

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")

Sept 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 mths to Sept 09) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	1,827	1,827
1.2 Payments for		
(a) exploration and evaluation	(450)	(450)
(b) development / production	(2,516)	(2,516)
(c) administration	(477)	(477)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	18	18
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Other (R&D Grant)	14	14
Net Operating Cash Flows	(1,585)	(1,585)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(40)	(40)
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)		
Net investing cash flows	(40)	(40)
1.13 Total operating and investing cash flows (carried forward)	(1,625)	(1,625)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,625)	(1,625)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	5,602	5,602
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	5,602	5,602
	Net increase (decrease) in cash held	3,977	3,977
1.20	Cash at beginning of quarter/year to date	3,009	3,009
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,986	6,986

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	500
4.2 Development production	2,500
Total	3,000

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	886	2,259
5.2 Deposits at call	6,100	750
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	6,986	3,009

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 (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	399,042,674 OFP	399,042,674 OFP	-	-
7.4 Changes during quarter	(1) 28,444,000 OFP	28,444,000 OFP	17 cents	17 cents
(a) Increases through issues	(1) 2,987,797 OFP	3,608,452 OFP	25 cents	25 cents
(b) Decreases through returns of capital, buy-backs	(2) 35,312 614 OFP	35,312 614 OFP	25 cents	25 cents
	(2) 7,708,720 OFP	7,708,720 OFP	25 cents	25 cents
7.5 *Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)	800,000	Employee	Exercise price 20 cents	Expiry date Oct 2011
	6,705,000	Employee	20 cents	22 Nov 2012
7.8 Issued during quarter		-	-	-
7.9 Exercised during quarter	10,936,518	Sept 09 Options	20 cents	30 Sept 2009
7.10 Expired during quarter	41,347,220	Sept 09 Options	20 cents	30 Sept 2009
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

Notes

- (1) Shares and options converted during the period with proceeds received in period - \$5.6 million (after costs)
- (2) Shares and options converted in period with proceeds received after the period. Proceeds received ~ \$10.8 million before costs.

+ 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: ..OCT 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.

== == == == ==

+ See chapter 19 for defined terms.