



ACN 072 692 365

Report for December Quarter

30 January 2015

ASX Code: HEG, HEGOA

### CORPORATE

- LionGold Australia and HEG have not extended the non-binding Heads of Agreement for the proposed acquisition of the Hargraves Project.
- HEG are in discussions over a possible farm-in, joint venture or trade sale with other parties with the objective of funding the Hargraves Project through feasibility, approval and construction.

### HARGRAVES PROJECT

- Work in the southern portion of EL 6996 and on EL 8206 identified historic workings and a number of quartz reefs associated with the southern continuation of the major structure at Hargraves.

### MT MARGARET PROJECT

- A quartz vein sample from eastern Apple Tree Flat prospect returned 9.5 g/t Au. Quartz veins are parallel to bedding and occur in steeply dipping faults in a similar geological and structural setting to the historic Mt Margaret gold mine located four kilometres to the southeast.

Hill End Gold Limited is an ASX-listed gold exploration and resource investment company with projects and investments that have advanced development potential as drivers for share price growth.

HEG has a substantial investment in ASX-listed Bassari Resources Limited, which has over one million ounces in resources in Senegal. Bassari has announced the results of a Feasibility Study for the profitable development of a low cost open project, which is currently being permitted.

HEG continues to seek out and acquire project and corporate acquisition opportunities in Australia, and in selected countries throughout the world to increase its asset value apart from its projects in the historically gold-rich region of Hill End in central New South Wales, Australia. Existing gold resources estimated under JORC 2004 by the Company total 581,000 ounces.

## Hargraves non-binding Heads of Agreement for sale of Hargraves Project

HEG had previously entered into a non-binding heads of agreement (HOA) with LionGold Australia Pty Ltd in respect of the proposed acquisition of the rights, title and interest in and to the Hargraves Gold Project (EL 6996) and the Boiga Gold Project (EL 8206) from HEG. As announced on 31 October 2014, the definitive agreements pursuant to the non-binding Heads of Agreement were not signed and the deadline to do so was not extended.

The Hargraves and Boiga wholly-owned projects are located approximately 30 km south-west of Mudgee in central New South Wales (Figure 1). HEG is in discussions regarding possible farm-in, joint venture or sale of the projects with other interested parties in order to fund the Hargraves Project through feasibility, approval and construction.

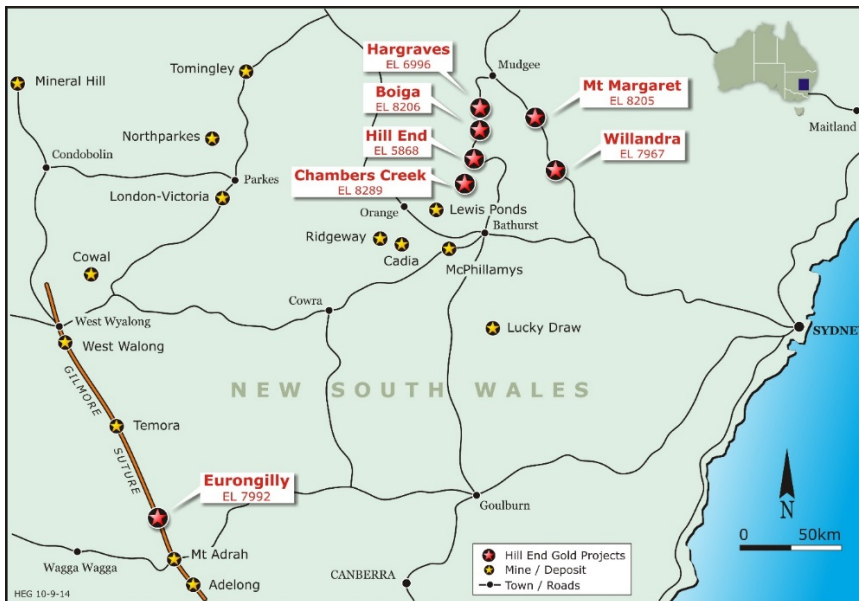


Figure 1. Hill End Gold Project locations

## Bassari Resources Investment

At the end of the quarter, HEG's wholly owned subsidiary, HEGL Investments Pty Ltd, owned 139.6m (11.8%) shares in Bassari Resources Limited (BSR.ASX). BSR own 70% of extensive tenements in Senegal and have a high grade gold open pit development project that is being permitted.

The Makabingui Gold Project Feasibility Study has been completed on an initial high grade open pit project of 1Mt at 5.7g/t for 171,000 oz production inventory. The cash cost averages US\$680/oz and there is projected to be US\$88m after tax cash flow in the first three years at a gold price of \$1,200/oz.

The Makabingui Gold Project Mineral Resource (prepared and disclosed under JORC Code 2004 by BSR and remains unchanged) is 1 Moz in 11.9 Mt at 2.6 g/t gold (0.5 g/t cut-off).

- Indicated: 336,000 oz in 2.6 Mt at 4.0g/t
- Inferred: 669,000 oz in 9.3 Mt at 2.2g/t

The Makabingui Gold Project open pit JORC 2012 Probable Ore Reserve is 158,000 oz in 0.86 Mt at 5.7 g/t.

The project is expected to expand along strike and at depth adjacent to the planned pits, as well as from underground extension and new deposits. The tenement contain 80km of partially drilled mineralisation and additional mine development is anticipated after the infill drilling of the 8km Makabingui South zone, Konkoutou and other well-mineralised prospects.

Bassari is fast-tracking the project and development funding options are being reviewed.

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## PROJECTS

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### Hargraves Project - EL 6996 & EL 8206 (HEG 100%)

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The wholly-owned Hargraves Project is located approximately 30 km south-west of Mudgee in central New South Wales (Figure 1, Figure 2).

HEG proposes to develop a staged open pit mine on the BNH Deposit near Hargraves to recover 1.2 Mt with an average grade of 2.5 g/t gold. Two initial open pits are proposed to be mined at a combined production of 300,000 tonnes per year, one over the Central area and a smaller one over the Southern area. The Southern Pit will be approximately 70m deep and the Central one about 165m deep. There is excellent potential for extensions to the current pit optimisation design.

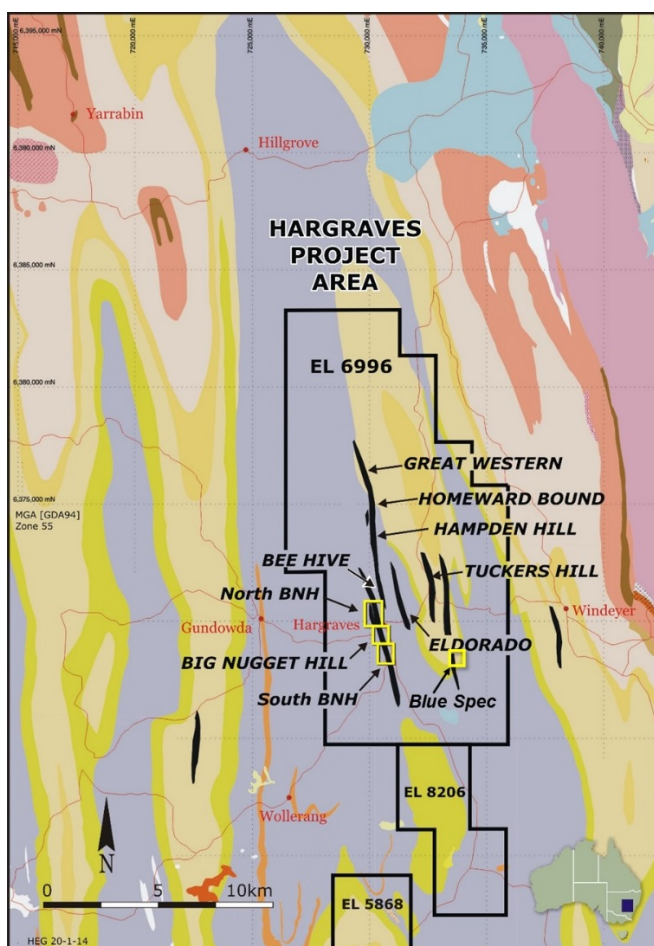


Figure 2 – Hargraves tenement location plan showing location of Blue Spec prospect

During the quarter, mapping of the ground south of Hargraves to the southern boundary of EL 6996 and on into EL 8206 was completed. The structure and quartz vein mineralisation continues from South BNH to the south where an anticline dome is evident in EL 8206. Mapping identified a number of quartz vein

reefs at South Hargraves area located a number of historic workings (shafts to 30-40m depth, and small pits). The lithology at South Hargraves is comprised of volcanic rocks (tuff and rhyodacite), siltstone and sandstone. The proportion of volcanic rock increases to the south.

Assay results for 24 rock chip samples of quartz reef material from across the area were received during the quarter. The samples were submitted to ALS Laboratories in Orange for gold analysis by fire assay. There were no significant results returned from these samples. Work is on-going to establish whether this is a result of coarse gold or lack of mineralisation in that area at surface.

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### **Hill End Project - EL 5868 (and Mining Leases) (HEG minimum 85%) & EL 8289 (HEG 100%)**

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The Hill End Project is located approximately 50 kilometres north of Bathurst in central New South Wales (Figure 1).

#### **Hawkins Hill - Reward**

Drill targets at depths of 100 – 150 metres below surface that have previously been identified on the Frenchmans Vein and the Paxtons Vein have the potential to increase the Hawkins Hill – Reward resource and provide a larger tonnage target.

Underground and surface drill holes that have previously been reported indicate a 3 to 8m thick mineralised target grading 4 to 8 g/t gold on the Frenchmans Vein which has previously been partially intersected in underground drill holes and workings in the Reward Shaft and near the Exhibition Shaft. In addition, there is further potential on the Stevens, Calcite and Paxtons Veins at similar levels.

Work continues to update the Hawkins Hill – Reward resource which is to include the exploration potential of the shallow zones at Reward.

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### **Mt Margaret Project – EL 8205 (HEG 100%)**

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Exploration Licence 8205 (Mt Margaret) covers 26 km<sup>2</sup> at the western edge of the Hill End Trough, approximately 17 km south-east of Mudgee where Silurian age volcanic rocks overlie Ordovician volcanic rocks of the Sofala – Gulgong volcanic belt. The geological setting of the Apple Tree Flat (ATF) prospect is similar to that east of Orange (NSW) where a number of gold deposits are associated with volcanogenic massive sulphide (VMS) Cu-Pb-Zn (Au-Ag) mineralisation.

During the quarter, assay results for 11 samples from the ATF prospect were received following some mapping in the eastern area. Two sets of quartz veins were found in the volcanics, with one set of veins dip shallowly to the south-west (parallel to bedding) and a second set is steeply east dipping. These same vein orientations have previously been mapped adjacent to the historic Mt Margaret gold mine and contain high gold grades. The samples from the recent work at ATF were submitted to ALS Laboratories in Orange for gold analysis by fire assay. The best results were returned for quartz veins associated with a series of shafts that line up along a NNE-striking cross structure (Roberts Reef, Gosling Mine and Coopers Reef). Seven samples taken from a one kilometre NNE traverse along the strike of the old workings returned an average of 2.7 g/t gold. The best result of 9.5 g/t gold is from quartz veining near a 30-40m deep shaft which is part of the old Roberts Reef gold mine.

The higher grade rock chips from the recent sampling are located at the perimeter of a large geophysical anomaly (airborne U - K radiometric anomaly), (Figure 3). Work to date has not yet established the source of the anomaly (interpreted to be part of the volcanic sequence or an intrusion or a product of

alteration). Work is on-going at both ATF prospect and Mt Margaret prospect to establish the potential size of the mineralised system and identify targets for drill testing.

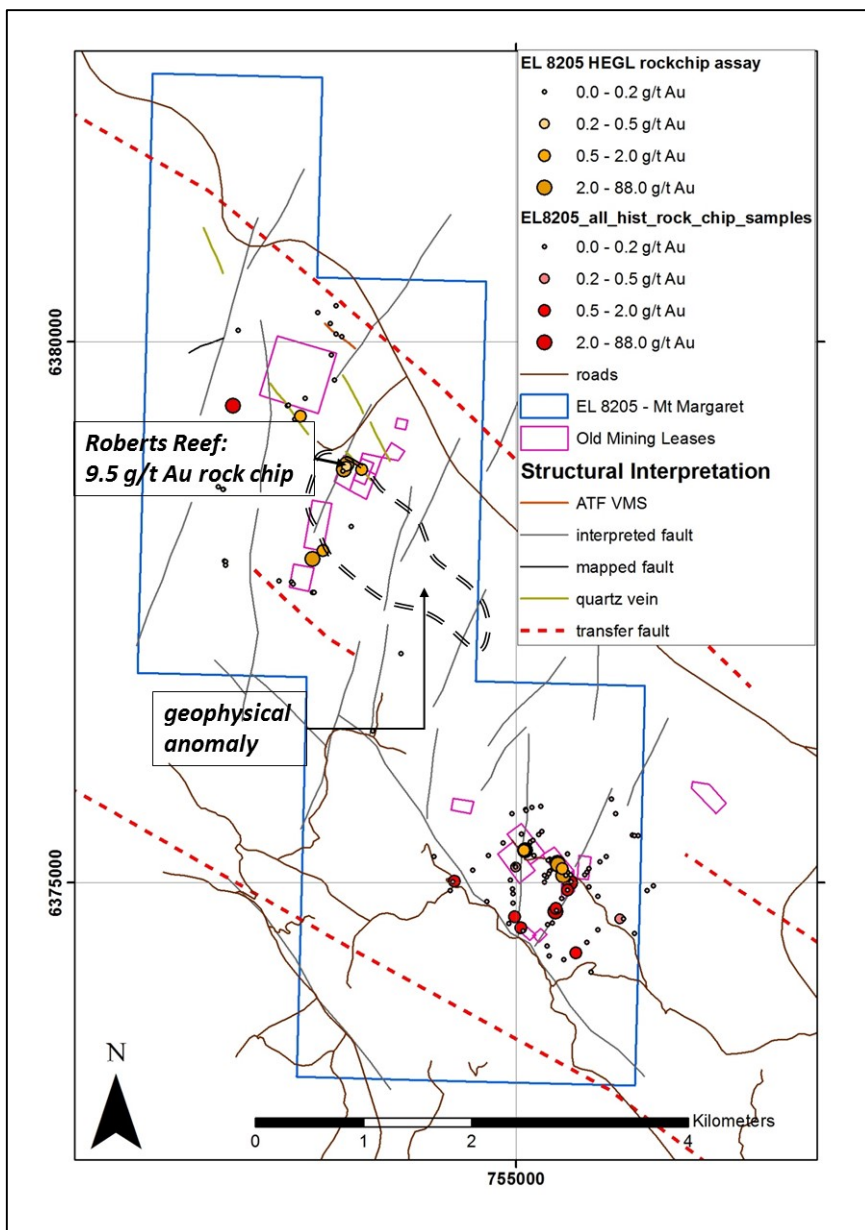


Figure 3. Rock chip sampling results for EL 8205 over structural interpretation and location of geophysical anomaly (U- K radiometric).

### Eurongilly Project – EL 7992 (HEG 100%)

Exploration Licence 7992 covers 62 km<sup>2</sup> and is located approximately 16 kilometres east of Junee in southern New South Wales. The area is located near a major north-west striking fault (Gilmore Fault) 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 x 400 m which is open to the east.

No work was done on EL 7992 during the quarter.

## Current Tenement Schedule

There were no changes in tenements held during the quarter. Table 2 contains details of tenements currently held by HEG.

Table 2. Details of All Tenements Currently Held by Hill End Gold Limited

Lease	Project	Lease Status	Application Date	Grant Date	Expiry Date	Current Area
EL 5868	HILL END	Granted	12/11/1999	18/06/2001	17/06/2015	32 Units
EL 6996	HARGRAVES	Granted	23/08/2007	21/12/2007	21/12/2015	48 Units
EL 8289	CHAMBERS CREEK	Granted	24/3/2013	20/8/2014	20/8/2017	3 Units
EL 7992	KURRAJONG	Granted	18/6/2012	23/10/2012	23/10/2015	22 Units
EL 8205	MT MARGARET	Granted	18/7/2013	26/11/2013	26/11/2016	9 Units
EL 8206	BOIGA	Granted	19/7/2013	26/11/2013	26/11/2016	8 Units
GL 5846	HILL END	Granted		15/02/1968	7/12/2019	2.044 Ha
ML 1116	HILL END	Granted		28/03/1984	16/10/2024	15.71 Ha
ML 1541	HILL END	Granted	26/11/1999	17/10/2003	16/10/2024	279.2 Ha
ML 315	HILL END	Granted		8/12/1976	7/12/2019	6.671 Ha
ML 316	HILL END	Granted		8/12/1976	7/12/2019	8.846 Ha
ML 317	HILL END	Granted		8/12/1976	7/12/2019	7 Ha
ML 49	HILL END	Granted		30/07/1975	7/12/2019	1.618 Ha
ML 50	HILL END	Granted		30/07/1975	7/12/2019	3.02 Ha
ML 913	HILL END	Granted		20/01/1981	19/01/2023	22 Ha
ML 914	HILL END	Granted		20/01/1981	19/01/2023	21.69 Ha
ML 915	HILL END	Granted		4/02/1981	3/02/2023	13.27 Ha

EL – Exploration Licence

ELA – Exploration Licence Application

ML / GL – Mining Lease

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 reviewed by Mr Philip Bruce, for Hargraves Mineral Resources and for Exploration results is based on information reviewed by Dr 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 2012 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.

The Mineral Resource information referred to in this document was prepared and first disclosed under the JORC Code 2004.

# Hill End Gold Limited

Exploration - Surface Rock Sampling:

Mt Margaret (EL 8205) and South Hargraves (EL 6996)

## JORC Code (2012) - Table 1

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc).</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems.</li> </ul>	<ul style="list-style-type: none"> <li>Chip samples from surface exposed rocks either in-situ (rock chip) or suspected to have been displaced (float) or discarded from an adjacent pit or shaft (cutting).</li> <li>The sample is collected to include a cross section of the material present in the rock being sampled to ensure the sample is as representative as possible of the material that presents at surface.</li> <li>Gold mineralisation in EL 6996 is contained in quartz veins. Mineralisation at EL 8205 is contained in quartz veins but may also be disseminated through volcanic host rocks. The degree to which the mineralization may be disseminated in the host rock has yet to be determined.</li> <li>A 2-4 kg sample is collected in a calico bag and transported to the ALS Laboratory in Orange by road. At the laboratory, the sample is dried, weighed and crushed to approximately 2mm before being pulverized to 80% passing 75 um.</li> <li>A 50g sub sample is split from the pulverized sample for fire assay with AAS finish at ALS Laboratory in Orange. Coarse gold may present in the samples, so the entire sample is pulverized before splitting off the sub-sample for fire assay.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Not relevant – no drill samples reported.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Not relevant – no drill samples reported.</li> </ul>

<p><i>Logging</i></p>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>A qualitative description of the sample is taken in the field and entered into a data base in the office before the sample is submitted to the laboratory.</i></li> </ul>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>The sample collected is not sub-sampled.</i></li> <li>• <i>The samples are taken so as to fairly represent the rock as it presents at surface. Usually this involved breaking rock chips with a hammer from multiple outcrops, float samples or discarded rock fragments.</i></li> <li>• <i>Field duplicates have not been taken.</i></li> <li>• <i>A 2-4kg sample size is appropriate for the quartz vein material being sampled.</i></li> </ul>
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Samples have been analysed by 50g fire assay and ICPMS (ALS Laboratories in Orange). The assay is a partial analysis of a homogenized sample. The entire sample is pulverized and a sub-sample split off to ensure the partial analysis is a representative as possible. This technique is appropriate for these samples.</i></li> <li>• <i>A sample of standard reference material and a blank sample (no gold) are inserted into batches sent to the laboratory. The reference sample and blank sample assay results are checked against expected value ranges before the analysis is declared final. If the blank sample or standard samples return values outside the acceptable range the batch is repeat analysed.</i></li> </ul>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>No repeat sampling or repeat analysis has been done.</i></li> <li>• <i>Twinned hole not relevant - Sample are not from drill holes</i></li> <li>• <i>Field data collected is transferred from notebook to excel spreadsheets, including sample number, location and description. Assays are received via e-mail and backed up onto hard drive. Assay data is copied to the location and description table using the sample number as the unique identifier.</i></li> <li>• <i>There is no adjustment of the assay data.</i></li> </ul>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Sample location is determined by hand held GPS which is commonly accurate to +/- 5m in easting and northing and 10m in elevation</i></li> </ul>



	<p><i>used in Mineral Resource estimation.</i></p> <ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<p>and is subject to satellite availability.</p> <ul style="list-style-type: none"> <li>• Samples are recorded in East, North and height mASL according to MGA, zone 55.</li> <li>• Topographic control is provided by 1:25,000 scale and 1:50,000 scale plans provided by the NSW Department of Lands.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not relevant – there is no standard data spacing used.</li> <li>• Not relevant – samples not taken for <i>Mineral Resource and Ore Reserve estimation.</i></li> <li>• <i>No sample interval compositing has been applied.</i></li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Rock chip sampling does not have an orientation.</li> <li>• Not relevant – sampling is not a result of drilling.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples stored in calico bags are transported back to the field office in light vehicle and stored securely in the office compound. Samples are then transferred into polyweave bags which are tied using cable ties. Samples are transported to the laboratory in Orange via Hill End Gold Limited owned and operated vehicle. When samples are received they are counted and checked against dispatch order. If bags are damaged a note is received from the laboratory with the sample count.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• There has been no external audit or review of sampling techniques and data.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>EL 6996 (Hargraves) – HEG 100%, EL 8205 (Mt Margaret) – HEG 100%.</li> <li>There are no third party agreements, joint ventures, partnerships, overriding royalties, native title interests, historic sites, wilderness or national park and environmental settings.</li> <li>Exploration Licences are held with the NSW Department of Trade &amp; Investment, Resources &amp; Energy. There are no known impediments to obtaining a licence to operate.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Various amounts of exploration have been done by other parties. All previous exploration has been reviewed and taken into account in designing and undertaking exploration.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>EL 6996 is in the Hill End Trough. Gold mineralisation is associated with quartz veins in the hinge of anticlines, in faults near the hinge of anticlines and in bedding parallel veins.</li> <li>EL 8205 is in Silurian age sedimentary and volcanic rocks. The gold mineralisation here is associated with volcanogenic massive sulphide and epithermal systems..</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Not relevant. Data does not relate to drill hole information</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should</li> </ul>	<ul style="list-style-type: none"> <li>Data has not been aggregated and no metal equivalent values have been used.</li> </ul>

	<p><i>be shown in detail.</i></p> <ul style="list-style-type: none"> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not relevant. Intercept widths are not used.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples reported are not intercept samples. No drill resulted reported.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Numbers of samples, low and high grade results and results pending have been reported. Where widths are not reported, they are not known from surface information gained at this time.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No other exploration information is relevant at this time</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Further work will involve further mapping and sampling to determine the potential for a significant resource and drill testing sites.</li> <li>• Extensions to mineralisation not known at this stage.</li> </ul>

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**HILL END GOLD LIMITED**

ABN

**74 072 692 365**

Quarter ended ("current quarter")

**December 2014**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6..months) \$A'000
1.1 Receipts from product sales and related debtors	-	15
1.2 Payments for		
(a) exploration & evaluation	(64)	(170)
(b) development and mine suspension	(19)	(46)
(c) production		
(d) administration	(75)	(183)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid		
1.7 Other (provide details if material)	92	299
	(64)	(99)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	0	-
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	3
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)	10	10
	10	13
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(54)	(86)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(54)	(86)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	50
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	-	50
	<b>Net increase (decrease) in cash held</b>	(54)	(36)
1.20	Cash at beginning of quarter/year to date	72	54
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	18	18

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	45
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Directors Fees	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-
3.2	Credit standby arrangements	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
4.3	Production	-
4.4	Administration	200
<b>Total</b>		<b>300</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	18	72
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		<b>18</b>	<b>72</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	1,064,704,835 OFP	1,064,704,835 OFP		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	20,000,000 at \$0.005	-	Conversion price \$0.005	Conversion price \$0.005
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 <b>Options</b> <i>(description and conversion factor)</i>	35,000,000	Director	Exercise price 5 cents	Expiry date 29 Nov 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: ..January 2014...  
(Director/Company secretary)

Print name: Kevin Lynn.....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.