



HILL END GOLD LIMITED

ACN 072 692 365

Hill End gold update

7 October 2008

ASX Code : HEG, HEGOB

- Amalgamated plant moves to weekly gold pours as production increases.
- A total of 1,700 tonnes processed to date at an average feed grade of 23g/t gold.
- 1,000 ounces of fine gold produced to date.
- Recent gold sales at A\$1,075/ounce and current spot gold price at A\$1,200/ounce.
- Ball mill installation this week expected to increase throughput and gold recovery.
- Focus of continuing production to be high grade M2 and Paxton's veinsets.
- Paxton's 683 level north drive averages 36g/t gold feed grade to date.
- Reward shaft steelwork completed and Alimak being commissioned.

Mining and processing at Hill End is focussed on an increasing proportion of high grade plant feed, particularly from the M2 and Paxton's veinsets.

The Amalgamated plant throughput has increased steadily over the past few months to a consistent four tonnes per operating hour. This week a marked increase in throughput is expected with the installation of the ball mill. The ball mill will regrind the coarse fraction of the tailings stream and recycle it back into the plant for further gold recovery and to improve tailings pipeline flow.

Development in the Reward Shaft area has progressed up to the Paxton's 683 level, which has the Paxton's main vein on the north drive running at up to 18 ounces per tonne over 0.15 metre and the development material averaging an estimated 25 – 75+g/t gold.

Commissioning of the Reward Shaft is being completed this week. The shaft provides access to ten levels above the Amalgamated level in the Exhibition area over 150 vertical metres. The top level of the Reward shaft (780RL) is at the same level as the bottom level of the old workings, from which the Frenchman's veinset was partially mined in the 1920's.

Attribution

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and is a full-time geological contractor for the company. Mr Bruce is Fellow of the Australasian Institute of Mining and Metallurgy. Both Mr Quayle 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 and Mr Bruce consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

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