



ACN 072 692 365

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18 March 2015

ASX Limited  
Exchange Centre  
Level 6, 20 Bridge Street  
Sydney NSW 1215

ASX Code: HEG

## PLACEMENT AND SUBSCRIPTION AGREEMENT

Hill End Gold Limited (**Company**) is pleased to announce that it has entered into a share subscription agreement with a new investor, AXF Resources Pty Limited (**AXF**), to raise \$5 million before costs. The share subscription agreement is to be held in escrow, pending payment of the first tranche, which is to be paid on Monday 23 March 2015.

The shares will be subscribed for in four tranches at \$0.005 per Share as follows:

TRANCHE	NUMBER OF SHARES	ISSUE PRICE
FIRST	50,000,000	\$250,000
SECOND	250,000,000	\$1,250,000
THIRD	200,000,000	\$1,000,000
FOURTH	500,000,000	\$2,500,000
	<b>1,000,000,000</b>	<b>\$5,000,000</b>

The first tranche shares will be issued following payment of the first tranche without shareholder approval using the Company's existing placement capacity under ASX Listing Rule 7.1. An Appendix 3B for the first tranche shares will be released shortly.

The remaining three tranches are each conditional on the following:

- (a) **shareholder approval:** the holders of the ordinary securities in the Company approving the issue of shares pursuant to tranches two to four (inclusive) for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes;
- (b) **IER:** the Company obtaining an opinion from an independent expert that the issue of the second, third and fourth tranche shares to AXF are:
  - fair and reasonable, or not fair but reasonable, for the purposes of section 611 (item 7) of the Corporations Act; and
  - in the best interests of the Company's shareholders, and
  - that the independent expert does not change that conclusion or withdraw its report before the general meeting;

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- (c) **other approvals:** all other regulatory or other approvals that the parties mutually agree are necessary in connection with the transactions contemplated by the agreement are obtained; and
- (d) **due diligence:** AXF, acting reasonably, completing due diligence investigations in respect of the Company. The due diligence investigations must be completed within a period of 30 days.

Funds raised pursuant to the placement will be used for exploration and development of HEG's properties and tenements, and for working capital expenses.

The Company will call a general meeting for the purposes of obtaining shareholder approval shortly, which will contain further details regarding the placement and subscription agreement.

A handwritten signature in black ink, appearing to read 'Philip Bruce', with a stylized flourish at the end.

Philip Bruce

Managing Director