

Notice of Annual General Meeting and Explanatory Statement

Annual General Meeting to be held at the Christie Conference Centre,
Tang Room, Level 2, 3 Spring Street, Sydney, NSW,
on Tuesday, 24 November 2009 at 11.00a.m. AEDT



This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

NOTICE OF GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Hill End Gold Limited (The Company) will be convened at 11.00a.m. AEDT on Tuesday, 24 November 2009 at Christie Conference Centre, Tang Room, Level 2, 3 Spring Street, Sydney, NSW, to consider, and if thought fit, to pass the following resolutions.

If you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form. The completed Proxy Form must be received by the Company at least 48 hours before the commencement time of the meeting.

An Explanatory Statement is attached. Shareholders should read this in full.

Shareholders who wish to receive a hard copy of the 2009 Annual Report and haven't yet elected to receive one, may call (02) 8249 4416 and ask to have one sent to their address. Requests received prior to 5 November 2009 are expected to be printed and posted to arrive before the Annual General Meeting on 24 November 2009.

ANNUAL ACCOUNTS

"To receive and consider the Annual Company Financial Statements and reports of the Directors and the Auditor for the period ended 30 June 2009."

RESOLUTION 1 – Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"To adopt the remuneration report for the year ended 30 June 2009."

Note: The vote on this resolution is advisory only and does not bind the Directors.

RESOLUTION 2 – Re-election of Mr Bruce Thomas as a Director

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That Mr Bruce Thomas, a Director of the Company retiring by rotation in accordance with the Company's Constitution, be re-elected as a Director."

RESOLUTION 3 – Election of Mr Ian Sloan as a Director

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That Mr Ian Sloan, a Director of the Company retiring by rotation in accordance with the Company's Constitution, be elected as a Director."

RESOLUTION 4 – Ratification of the Allotment and Issue of Shares under Share Placement

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange Limited and for all other purposes, the Company ratifies the issue and allotment of 17,080,670 fully paid ordinary shares at 17 cents per share to clients of Sino Investments Pty Ltd."

Short Explanation: Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Statement for details.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue and any associate of any such person. However, the Company need not disregard a vote if:

- (i) the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – Authorise director participation in share issue

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an ordinary resolution:

"That, in accordance with ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue and allot 600,000 Shares to Leet Investment Pty Ltd, a company controlled by Mr Bruce Thomas, a Director of the Company, in accordance with the terms set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by Mr Thomas and an associate of that person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if:

- (i) the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated this 19 October 2009

BY ORDER OF THE BOARD

Kevin Lynn

Company Secretary

NOTES: In accordance with Regulation 7.11.37 of the Corporations Act, the time nominated by the Board for the purposes of determining the identity of those entitled to attend and vote at the meeting is 11.00 p.m. (AEDT) on Monday, 22 November 2009.

EXPLANATORY STATEMENT

This Explanatory Statement accompanies and forms part of the Notice of General Meeting dated x October 2009 (Notice) and has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the General Meeting of the Company. Amongst other things, this Explanatory Statement provides Shareholders with the information required to be provided to Shareholders by the Corporations Act 2001 and the Official Listing Rules of the Australian Securities Exchange Limited (**ASX Listing Rules**).

The Explanatory Statement sets out an explanation of each of the resolutions to be put to Shareholders. Shareholders should read this Explanatory Statement carefully before determining how to vote in respect of the resolutions.

ANNUAL FINANCIAL REPORTS AND ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

The first item of business in the Notice is to receive and consider the annual financial reports and accounts of the Company for the year ended 30 June 2009, comprising the Financial Statements together with the Statement of the Directors, the Directors' Report and the Auditor's Report. No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's management and auditors in relation to the Company's results and operations for that financial year.

RESOLUTION 1 – Remuneration Report

In accordance with section 250R (2) of the Corporations Act the Company is required to present to the Shareholders the remuneration report for the year ended 30 June 2009. The vote on the resolution is advisory only and does not bind the Directors of the Company. The remuneration report is set out in the Company's Annual Report 2009.

The remuneration report explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

RESOLUTIONS 2 and 3 – Re-election of Directors

Election of directors Items 2 and 3 of the Notice of Meeting deal with the election of directors. Under the Company's constitution, a director must not hold office without re-election past the third Annual General Meeting following the director's appointment or three years, whichever is longer. The director will be eligible for re-election. The directors required to retire under the above framework are the Mr Bruce Thomas and Mr Ian Sloan. They have both indicated that they will offer themselves for re-election. The Company selects Board members for their knowledge of and familiarity with financial markets, their experience with relevant stakeholder groups and their individual contribution to the Board's ability to function efficiently and with integrity.

In the last year the Board has put a great priority upon succession, and with the election of Mr Ian Daymond, the Board's focus is on achieving progressive renewal whilst maintaining stability and retaining experience and guidance. The Board will focus further

upon renewal of its membership and ensure that the Company's Board possesses the appropriate pool of skills and experience to take the Company into its next phase of growth as a listed company.

In accordance with the Company's Constitution, Messrs Thomas and Sloan retire and being eligible, have offered themselves for re-election. The remaining Directors recommend to Shareholders that Messrs Thomas and Sloan be re-elected as directors.

Directors Biographies

Bruce Geoffrey Thomas, CA
Non-Executive Director. Appointed 22 February 2005

Mr Thomas is a Chartered Accountant, a Chartered Secretary and an Associate of the Securities Institute of Australia. Mr Thomas has substantial experience in capital markets and funds management. Other public company directorships held during past 3 years: GRD Limited; Oceana Gold Limited

Ian Noel Stuart Sloan, B. Tech (Mech.), J.P. MAICD.
Non-Executive Director. Appointed 12 July 2001

Mr Sloan is a Mechanical Engineer with experience in engineering, mining and business management. He was Production Engineer for Nauru Phosphate Corporation on Nauru Island, Central Pacific and National Manufacturing Manager for Harbison ACI Pty Limited where he managed manufacturing plants in Unanderra, New South Wales and Dandenong, Victoria and a magnesite mine in Fifield, NSW. In 1981, Mr Sloan acquired a steel fabrication business, which he operated for 3 years after which he established the computer company, Magnasoft Pty Ltd. Other public company directorships held during past 3 years: Pegmont Mines Limited

RESOLUTION 4 – Ratification of the Allotment and Issue of Shares under Share Placement

Background

On 24 June 2009, the Company issued by way of share placement a total of 17,080,670 shares at 17 cents to raise \$2,903,713 before issue costs.

Regulatory Requirements – ASX Listing Rule 7.1 and 7.4

The Company did not breach Listing Rule 7.1 at the time of this issue.

Resolution 4 is required to be approved in accordance with ASX Listing Rule 7.4. Approval is sought under ASX Listing Rule 7.4 to allow the Company to ratify the issue and allotment of 17,080,670 fully paid ordinary shares ("Shares").

The reason for an approval under ASX Listing Rule 7.4 is to reinstate the capacity of the Company to issue up to 15% of its securities without the approval of its shareholders.

The following information is provided to Shareholders for the purposes of obtaining shareholder approval pursuant to the ASX Listing Rules:

- the number of Shares allotted and by the Company was 17,080,670;
- the allottees of the Shares were clients of brokerage firm Sino Investment Services Pty Ltd;

- (c) the Shares rank equally with the existing Shares on issue;
- (d) the Shares were allotted at an issue price of 17 cents per share for gross proceeds of \$2,903,713; and
- (e) the funds raised from this issue were used for the continued exploration at the Company's projects in and around Hill End in NSW and for ongoing working capital requirements.

RESOLUTION 5 – Authorise director participation in share issue

Background

Mr Bruce Thomas, through Leet Investment Pty Ltd, a company he controls, was willing to participate in the 24 June 2009 Placement by subscribing for 600,000 Shares. These 600,000 Shares form part of, and are additional to, the 17,080,670 Shares issued in accordance with Resolution 4.

ASX Listing Rule 10.11 prohibits the Company from issuing or agreeing to issue equity securities to a related party or his associate without the approval of holders of ordinary securities, unless one of the exceptions in ASX Listing Rule 10.12 applies. As a Director of the Company, Mr Thomas is a related party of the Company for the purposes of Listing Rule 10.11 and therefore the participation by Leet Investment Pty Ltd in the 24 June 2009 Placement requires prior Shareholder approval in accordance with ASX Listing Rule 10.11. Given that Listing Rule 10.11 approval is being sought, approval under Listing Rule 7.1 is not required.

The maximum participation by Mr Thomas through Leet Investment Pty Ltd under the 24 June 2009 Placement is 600,000 shares which will raise \$102,000 for the Company.

Prescribed information

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information regarding the Shares to be issued to the directors under the 24 June 2009 Placement is provided:

- (a) The proposed allottee of the Shares to be issued pursuant to Resolution 6 is Leet Investment Pty Ltd, a company controlled by Mr Bruce Thomas.
- (b) As noted above, Mr Bruce Thomas is a related party of the Company for the purposes of ASX Listing Rule 10.11 and consequently his associated company Leet Investment Pty Ltd is a related party of the Company.
- (c) The maximum number of Shares the Company can issue to directors under the 24 June 2009 Placement is 600,000 shares. No other shares in the 24 June 2009 Placement have been or will be issued to any other Director or his associates.
- (d) The Shares will be issued no later than one month after the Meeting (or such longer period of time as ASX may in its discretion allow).
- (e) The Shares will be issued by the Company at an issue price of \$0.17 per Share.
- (f) The funds raised, \$102,000, will be used for the same purposes as the 24 June 2009 Placement.
- (g) A voting exclusion statement is included in the Notice.

Chapter 2E of the Corporations Act

The Company has formed the view that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in relation to the participation in the 24 June 2009 Placement by a director. Chapter 2E prohibits the giving of a financial benefit to a related party of a public company, unless the financial benefit has been approved by shareholders, or the giving of that benefit falls within the exceptions set out in Chapter 2E.

Section 210 of the Corporations Act provides an exemption for transactions that are on terms that would be reasonable if the Company and the related party were dealing at arm's length. The 24 June 2009 Placement was completed with investors at arm's length and the shares were offered on the same terms to clients of Sino Investment Services Pty Ltd and Mr Thomas. Accordingly, Directors have formed the view that the exemption in section 210 of the Corporations Act applies to the participation by Mr Thomas in 24 June 2009 the Placement.