



HILL END GOLD LIMITED

ACN 072 692 365

Report for June 2009 Quarter

31 July 2009

ASX Code : HEG, HEOB

Hill End Project, NSW

Reward

- *Quarterly gold production of 1,851 ounces from 5,425 tonnes at 11g/t gold, while upgrading processing plant and Reward shaft facilities.*
- *Plant throughput increased by 30% to 90 tonnes per day.*
- *Reward development intersects extensive ten metre wide sheeted gold/quartz veins in Frenchman's vein set at 780 level. Assays results pending.*
- *Initial drilling in 5,000 metre underground diamond drilling program intersects wide Paxton's, Steven's and Frenchman's vein sets. Assay results pending.*
- *640 level drive north on Mica 1 vein set averaging 30g/t over a metre width.*
- *High grade Scandinavian drilling results extend Mica vein set potential a further 450 metres north from Reward 640 level north drive position.*
- *Planning commences for proposed expansion of the Hill End Project.*
- *Mapping of Indicator Fault system identifies new high grade targets.*

Hargraves

- *Big Nugget Hill deposit mining licence application preparation continues.*
- *Preparation for 6,000 metre drilling program on Big Nugget Hill zone.*

Lak Sao, Laos

- *Lak Sao Mineral Reconnaissance and Exploration Agreement (MREA) pending.*
- *Additional near-production JV projects under review.*

Hill End Gold Investment Bars

- *Strong demand for Hill End one ounce 99.99% gold investment bars.*

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Hill End Gold Limited (HEG) is a strongly growing junior gold mining company with a clear focus on increasing resources and profitable gold production.

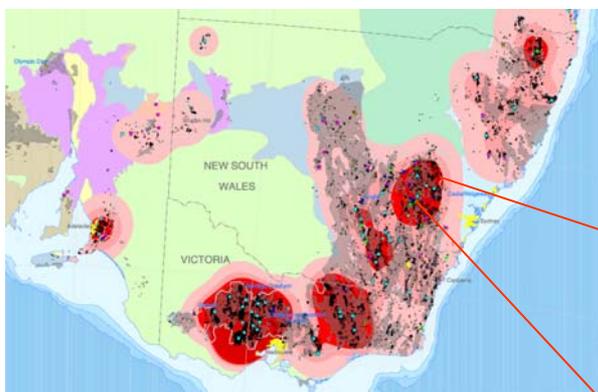
The Hill End Project tenements in New South Wales, Australia cover 1,210 square kilometres including the rich historical Hill End, Hargraves and Windeyer Goldfields, which together were one of the world's richest gold mining areas. Previous underground production averaged up to 10 ounces per tonne and large specimens were mined containing up to 3,000 ounces gold.

The HEG development strategy for the Hill End Project is to increase gold production from the Hawkins Hill - Reward deposit at Hill End and to develop the larger Hargraves BNH deposit with a targeted resource potential for the Project of 4–5 million ounces.

HEG commenced underground production from Hawkins Hill – Reward in 2008 and is extending and opening up resources to determine the scope of the mine for expansion planned during 2010.

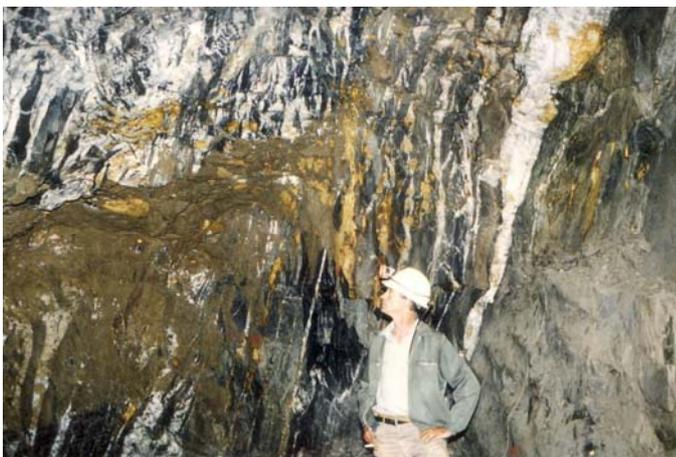
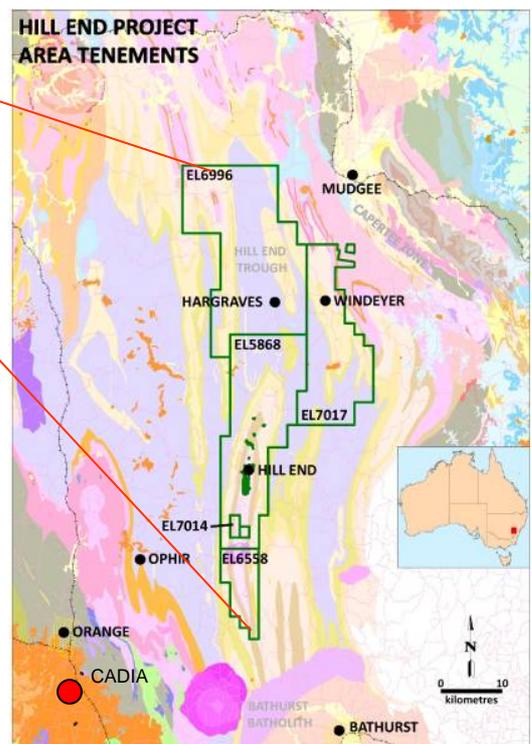
Hargraves is located 35km north of Hill End and HEG has partly diamond drilled the BNH deposit to a depth of 400 metres with intersections of up to 4.2g/t over 75 metres from near surface. The BNH deposit was discovered in 1851 with a 50kg piece of gold in quartz at surface and has been mined to only 50 metres below surface. HEG plans further drilling to delineate resources beneath the extensive old workings at BNH and adjacent zones.

The Company holds a minimum 85% beneficial interest in the Mining Leases in the Hill End area and the area formerly subject to Exploration Licence 2037, which is now part of Exploration Licence 5868, and holds a 100% interest in all other tenements.



LACHLAN FOLD BELT GOLD ENDOWMENT

HILL END/HARGRAVES TENEMENTS ARE IN A PROLIFIC GOLD PROVINCE IN LACHLAN FOLD BELT IN NEW SOUTH WALES, AUSTRALIA



10 METRE WIDE FRENCHMAN'S VEIN SET IN REWARD MINE

SUMMARY OF QUARTER

During the quarter a placement of \$2.9 million was completed with the issue of 17,080,670 new ordinary fully paid shares at 17 cents per share.

The underground mine in the Hawkins Hill – Reward deposit continues to expand and the gravity gold recovery plant at Hill End in New South Wales now has increased reliability and throughput.

Gold production of 1,851 ounces from 5,425 tonnes at 11g/t gold was achieved during the quarter while the plant and Reward shaft facilities were significantly upgraded during extended shutdowns. The plant is currently processing an average of 90 tonnes per day with further increases in throughput expected, and the reliability and availability of the Alimak lift in the Reward shaft has been greatly improved.

Ore production during the quarter was sourced from stoping in the high grade Reward Paxton's vein set, M1 vein set development on the 640 level north drive and the Cornelian M2 vein sets.

Plant gold recovery continues at over 95% and plant availability has been improved to over 70%, including weekly scheduled maintenance shutdowns.

The Reward shaft 780 level has intersected the Frenchman's vein set over a 10 metre width and connected with the old Exhibition workings on the 324 foot level, which is 100 metres below surface. Examination of the old workings has confirmed that the wide Frenchman's vein set is only partially mined at that level over widths of up to ten metres and intense sheeted gold/quartz mineralisation extends across the full width of the vein set. Additional levels for the Reward shaft above the 780 level are under review to expand development into the Frenchman's and other vein sets in the upper and the northern part of the Reward area, where significant additional resource extensions are expected.

Mine planning for wide stope production as part of the project expansion is underway for the upper Reward shaft mineralisation.

The Indicator Fault system noted in historical reports of the bonanza mineralisation in the Hawkins Hill – Reward deposit has been mapped in detail in the current workings and is frequently associated with very high grade mineralisation. This structural system is coincident with the empirical 'mineralised corridor' and is interpreted to be the plumbing system for the Hill End gold mineralisation.

Diamond drilling continues to outline extensions of the Frenchman's and the adjacent wide Steven's vein set in the vicinity of the Reward shaft and along strike to the south.

A total of 513 metres were diamond drilled underground during the quarter.

The Mineral Reconnaissance and Exploration Agreement application for the Lak Sao Project in Laos is currently pending and Hill End Gold is reviewing near-term development joint ventures on advanced projects.

The sale of 99.99% one ounce gold investment bars to shareholders has been very successful with the initial run of 500 bars quickly sold during the quarter. Sufficient inventory is being maintained to satisfy ongoing demand.

HAWKINS HILL – REWARD

Mine

During the quarter a total of 577 metres of underground development were advanced, which is a 20% increase over the previous quarter. The initial stope in the high grade Reward Paxton's vein set between the 695 and 707 levels was completed and several stopes in the M2 vein set were underway on the 640 level.

The focus for the quarter has been on advancing development of the 640 level north drive and in the upper levels of the Reward shaft. This work has opened up a significant extension of the Mica vein set at the 640 level and in the wide Steven's and Frenchman's vein sets above the 730 level.

A scheduled maintenance program was undertaken on the Reward shaft Alimak installation to improve reliability, which restricted access to the upper levels in the Reward shaft for a few weeks. This has greatly improved the productivity in the Reward area, particularly for the upper levels.

The Indicator Fault system noted in historical reports of Hawkins Hill – Reward has been mapped in detail in the current workings and is frequently associated with high grade mineralisation. Early targets for high grade mineralisation associated with the extrapolation of the mapped faults have been identified.

Mica 1 640 level

The 640 level north drive has been restarted from the 1630N position to follow the Mica 1 vein set to the north towards the Robert Emmett's cross course. The vein set has been quite wide and carries high grades from the 1630N position to the current face at about 1700N. Floor sampling during the quarter for the first 60 metres along the Mica 1 vein set averaged 30.7g/t gold diluted over a 1.1 metre stoping width. Rising along the Mica 1 and further development along strike to the north has confirmed the continuity of the high grade zone.

The 640 level north drive will be continued north along the Mica vein set to intersect the Robert Emmett's cross course at approximately 1740N. The Robert Emmett's crosscourse was previously mined near surface at a grade of approximately 20 ounces per tonne. The combination of cross course, Mica veinset and the mineralising Indicator system is similar to the location where large gold specimens were mined in the Hawkins Hill – Reward deposit during the 1870's.

Wide gold mineralisation intersections

During the quarter, there have been significant wide mineralised zones intersected in diamond drilling and cross cut development, particularly on the Reward 780 level in the Frenchman's vein set, on the 730 level in the Steven's vein set and in Kempe drilling at 1430N in the Paxton's vein set and the Steven's vein set at the 730 level position.

These intersections and the access provided by the old 324 level into the partially mined 10 metre wide Frenchman's vein set indicate that there is significant potential for wide, stope production which may support the proposed expanded project.

The Reward 730 level is planned to drive 100 metres south along the Frenchman's vein set to connect with the old Consolidated 725 level, which was developed extensively along the Steven's and Frenchman's vein sets and connects with the Patriarch shaft.

The current Kempe drilling is focusing on testing the unexplored Patriarch area in the Mica to Frenchman's vein sets between 1250-1500N with drilling on 25 metre spaced sections with 10-20 metre vertical coverage for each vein set.

The Mica vein set in the 1250N area is being opened above the 640 level to establish an initial stope and the Kempe drilling rig will be located adjacent to the previous wide intersection (4.1g/t gold over 17.3 metres) to drill above the 640 level to the 725 level.

Reward Frenchman's and Steven's vein sets

The Frenchman's vein set has been previously mined to 100 metres below surface (785L) in widths reported to be up to 24 metres and grades of up to 32 ounces per tonne.

The 2008 Reward resource estimate of 159,000 tonnes at 17g/t gold is only a partial estimate of the expected resource that will be delineated in the Hawkins Hill – Reward deposit and the current mining activity is scoping out the resource size. A recent review of the resource potential in the upper levels of the Reward shaft and the old workings above has identified numerous high grade vein sets that were not mined up to 1919, when historical mining ceased, and were not drilled in the 2008 resource drilling program.

When mining ceased in 1919 following a labour dispute, much was left unmined in the Reward area, particularly material that was less than approximately 15g/t. Old records have noted that of the upper level vein sets, including the Steven's, Calcite, Frenchman's and Rowley's vein sets, only Rowley's has been extensively mined above 785 level to the north of the old Exhibition shaft (50 metres north of Reward). Almost none of the other vein sets have been mined below the 785 level, although historical reports of the unmined Frenchman's vein set at and below the 785 level include 1,500 tonnes at 20g/t gold over 9 metres width from 732 level, 700 tonnes at 11g/t gold over 4.9 metres width from 785 level and an intersection on the 755 level of 26g/t gold over a 4 metre width.

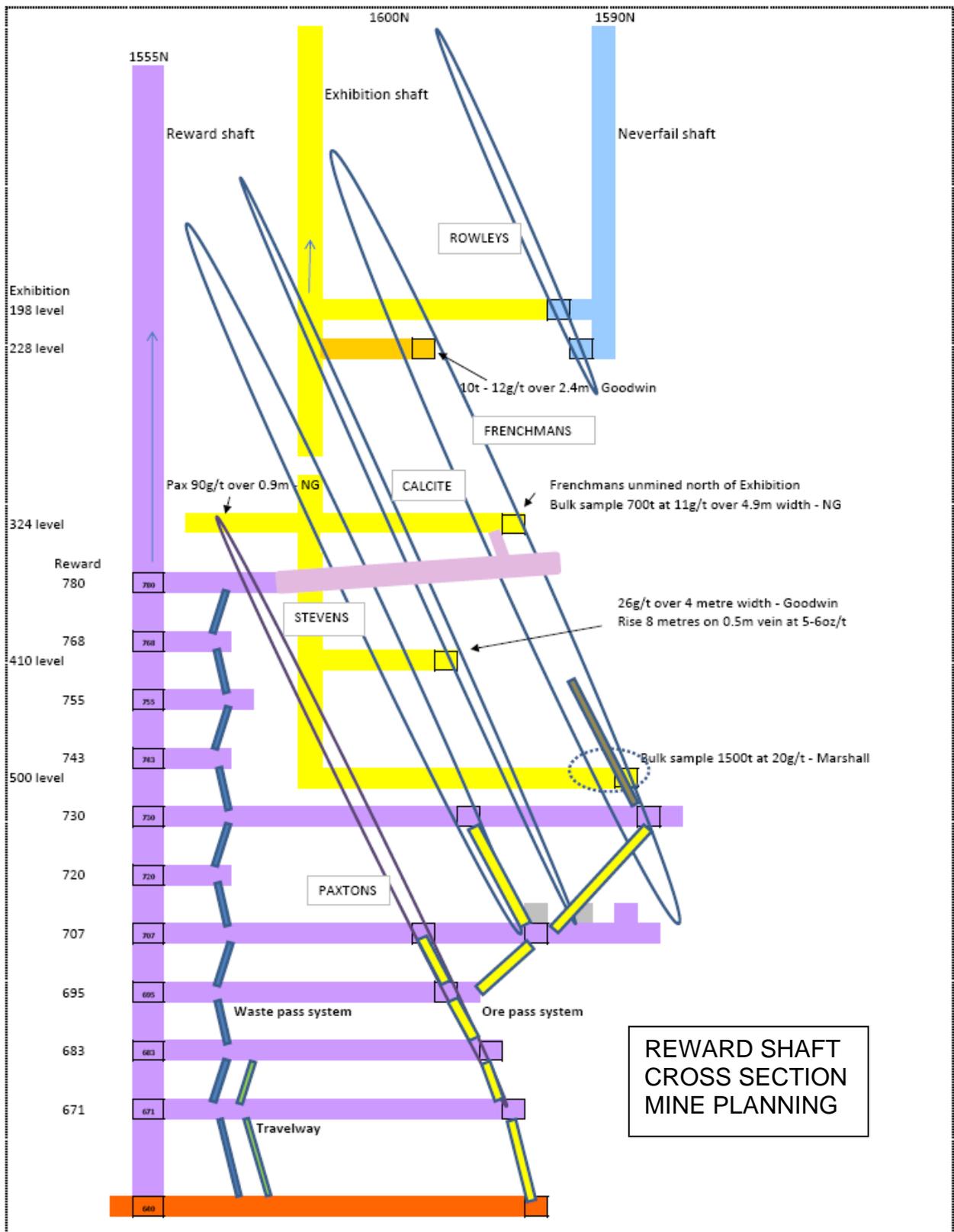
Up to the 1920's the reported production from the Frenchman's vein set was approximately 200,000 tonnes at 16g/t gold over a 400 metre strike length from surface down to 785 level.

The Reward shaft 780 level has intersected the Frenchman's vein set over a 10 metre width and connected with the old Exhibition workings on the 785 level - 100 metres below surface. Examination of the old workings has confirmed that the wide Frenchman's vein set is only partially mined at that level over widths of up to ten metres and sheeted gold/quartz mineralisation is intense across the full width of the vein set.

The wide Steven's vein set has been intersected on the 730 level with an average of 5.2g/t over the 8.5 metre wide zone and drives were commenced to the north and south. The Frenchman's was also intersected with low grade mineralisation at this level and driving some 50 metres to the north along the Frenchman's will commence next quarter to link up with the base of the Exhibition shaft, where previous operators have extracted a bulk sample on the Frenchman's vein set, which returned approximately 20g/t over a 9 metre width.

Additional levels for the Reward shaft above the 780 level are under review to expand development into the Frenchman's and other vein sets in the upper and the northern part of the Reward area, where significant additional resource extensions are expected.

Mine planning for wide stope production as part of the project expansion is underway for the upper Reward shaft mineralisation.



Outlook

The 640 north drive will be continued to the intersection of the Mica vein set with the Robert Emmett's cross course at approximately 1740N, where potential for very high grade mineralisation may be realised.

The Mica 1 vein set, and the adjacent Mica 2 vein set are well mineralised from approximately 1625N on the 640 level and previous drilling has intersected high grade Steven's, Paxton's and Star of Peace vein sets above this position. Planning for new stoping blocks in this area is underway.

Plant throughput will continue to be optimised and further increases are expected.

Focus for the coming quarter is on opening production capability from the Frenchman's above the 730 level and the north part of the Reward area beyond 1625N.

Additional potential will be reviewed in the Brands and Fletchers vein set to the south of the current workings and decline access along this vein set and the Mica vein set is planned from the 640 level during the coming quarter.

The current drilling, mining and processing of the Hawkins Hill – Reward deposit is aimed at determining the appropriate scope of the project for a planned expansion during 2010.

Hawkins Hill - Reward underground diamond drilling

A 5,000 metre underground diamond drilling program has commenced to drill out the Central strike gap between the old high grade workings of Hawkins Hill and the extent of surface drill coverage in the Reward area. This 250 metre 'gap' is in the Patriarch and Cornelian sections of the deposit, where previous mining ceased in the late 19th century and where we have had tremendous success in the Mica vein set at the 640 level.

The drilling program is designed to provide intersections for most of the known vein sets on approximately 25m x 15m centres between the 640 level and 725 level.

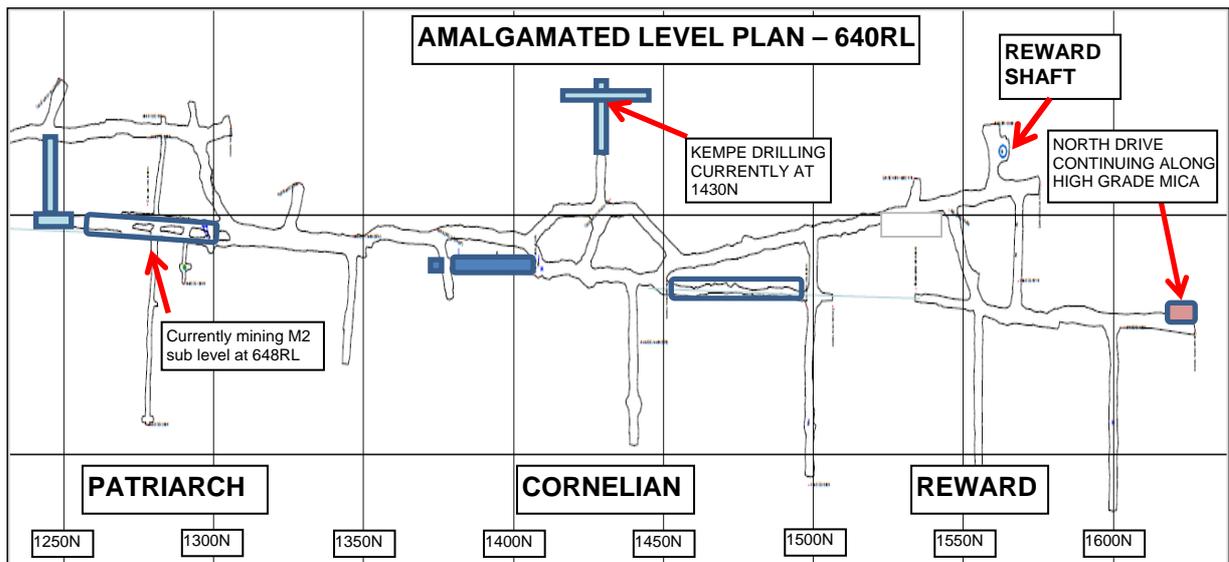
It is expected that the drilling program will significantly extend the resources of the Hawkins Hill – Reward deposit.

Fourteen holes were completed during the quarter for a total of 512.55 metres using a small (Bazooka) and a large (Kempe) LTK48 drilling rig in the Reward development and on the 640 level. The holes in the Reward development were targeting the extensions of the Frenchman's and Steven's vein sets and providing cover holes for the development in close proximity to the old Exhibition workings.

Kempe drilling was delayed while sufficient experienced drillers were sourced to maintain a 24/7 drilling cycle.

Reward Underground Drilling (June Quarter 2009)

Hole ID	MGA_N	MGA_E	RL	Dip	Grid Az	EOH	Rig
HHUG33	6341570	725327	709	+5	90	39.65	Bazooka
HHUG34	6341570	725327	709	+45°	90°	45.9m	Kempe
HHUG35	6341570	725327	708	-30°	90°	46.15m	Kempe
COV001	6341555.5	725298.6	780	+13°	104°	46.55m	Bazooka
HHUG36	6341553.5	725327.5	707.5	+30°	90°	33m	Kempe
HHUG37	6341429.5	725269.9	648.4	+55°	90°	63.1m*	Kempe
HHUG37R	6341429.5	725269.9	648.4	+55°	90°	109.3m	Kempe
HHUG42	6340980	725264.7	640	+40°	103°	36m	Bazooka
HHUG43	6340980	725264.7	640	+85°	103°	20.7m	Bazooka
COV002	6341551.5	725314.7	783.3	+7°	104°	10.2m	Bazooka
COV003	6341551.5	725314.7	783.3	0°	104°	15.95m	Bazooka
COV004	6341551.5	725314.7	783.3	+19°	104°	15m	Bazooka
COV005	6341551.5	725314.7	783.3	+26°	104°	15.75m	Bazooka
COV006	6341551.5	725314.3	784.6	+42°	104°	15.3m	Bazooka
Total Metres						512.55m	



Reward Geological Model

Mapping and interpretation of the surface and underground drilling and the underground development in the Hawkins Hill - Reward deposit has correlated a conjugate set of north trending steep west dipping faults with very high grade mineralisation occurring where the faults intersect the bedded veins, particularly if the veins are adjacent to fine grained or graphitic material.

The faults are similar to the Indicator faults described in historical literature of the high grade zones in the Hawkins Hill – Reward deposit, which were associated with the bonanza grade gold zones and large gold specimens mined during the nineteenth century.

The extrapolation of these faults is now providing near term mine planning data and potentially high grade exploration targets adjacent to our current workings.



Processing

The Hill End gold production results to end June 2009:

Period	Tonnes	Feed Grade (g/t gold)	Gold Recovery (%)	Gold Produced (oz)	Operating hours	Tonnes / operating hour
Prior July 2008	434	30.9	79.0	341		
July 2008	238	43.9	77.2	259	88	2.7
August 2008	289	13.3	83.5	103	92	3.1
September 2008	625	20.4	79.4	326	174	3.6
October 2008	533	24.2	78.5	326	154	3.5
November 2008	564	15.8	81.6	233	165	3.4
December 2008	675	30.5	97.4	643	186	3.6
January 2009	712	13.6	97.6	289	171	4.2
February 2009	1555	14.9	97.9	729	370	4.2
March 2009	1975	18.7	94.8	1112	476	4.1
April 2009	2067	12.5	95.7	791	523	4.0
May 2009	1291	11.1	97.7	450	343*	3.8
June 2009	2067	10.0	95.8	610	500	4.1
Project Total	13025	16.4	90.5	6212	3242	4.0

Plant throughput figures quarter on quarter:

	Total ore (dry tonnes processed)	Plant throughput rate (tonnes per hour)	Mill availability (%)	Gold Produced (oz)
Quarter ending 31 Mar 2009	4242	4.2	64%	2126
Quarter ending 30 Jun 2009	5425	4.0	72%*	1851
+/- %	+ 128%	-5%	+13%	-13%

* Excludes nine days shutdown for scheduled upgrade.

The gold mineralisation in the Hill End area is quite coarse grained and crushing the rock to less than a millimetre size results in almost complete liberation of the gold particles from the waste rock. The Amalgamated gravity plant is highly efficient in recovering the gold as gold-in-concentrate, which is cleaned to a smeltable concentrate on a Wilfley table and an Action Mining Wave table. The gold is smelted on site and poured into gold bullion bars and then transported to the refinery.

The plant output has been increased however throughput for the quarter was effected by a scheduled shutdown of nine days in May which included the installation of a new 25"x18" Goodwin Barsby jaw crusher and a change of the ball mill lining from steel grate discharge to rubber lined overflow design. Commissioning of the upgraded plant continued to the end of the quarter, when the throughput rate increased to approximately 5 tonnes per hour and a daily average of approximately 90 tonnes per day.

SCANDINAVIAN

A detailed interpretation of the Scandinavian area including relogging of selected core from diamond drill holes SCD01, SCD02 and SCD03 was completed during the quarter. The relogging indicated additional prospectivity in the Scandinavian area with eight new significant quartz vein horizons identified. Four of these veins have visible gold in laminated quartz veining similar to the Hawkins Hill – Reward deposit and are correlated with the Frenchman's (visible gold noted), Steven's, Paxton's, Middle, Star of Peace (visible gold noted), Mica (SCD02: 88.4g/t over 0.13m from 265m, SCD03: 11.3g/t over 0.33m from 317m), Phillipsons and Amalgamated (visible gold noted) vein sets.

These drill holes were completed in the 2008 drilling program from within the town of Hill End which tested below the historical mine workings, which had been stopped at less than 100 metres below surface by minor water inflows over 100 years ago.

The Scandinavian area is now confirmed as the extension along strike to the north of the Hawkins Hill – Reward deposit for approximately 500 metres from the current 640 level development face position to 2200N. The 640 level Reward development is advancing towards the Robert Emmet's crosscourse and is planned to continue into the Scandinavian area to test the continuation of the high grade vein sets to the north.

RED HILL

No drilling was carried out during the quarter.

TAMBAROORA

No drilling was carried out during the quarter and further work is pending review of the recent drilling program.

GERMANTOWN

No drilling was carried out during the quarter. Mineralisation at depth within the Hill End Anticline mineralised corridor will be drill tested in due course.

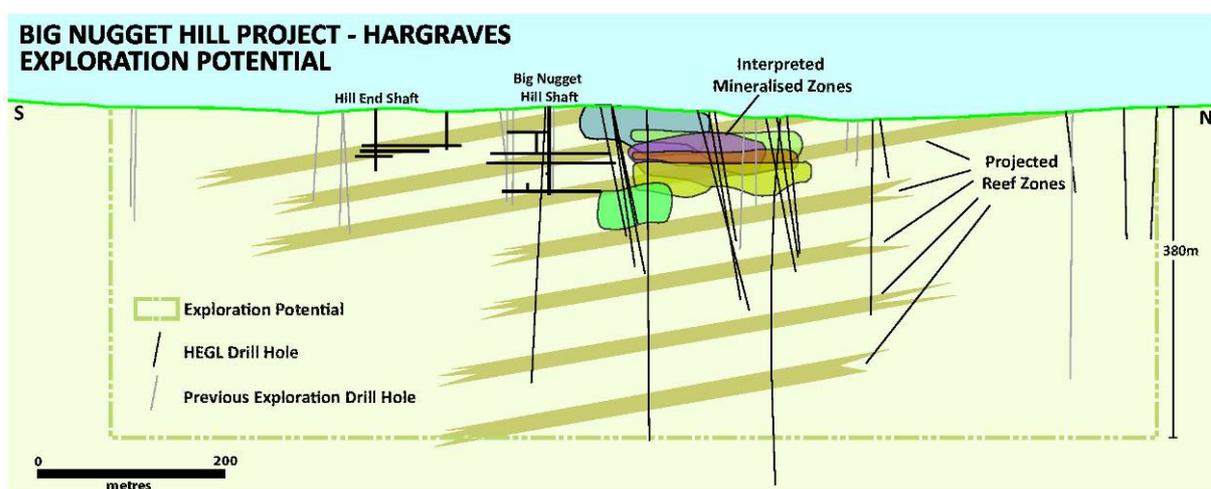
HARGRAVES

A major drilling program of approximately 12,000 metres is planned to commence at the Hargraves gold project, which is located 35 kilometres north of Hill End in New South Wales.

The next stage of drilling on the Big Nugget Hill (BNH) structure will be approximately 6,000 metres of combined diamond and reverse circulation drilling to cover approximately 1,500 metres of strike length of the wide, mineralised BNH structure to the south of the previous program.

The Big Nugget Hill (BNH) structure is over four kilometres in length, although only the central part of 1,500 metres strike has been mapped and partially drilled by Hill End Gold and previous explorers. The target scope for the Hargraves project is over 10 million tonnes at 4-5g/t gold.

The initial 6,000 metre program is designed to test the BNH structure over 500 metres of strike to a depth of 150 metres or more on 25 metre sections and scout drilling for a further 1,000 metres to the south on 100 metre sections. The close spaced drilling is beneath outcropping mineralisation and some high grade workings, such as the 'Hill End' shaft area. Mining in the 'Hill End' shaft was suspended in 1915, although ore from the bottom 50 metre level was reported as containing fifteen ounces per tonne and in 1989 a two tonne bulk sample was mined from this same level with the material reported to contain more than five ounces per tonne, however previous explorers have not followed up with drilling beneath the workings.



A community meeting has been held in Hargraves to provide an outline of the proposed drilling program. The community provided very positive support for the ongoing program and the "Review of Environmental Factors" submission was prepared for the DPI.

The Company holds 100% of the Hargraves Exploration Licence (EL6996), which is adjacent to the Hill End tenements to the north, and contains a series of parallel, north-striking structurally controlled zones of gold mineralisation.

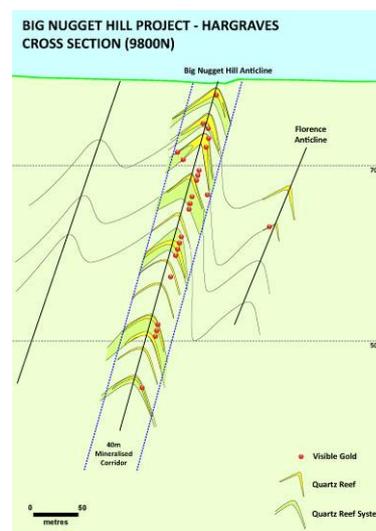
The Hargraves tenement contains numerous historical production areas and BNH is the site of Australia's earliest gold reef mining in 1851, when large pieces of gold in quartz, containing up to 1,546 ounces, were discovered in quartz vein outcrops. Rich alluvial deposits were also mined in the nearby Louisa, Daly and Meroo Creeks and many large nuggets were found, with the 'King of Waterworn Nuggets' being the largest at 2,680 ounces of gold.

Previous exploration on the BNH deposit includes reverse circulation drilling and diamond drilling during the 1980's and 90's and, while these programs indicated significant gold mineralisation, the work was not sufficiently reliable for resource estimation. During 2008 we drilled nineteen HQ3 diamond drill holes for 4,082 metres, across and down the mineralised anticlinal structure, which hosts the BNH deposit, in order to obtain reliable data.

The 2008 program outlined mineralisation in a forty metre wide zone on the BNH deposit to a depth of 400 metres below surface. The program was the first deep drilling on the deposit since its discovery in 1850 and all holes assayed to date show a pattern of repeating zones of mineralisation continuing undiminished to the bottom of the holes.

Based on the 2008 drilling of the BNH structure over 500 metres strike, 400 metres depth and 40 metres width, the current mid-point Exploration Potential of the Hargraves BNH deposit is approximately one million tonnes at 7.7g/t gold and a target scope for the BNH deposit is 10 million tonnes at a grade of 4g/t gold, which may be suitable for bulk underground mining. Further drilling and studies are necessary to confirm these figures and a combined diamond and reverse circulation drilling program has been designed to outline an initial mining and processing target on the BNH deposit of approximately 100,000 ounces of gold within 150 metres of surface.

The 2008 drilling also tested a parallel structure to the east of BNH and intersected gold mineralisation in the Florence anticline approximately 75 metres to the east of the BNH anticline.



WINDEYER

The Company holds 100% of Exploration Licence (EL7017) over the historic Windeyer goldfield area, which is adjacent to the Hargraves and Hill End goldfields and is located on a mineralised structure parallel and to the west of the mineralised Hill End Anticline.

Windeyer has a number of historically rich hardrock deposits and during the 19th century rich alluvial deposits were also mined in Clarkes Creek, which rises in the Boiga Mountain area, which is also covered by EL7017.

Very little modern exploration has been done on the Windeyer-Boiga Mountain area and mapping and quartz reef sampling is planned.

NSW UNDERCOVER – MURRAY RIVER AREA

The company has 100% ownership of granted Exploration Licences (EL6905, 6906, 7124, 7125 and 7127) in the Swan Hill area of New South Wales. The Swan Hill area tenements cover the extension of the gold rich Bendigo Zone from Victoria into New South Wales.

FrogTech have completed a geophysical report of the Swan Hill tenement area which indicates many targets of a shallow depth to basement for field follow up.

Initial field investigation of the tenements has been undertaken and a gravity survey is planned over a significant geophysical anomaly in the Tullakool area.

LAOS

The Lak Sao Project application in Laos for a Mineral Reconnaissance and Exploration Agreement application is now pending and Hill End Gold is in discussion with parties with mineral interests adjacent to the application area and other parties with advanced projects.

The Lak Sao Project area of approximately 2,000km² is located in the Bolikhamxay Province in Central Laos between the Mekong River and the Vietnam border. The area is approximately 100 kilometres north of the Sepon copper-gold project, operated by OZ Minerals Limited, in the Truongson Belt.

Previous prospecting has identified numerous precious and base metal occurrences in outcrop and in stream sediment dispersion haloes. Controlled artisanal gold mining of a moderate scale is underway on a small tenement excised from the tenement application.

Hill End Gold has a 51% interest in the Lak Sao Project with Mekong Resources Pty Ltd.

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 his information in the form and context in which it appears.

Yours faithfully



Philip Bruce
Managing Director

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Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

HILL END GOLD LIMITED

ABN

74 072 692 365

Quarter ended ("current quarter")

June 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 mths to Jun 09) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	3,025	6,658
1.2 Payments for		
(a) exploration and evaluation	(982)	(2,800)
(b) development	(1,694)	(8,026)
(c) production	(1,838)	(7,105)
(d) administration	(523)	(1,934)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	180
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (R&D Grant)	-	367
	(1,995)	(12,660)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(23)	(339)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(23)	(339)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(2,018)	(12,999)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,018)	(12,999)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,697	9,558
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	2,697	9,558
	Net increase (decrease) in cash held	679	(3,441)
1.20	Cash at beginning of quarter/year to date	2,330	6,450
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,009	3,009

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

+ See chapter 19 for defined terms.

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	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	500
Total	650

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	2,259	230
5.2 Deposits at call	750	2,100
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	3,009	2,330

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	N/A	-	-	-
6.2 Interests in mining tenements acquired or increased	N/A	-	-	-

+ 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 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	324,589,542 OFP	324,589,542 OFP	-	-
7.4 Changes during quarter	17,090,367	17,090,367	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	54,218,158 800,000 5,000,000 6,705,000	54,218,158 Employee Man Director Employee	Exercise price 25 cents 20 cents 20 – 40 cents 20 cents	Expiry date 30 Sept 2009 Oct 2011 30 Jun 2009 22 Nov 2012
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <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 ~~/does not*~~ (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: ..JULY 2009
(~~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.