



# HILL END GOLD LIMITED

ACN 072 692 365

Hill End gold production update

16 December 2008

ASX Code : HEG, HEGOB

- Four recent gold pours total 540oz from 1100 tonnes averaging 19g/t feed grade.
- A fourth production level opened from the Reward Shaft on the Paxton's veinset at 707RL.
- The ball mill installation and changes to tailings system increase plant throughput to a consistent ~50 tonnes per day.
- Installation of compressed air and water services in Reward Shaft increases mining productivity.
- Knelson batch K181 from Paxton's 695 north drive produces over 100 ounces from 33 tonnes.
- Paxton's 695 level north drive continues in PX3 and PX4 veins with Paxton's veinset interpreted to be up to seven metres wide.

The processed material and nominal feed grades for the four recent gold pours were as follows:

## **Gold Pour 12**

|                |                          |
|----------------|--------------------------|
| PX 683         | 115 tonnes at 27g/t gold |
| PX 671         | 15 tonnes at 10g/t gold  |
| M2 1440 trench | 7 tonnes at 39g/t gold   |

## **Gold Pour 13**

|                |                          |
|----------------|--------------------------|
| PX 683         | 260 tonnes at 15g/t gold |
| PX 671         | 66 tonnes at 8g/t gold   |
| M2 1440 trench | 23 tonnes at 27g/t gold  |

## **Gold Pour 14**

|                |                         |
|----------------|-------------------------|
| PX 695         | 89 tonnes at 21g/t gold |
| PX 683         | 100 tonnes at 5g/t gold |
| PX 671         | 71 tonnes at 26g/t gold |
| M2 1440 trench | 121 tonnes at 5g/t gold |
| Plant cleanup  | 3 tonnes at 24g/t gold  |

## **Gold Pour 15**

|        |                          |
|--------|--------------------------|
| PX 695 | 190 tonnes at 32g/t gold |
| PX 683 | 38 tonnes at 35g/t gold  |

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The nominal feed grade figures exclude the gold in wave table tails and low grade concentrates, and plant tails are estimated at 20% of feed grade if assays not yet received.

Level development from the Reward Shaft area has now progressed to the 707 level, which is the fourth production level from the Reward Shaft. The Paxton's 695 level north drive in very abundant gold has returned up to 109g/t recovered grade (K181 batch of 33 tonnes) when processed through the plant.

The Paxton's veinset in this area is interpreted to be up to seven metres wide, including multiple high grade veins.

On 671 and 683 levels the Paxton's high grade mineralisation is hosted mainly in the PX2 vein, while on the 695 level and above the PX3 and PX4 veins are carrying very high grade mineralisation. The PX3 and PX4 veins are approximately two metres east of PX2. The PX3 vein on the 695 level north of 1555N contains remarkable amounts of visible gold over the 25 metres of driving to date and has returned partial assays of up to 848g/t gold over 20cm and 936g/t gold over 10cm. The PX4 vein has returned up to 242g/t gold over 21cm and PX5, 45cm to the east, has returned a partial assay of 200g/t gold over 10cm.

The Paxton's 695 north drive has averaged a partial recovered grade of 38g/t gold over the 1.5 metres average drive width for the 25 metres of development to date, excluding K181, which produced over 100 ounces from 33 tonnes of PX695DRN development material.

#### ***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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