly where they cross the folds of the Hill End Anticline (Figure 2). The Mares Nest mineralisation has been mapped to extend over a strike of four kilometres and has a width of up to 150 metres.

Twenty four rock chip samples of exposed quartz vein and quartz vein mullock from historic mines along the four kilometre strike length returned an average assay of 3.1 g/t gold with the best results of 43.8 g/t gold and 13.9 g/t gold.

Preliminary drill targets have been identified. An infill soil geochemical survey is planned to assist with drill targeting.

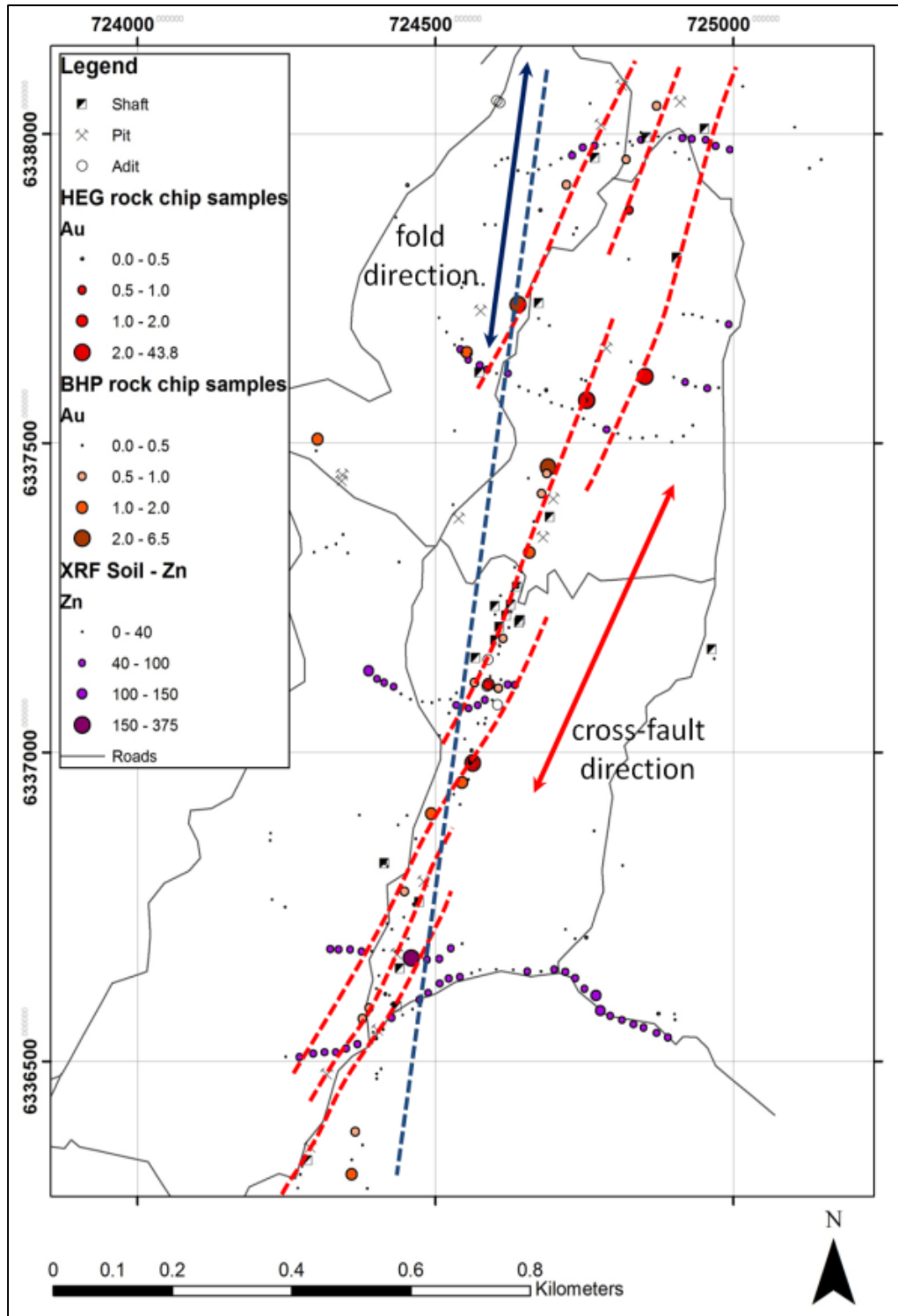


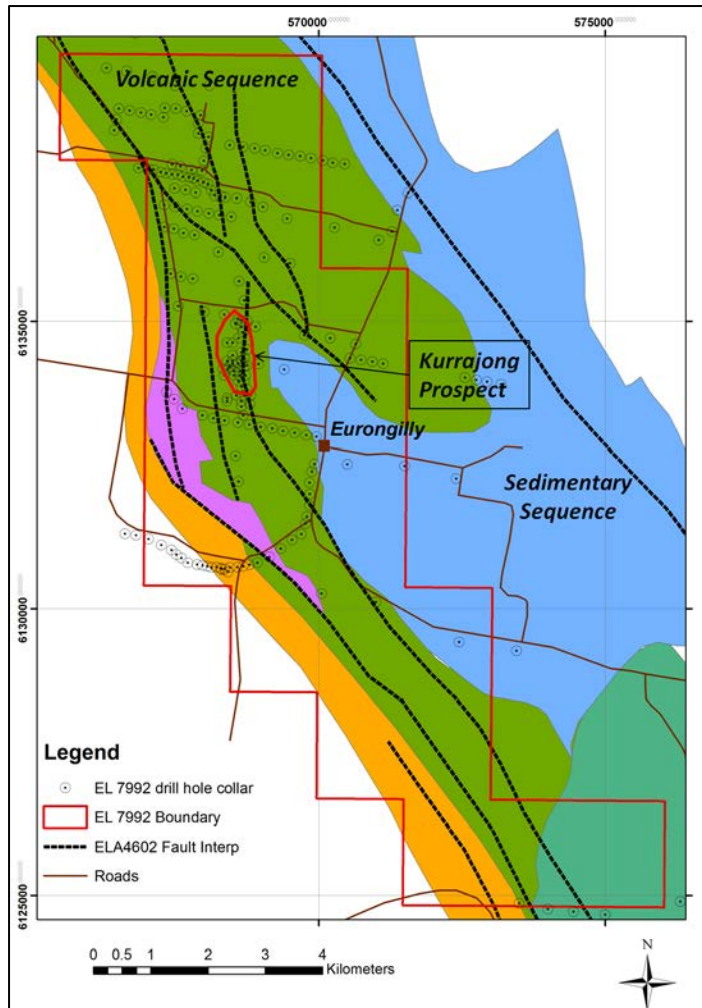
Figure 2: EL 5868 (Hill End) - Mares Nest Prospect. Interpretation of mineralised trends from surface geochemical data and geological mapping.

Eurongilly (EL 7992, HEG 100%)

EL 7992 covers 62 square kilometres in area and is located approximately 16 kilometres east of Junee. The Licence was granted on 23 October 2012 for a period of 3 years. The area is located near a major NW-striking fault (Gilmore Suture) that is associated with a number of deposits in a belt extending from Adelong to West Wyalong (Figure 3).

Significant intersections from historic drilling are reported in Table 2 and include:

2321_406:	6m at 2.56 g/t gold EQ ² from 54m	(0.16 g/t gold and 1.60 % copper)
2321_468:	66m at 0.91 g/t gold EQ ² from 18m	(0.26 g/t gold and 0.43 % copper)
KURAC004:	22m at 0.35 g/t gold EQ ² from surface	(0.27 g/t gold and 0.05 % copper)
KURAC018:	30m at 0.67 g/t gold EQ ² from 12m	(0.55 g/t gold and 0.08 % copper)



The main prospect of interest in EL 7992 is Kurrajong, which has been mapped and drilled by a number of previous explorers including Lachlan Resources (1985-1992), Cyprus Gold / Michelago (1996-1998) and Golden Cross Operations (2001-2005).

Previous mapping and drilling indicates Kurrajong has a known strike length of 350m and is open at depth. The mineralisation is similar in style to other nearby deposits in the belt such as Gidginbung (Straits Resources: 772,000oz gold resource plus 540,000oz previously mined).

Hill End Gold is fully evaluating the previous exploration results and will outline an appropriate exploration program to test possible extensions to known mineralisation.

In addition, we intend to fully evaluate other prospects on the Exploration Licence that have resource potential, such as Three Tree Hill which is similar in style to Kurrajong.

Figure 3: EL 7992 (Eurongilly). Summary geology plan showing the location of previous drill holes and main prospect of (Kurrajong).

Table 2: Historic Assay results for the Eurongilly Project

Drill Hole	Drill Type	East (MGA)	North (MGA)	Dip (°)	Azimuth (True °)	Depth (m)	From (m)	Interval (m)	Au (g/t)	Cu (%)	Gold EQ (g/t) ²
2321_468	AirCore	568500	6134263	60	112	102	18	66	0.26	0.43	0.91
2321_406	RAB	568700	6134213	90	-	59	12 54	6 6	0.39 0.16	- 1.6	0.39 2.56
KURAC004	AirCore	568600	6134273	90	-	48	0 40	22 6	0.27 0.04	0.05 0.45	0.35 0.72
KURAC012	AirCore	568900	6134913	90	-	50	42	4	1.4	-	1.4
KURAC018	AirCore	568625	6134063	90	-	51	12	30	0.55	0.08	0.67
LR012	RAB	568813	6137084	90	-	51	48	3	1.1	-	1.1

² Gold EQ = Au (g/t) + Cu (%) x 1.5 based on current spot metal prices without any deductions

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.