

4 June 2008

## IMPORTANT NOTICE – ISSUE OF NEW OPTIONS

Dear Option Holder

On 4 June 2008, the Directors of Hill End Gold Limited announced a one (1) for five (5) pro rata issue of new options to all eligible shareholders at \$0.03 per option ("New Options").

The issue of the New Options, pursuant to a prospectus to be lodged at the Australian Securities and Investments Commission, will be to shareholders with registered addresses in Australia and New Zealand recorded in the respective registers and sub-registers of the Company on Friday, 20 June 2008, the record date ("Record Date"). The issue is partially underwritten, by Bell Potter Securities, to a value of approximately \$1.53 million, being approximately 51.2 million New Options.

Details of the New Option issue are as follows:

**New Issue ratio:** One (1) New Option for every five (5) HEG ordinary shares held on 20 June 2008, the Record Date. Eligible shareholders will be entitled to apply and pay the amount of \$0.03 per New Option based on the shareholder's holding of HEG shares at the Record Date, divided by a factor of five rounded up to the nearest whole number. No fractional entitlements to New Options will accrue or be allocated. The New Option holding statements are intended to be despatched on or about 17 July 2008.

**Exercise date:** Exercise any time up to and including 5.00pm AEST on 30 September 2009.

**Exercise price:** \$0.25 cents per option.

**In order for current HEGO option holders to participate in the issue of New Options, the Registry must receive your option conversion notice to convert your HEGO options to HEG shares in the Company by the Record Date of 20 June 2008.** To do so please complete the attached "**Notice of Exercise of Options Expiring 12 SEPTEMBER 2008**" form in full, sign it and send to the Company's share registry with the appropriate remittance amount by cheque made payable to HILL END GOLD LIMITED and crossed "Not Negotiable".

The Company's share registry postal address is:

Registries Limited  
PO Box R67  
Royal Exchange  
SYDNEY  
NSW, 1223

If you have any queries in relation to the above please do not hesitate to contact Registries Limited on +61 2 9290 9600.

Yours faithfully

**Philip Bruce**  
Managing Director

**For further information: Philip Bruce 0412 409 555**

**Mine**  
C/o Hill End Post Office  
Hill End NSW 2850  
Phone +61 22 63378319  
Fax +61 2 63378133

**Exploration and Registered Office**  
4 Bowen Street  
Hill End NSW 2850  
Phone +61 2 63378343  
Fax + 61 2 63378345

**Sydney**  
3 Spring Street  
Sydney NSW 2000  
Phone +61 2 82494416  
Fax +61 2 82494919

# HILL END GOLD LIMITED

ACN 072 692 365

Please enter your registration details here

Please enter your HIN/SRN here

## Notice of Exercise of Options Expiring 12 SEPTEMBER 2008

To the Directors, Hill End Gold Limited ("Company")

<insert quantity>

I/We being the registered holder(s) of the option(s) hereby exercise my/our option(s) to subscribe for fully paid shares in the capital of the Company.

I/We enclose application money of **\$A**  being **\$A 0.15** for each fully paid share applied for.

I/We request you to register me/us as the holder of the shares to be allotted and I/we agree to accept such shares subject to the Company's Constitution.

I/We authorise you to act in accordance with my/our instructions.

**CHEQUES MUST BE MADE PAYABLE TO HILL END GOLD LIMITED**, crossed "Not Negotiable" and drawn on an Australian bank or financial institution, and denominated in Australian currency.

Please complete the following payment details:

DRAWER	BANK	BSB NO. OR BRANCH NAME	AMOUNT
			\$
			\$

**Sign Here – This section must be signed.**

**Individual or Securityholder 1**

**Director**

**Securityholder 2**

**Director/Company Secretary**

**Securityholder 3**

**Sole Director and Sole Company Secretary**

**Date:**

**Day                      Month                      Year**

*Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Hill End Gold Limited needs to sight a certified copy of the Power of Attorney.*

**Signature(s)**

You must sign this form as follows:

**Joint Holding:** where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204 of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Lodgement Instructions

The application for shares on exercise of the options with the appropriate remittance should be lodged with:

#### Mail address

Registries Limited, PO Box R67, Royal Exchange, SYDNEY, NSW, 1223

**Contacts Ph:** (02) 9290 9600

**Email:** registries@registriesltd.com.au

**Website:** www.registriesltd.com.au

## **12 SEPTEMBER 2008 Options (ASX Code: HEGO)**

### **Terms and Conditions of Options**

The options will entitle the holders to subscribe for Shares on the following terms:

1. Each option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the Company.
2. The Expiry Date of the options is 12 September 2008.
3. The options are exercisable at any time on or prior to 5.00p.m. (Eastern Standard Time) on the Expiry Date by completing the option exercise form (above) and delivering it together with the payment for the number of shares in respect of which the options are exercised to the Registered Office of the Company. If the above date falls on a weekend or a public holiday, then the Expiry Date will be deemed to be the next business day after that date.
4. The exercise price for each option is \$0.15.
5. An option does not confer the right to a change in exercise price or a change in the number of underlying shares over which the options can be exercised.
6. Subject to the Corporations Act, the Listing Rules and the Company's Constitution, the options are freely transferable, and the Company will apply to the ASX for listing the options.
7. Options do not confer any rights to a change in exercise price or a change to the number of underlying securities over which it can be exercised in the event of a bonus or other pro rata issue of securities.
8. All shares issued upon exercise of the option will rank pari passu in all respects with the Company's then existing ordinary fully paid shares.
9. There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will for the purposes of determined entitlements to any such issue, the record date will be at least 14 business days after the issue is announced. This will give the option holder the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
10. In the event of any reorganisation of the issued capital of the Company on or prior to the expiry of the options, the right of option holders will be changed to the extent necessary to comply with the applicable Listing Rules in force at the time of the reorganisation.

Cheques should be made payable to HILL END GOLD LIMITED and crossed "Not Negotiable" and drawn on an Australian Bank and posted to:

**Registries Limited  
PO Box R67  
Royal Exchange  
SYDNEY  
NSW 1223.**

**NOTE: OPTIONS NOT EXERCISED BY 12 SEPTEMBER 2008 WILL AUTOMATICALLY EXPIRE.**