



HILL END GOLD LIMITED

ACN 072 692 365

Report for June 2013 Quarter

31 July 2013

ASX Code: HEG, HEGOA

CORPORATE

- Numerous growth opportunities under review
- Placement announced to raise \$1.36m

HARGRAVES PROJECT

- Conceptual Project Development Plan being finalised for submission to State Government
- Alluvial sampling program completed over the proposed Hargraves mine and plant site

HILL END PROJECT

- Work on-going to establish a resource target in the shallower parts of the Hawkins Hill – Reward field.

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. Its two flagship projects at Hill End and Hargraves are located in an historically gold-rich region in central New South Wales, Australia. Gold resources defined by the Company currently total 581,000 ounces. The Company's strategy is to increase resources to more than one million ounces, develop its resources for profitable production on a significant scale and to acquire growth opportunities.

CORPORATE

Hill End Gold Limited (HEG) is pleased to announce that it has completed a commitment to raise \$1,360,000 through a placement of shares with the issue of 170,000,000 HEG shares at 0.8 cents per share to Mr Soh Han Chuen, a resident of Malaysia.

These funds will be used to continue the Company's exploration programs, for working capital and for the acquisition of high potential growth opportunities.

The placement to Mr Soh Han Chuen will be in two tranches:

- Tranche 1 of \$1.000m for 125 million HEG shares at 0.8 cents per share on or before 5 August 2013;
- Tranche 2 of \$0.360m for 45 million HEG shares at 0.8 cents per share on or before 2 September 2013.

These shares will be issued under the Company's 7.1 and 7.1A (Listing Rule) capacity, which equates to 25% of the Company's current issued capital. On allotment Mr Soh Han Chuen will hold 19.9% of the resultant issued capital of the Company.

Hill End Gold is pleased to welcome Mr Soh Han Chuen as a significant investor in the company.

PROJECTS

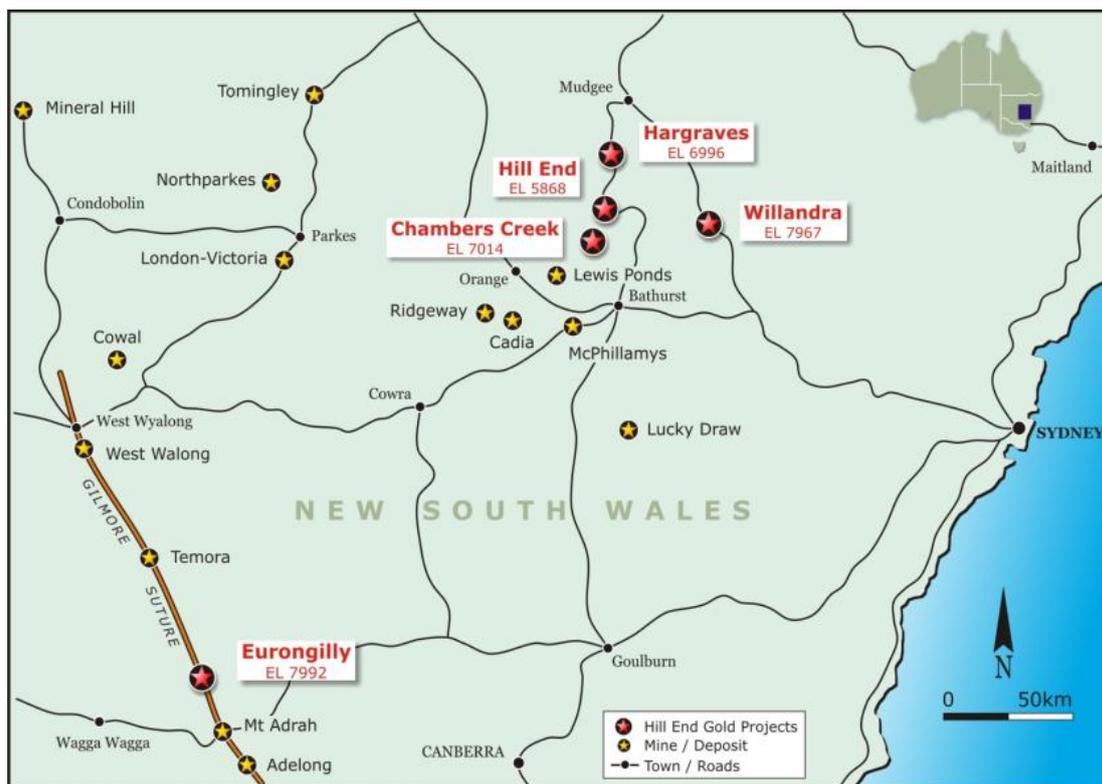


Figure 1. Hill End Gold Project locations

Hargraves Project - EL 6996 (HEG 100%)

The wholly-owned Hargraves Project is located approximately 30 km south-west of Mudgee in central New South Wales (Figure 1). The resource estimate for Big Nugget Hill is 2.9 Mt at 2.7 g/t Au for 245,000 ounces contained gold as announced on 31 March 2013:

Indicated Resources	1.3 Mt at 3.5 g/t Au	143,000 ounces contained gold
Inferred Resources	1.6 Mt at 2.0 g/t Au	102,000 ounces contained gold

Hargraves Pre-Development Study

As previously announced, open pit designs using a base case gold price of \$1,450/oz indicate that the Hargraves project would produce 1.2 Mt of ore at 2.9 g/t gold (100,000 oz). Mining at 300,000 tpa provides an average annual production of 25,000 ounces. Waste to ore ratio is approximately 11:1 over the life of mine. The pre-development study incorporates both Indicated and Inferred resources.

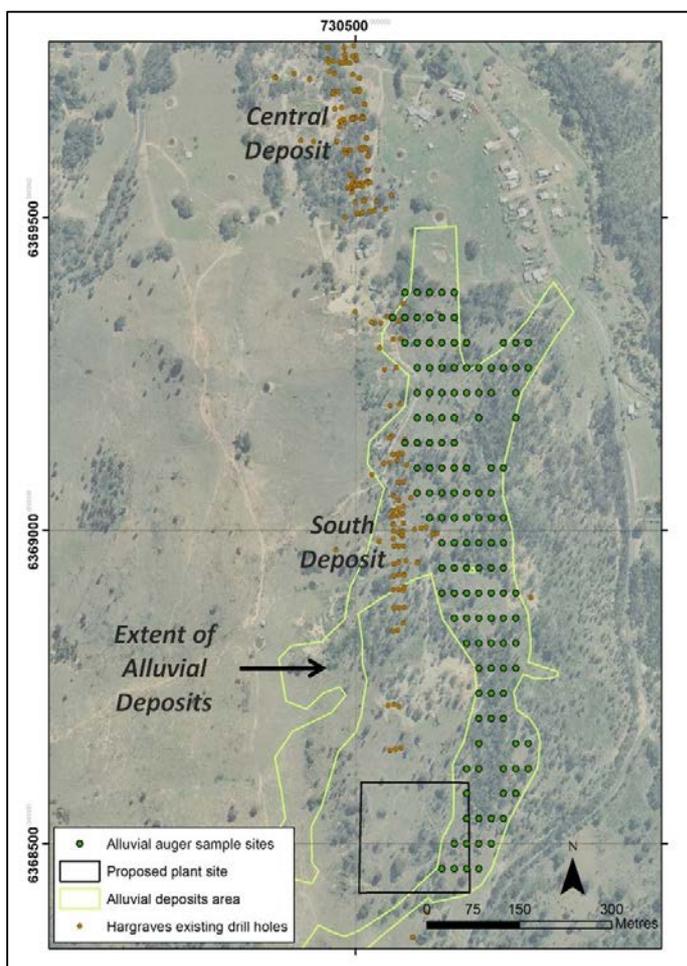
Process design studies indicate the processing circuit can be built at a very low capital cost. As neither whole ore flotation nor cyanidation is required, capital costs and operating costs are significantly reduced and any potential environmental impacts minimised.

During the quarter, a Conceptual Project Development Plan (CPDP) was drafted and will be finalised in the coming weeks. The CPDP will be presented to the NSW Department of Trade & Investment, Resources & Energy to initiate the process required for obtaining a Mining Lease.

At the Hargraves site, background environmental data, including air quality, water quality and weather monitoring is being collected to establish base-line conditions and assess project environmental considerations. Environmental and heritage studies were completed by OzArk Environmental and Heritage Management during the quarter. The environmental and heritage impact of the proposed project can be assessed more fully in light of these baseline studies as the planning continues. At this stage there are no environmental or heritage concerns that cannot be managed as planning proceeds.

A design for the Hargraves plant has been completed which includes the location for a ROM stockpile, crushing, milling, gravity separation and administration buildings.

Alluvial sampling program



An alluvial sampling program was completed at the Hargraves project to assess the alluvial gold content of the area around the hard-rock resource, and for the proposed location of the processing plant and mine site offices. The sampling program consisted of auger sampling over an area of 20.2 hectares and a bulk sample of 12 tonnes was taken from the central part of the survey area (Figure 2).

Auger samples were collected on a regular grid of 20 m by 40 m. The recovered samples were sieved and then concentrated on a vibrating wave table. Gold was observed in 82 of the samples during the concentration process. The entire concentrated sample was analysed by LeachWell (bottle-roll) at ALS Laboratories in Orange. The average in-situ grade of the 133 samples is 0.1 g/t gold (maximum 1.0 g/t gold).

After sample concentration, the original drill holes were back filled with the tails and top soil was replaced.

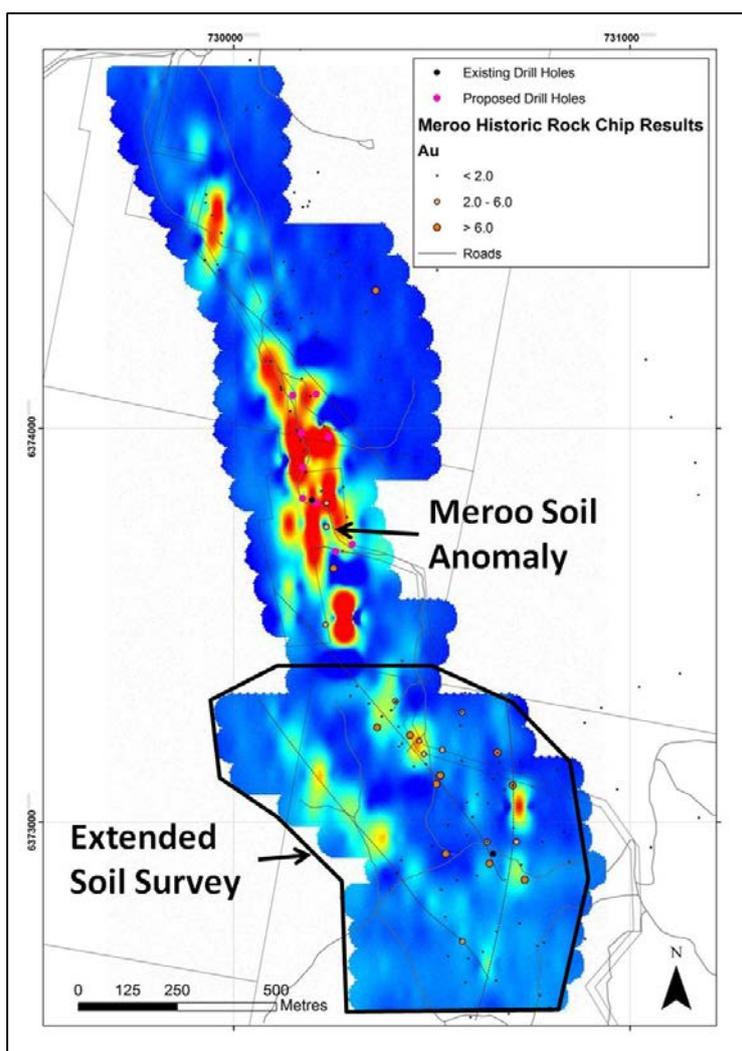
Figure 2. Location of alluvial auger sample sites and proposed Hargraves plant location

In addition to the auger samples, a 12 tonne bulk sample of alluvial material was recovered and processed on site to establish the content of a larger sample of material and to compare the result to the auger samples. The sample from surface to basement, at a depth of two metres, was excavated from a pit in the central part of the auger sampling area.

The bulk sample was processed on site using a trailer-mounted Extrac-Tec HPC-15, gravity concentrator, operated by Woodhawk Remediation Services. The bulk sample returned an average gold grade of 0.2 g/t.

The results of the auger and bulk sampling confirm the presence of gold in the alluvial material near the Hargraves deposit as was observed by previous explorers. The gold assays returned from the auger sampling and bulk sampling indicates a low average grade. Higher grade samples from the auger sampling program are not clustered in a single area that would enable a resource to be established.

Meroo Prospect



The Meroo prospect geological mapping and soil geochemical survey was extended to the south (Figure 3) following signing of access agreements with the landowners. The survey covers the southern extension of the prospect.

A number of narrow quartz veins are exposed at surface in the southern area. Previous explorers sampled these veins, which returned encouraging gold assays. Our field mapping noted a number of narrow NW-striking and N-striking veins which had been mined during the late 1800's. Generally these veins are narrower than the mineralisation in the previously sampled northern area.

The soil geochemical survey found that the arsenic values were generally lower than over the northern area. A short drilling program of up to 1,200 metres diamond core drilling has been planned to test the mineralisation at Meroo.

Figure 3. EL 6996 - Meroo arsenic in soil anomaly from hand-held XRF survey. The hotter colours indicate higher concentrations of arsenic in the soil

The Hill End Project is located approximately 50 kilometres north of Bathurst in central New South Wales.

Mares Nest

The Mares Nest Prospect is located four kilometres south of the Hawkins Hill - Reward area. The Mares Nest mineralisation has been mapped to extend over a strike length of four kilometres and a width of up to 150 metres.

During the quarter, environmental approval to drill a 16 hole RC drill program to test the Mares Nest prospect was received from the NSW Department of Trade & Investment, Resources & Energy (Figure 4). The mineralisation at Mares Nest extends to the south for an additional 2.4 kilometres.

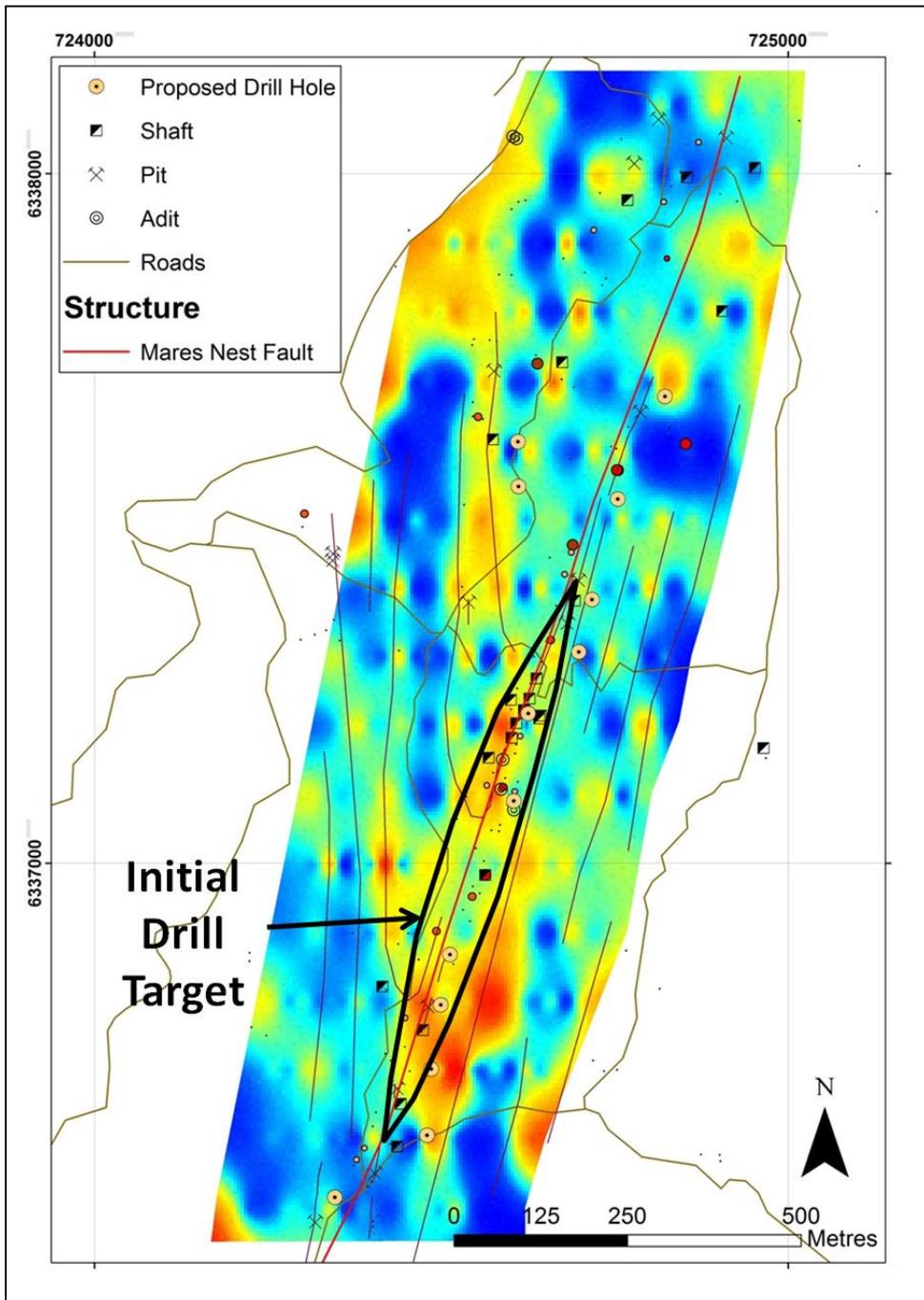


Figure 4. EL 5868 - Mares Nest prospect zinc in soil anomaly from hand held XRF survey and the location of proposed drill collars. Hotter colours indicate higher Zn concentrations.

Hawkins Hill - Reward

Work is continuing to establish a viable target on the Frenchman's Vein at Hawkins Hill – Reward. The Frenchman's vein is mineralised within 150 metres from surface. Historical records and existing drill hole data suggest the Frenchman's vein is made up of a number of quartz veins which can extend to several metres in thickness.

The focus of the current work is to establish a drill target on the Frenchman's vein that would form the basis for a shallow recoverable resource.

Willandra Project – EL 7967 (HEG 100%)

Exploration Licence 7967 covers 86 km² of the eastern Lachlan Fold Belt approximately 40 km east of Hill End in central New South Wales.

Previous soil geochemical surveys identified a 1.5 kilometre long gold-arsenic anomaly near the contact of Ordovician age Sofala Volcanics. The peak gold-in-soil value of 0.145 g/t gold is supported by rock chip values of up to 6.2 g/t gold.

No work was done on the Licence during the quarter. Further surface mapping is planned for the coming quarter to establish the resource potential.

Eurongilly Project – EL 7992 (HEG 100%)

Exploration Licence 7992 covers 62 km² and is located approximately 16 kilometres east of Junee in southern New South Wales. The area is located near a major NW-striking fault (Gilmore Suture) that is associated with a number of significant gold deposits in a belt extending from Adelong to West Wyalong.

Drilling by previous explorers at the Kurrajong prospect has established the presence of gold and copper mineralisation over an area of approximately 250 by 400 metres which is open to the east.

No work was conducted on the Licence during the quarter. Options are being investigated for a geophysical survey to model the sub-surface geology and establish the resource potential.



Philip Bruce
Managing Director

Competent Persons' Statement

The information in this report that relates to Reward and Red Hill Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce, for Hargraves Mineral Resources by Philip Bruce and for Exploration results is based on information compiled by Stuart Munroe and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and was a full-time geological employee of HEG. 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. Mr Quayle, 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). Mr Quayle, 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.