

## Hill End Gold Limited

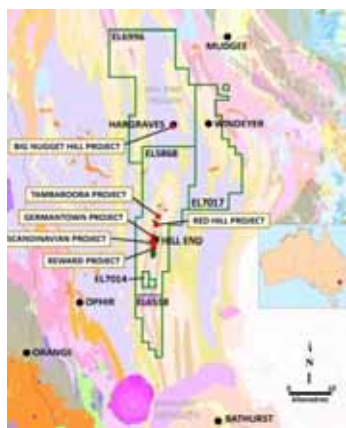
### Strategic Shift Towards Exploration Targets +1 Million Ounces In 12 Months

Warren Kreyzig | Research Analyst  
wkreyzig@mpsecurities.com.au

ASX Code	HEG
Share Price	\$0.10
Ord Shares	410.55m
Unlisted Options	12.8m
Market Cap	41.05m
Cash at 30 June 2010	\$1.7m
Total Debt	-

14 October 2010

Figure 1: 860km<sup>2</sup> of project tenements which have produced over 1Moz of gold situated within the Lachlan Fold Belt.



Source: HEG

Table 1: Market Data, Source: Bloomberg



Graph 1: Share Price History October 2008 –2010,  
Source: Bloomberg

In May 2010, Hill End Gold ceased trial mining operations to concentrate on an exploration program aimed at increasing its resource base in excess of 1Moz from the current 568koz. Geologists have recently gained a greater understanding of the geological structure and mineralisation controls at Hargraves and Hill End, greatly increasing the tenements potential, and have subsequently identified numerous priority targets adjacent to existing deposits. Over the next 6 months the company is planning a 6,000 metre drilling program at Hargraves aimed at extending the delineated resource along strike and at depth, and to conduct scoping studies on re-optimising the mine plan at Reward to achieve higher throughput at lower grades.

#### Hargraves

- Maiden resource of 1,439Mt @ 5.1 g/t for 234koz
- Intersection of 75m @ 4.2 g/t
- Increased potential for continuous mineralisation on a large scale
- Resource is open along strike and at depth
- 4 adjacent structures with similar characteristics within 300m
- Resources added at a cost of \$10/oz
- Targeting an additional +500koz over 12 months

#### Hill End

- Reward resource of 886Kt @ 8.6 g/t for 244koz
- Scoping study commencing for expanded bulk mine plan at Reward
- Optimising mine plan for higher throughput at lower grades
- Coarse grade ore has significant sorting and processing benefits
- Mineralisation extends along 4km strike length
- Re-logging existing drill cores and optimising resource definition
- Potential for high grade deposit at moderate depth at Red Hill

We believe the value drivers going forward for Hill End Gold are continued exploration success and delineation of further resources at Hargraves and Hill End, in addition to a positive outcome from the scoping studies for a bulk mining method at Reward at grades around 4 g/t.

#### Martin Place Securities | Research

AFSL 247 404 ABN 30 094 924 947  
GPO Box 5263 Sydney, NSW 2001  
Level 3, 14 Martin Place, Sydney, NSW 2000  
General Phone: +61 2 9222 9111  
Corporate Fax: +61 2 8224 9699  
Trading Fax: +61 2 9221 9680  
Email: info@mpsecurities.com.au  
Web: www.mpsecurities.com.au

## Hill End and Hargraves Projects

The Hill End Project tenements cover the historic goldfields of Hill End, Hargraves and Windeyer in New South Wales. The tenements, totalling 860 square kilometres, are located between the towns of Mudgee and Bathurst in the north-eastern Lachlan Fold Belt, which has had over 40 million ounces of gold in new projects developed since the 1980s.

Hill End Gold (HEG) holds 85% of the core Hill End tenements and 100% of the remaining tenements which have historically produced in excess of 2 million ounces of gold from high grade hard rock workings and alluvial sources.

### Reward Expansion Scoping Study

The company began trial mining at Hill End in 2008, processing 35,500 tonnes at 11 g/t for 11koz until May 2010, after which operations ceased through lack of sufficient development and interference with the ongoing exploration program. HEG's development strategy is to complete a scoping study on re-commencing operations at a higher throughput by employing systematic and non-selective mining methods.

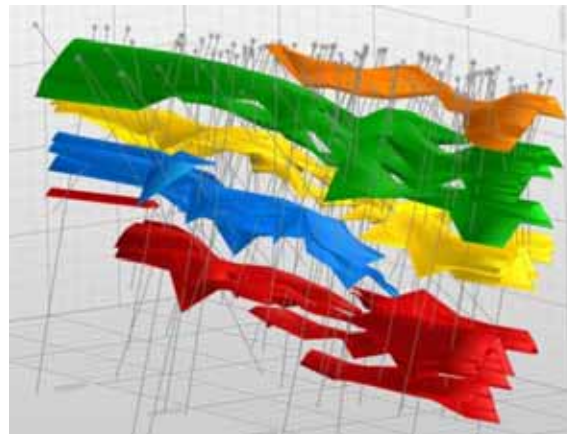
### Exploration Success at Hargraves

The ability for the team to focus exclusively on exploration and resource delineation has had immediate benefits with the recently announced maiden resource at the Big Nugget Hill (BNH) deposit of 1.4Mt @ 5.1 g/t for 234koz. The resource is only to a depth of 200m in a mineralised structure 800m in length and remains open along strike and at depth. Drilling at 25 x 15 metre spacing the geologists determined the mineralisation to be associated with late-stage sub vertical feeder structures intersecting the stacked quartz reefs.

Most importantly, the discovery at Big Nugget Hill has significantly improved the geological understanding and location of mineralisation in the surrounding area including Hill End to the south. The strike length at Big Nugget Hill is known to continue for another three to four kilometres which is unexplored, and there are another 4 similar mineralised structures within 300m of the Big Nugget Hill deposit, plus numerous prospects within a 10km radius.

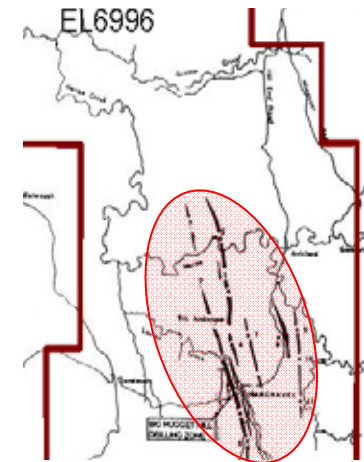
Further drilling is planned to test for extensions to the Big Nugget Hill resource and in the adjacent parallel structures. The new geological model has also helped expand the potential at Hill End, identifying multiple parallel structures across a one kilometre zone. Over the next 12 months the company plans to increase its resource base to 1Moz.

Figure 3: Big Nugget Hill Deposit showing strong structural continuity of stacked quartz veins.



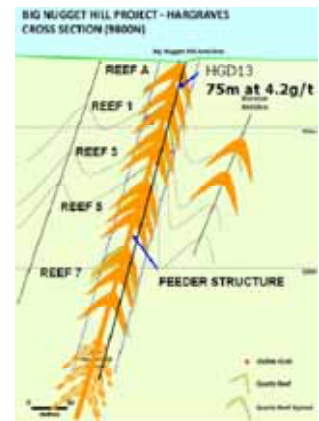
Source: HEG

Figure 2: The numerous parallel structures identified within a 10km radius and adjacent to the BNH resource deposit.



Source: HEG

Figure 4: Big Nugget Hill Cross Section illustrating mineralization at feeder structure and existing reef intersections.



Source: HEG

*2Moz reportedly mined from Hill End to date*

*Mining operations at the Reward Project were terminated to concentrate on exploration*

*Maiden resource at Big Nugget of 234koz*

*Geologists now have a greater understanding of the structural controls and mineralisation within the Hill End and Hargraves Project tenements*

*Drilling at BNH intersected 75m @ 4.2g/t*

## Project Resources & Comparison

*The Hill End Project has the potential to delineate another 4-5Moz*

*The capacity to add to existing resources is significant*

Total resources are currently at 568koz with the company intending to add up to 1Moz over the next 12 to 18 months. Mineralisation at Hargraves continues at depth and the potential to add to the initial resource beyond the depth of 200m is high. The deposit remains open along strike.

With 2Moz reportedly mined to date, management believe that the tenements have the potential for discovery of 4 – 5 Moz.

Company	Hill End Gold	Bendigo	Castlemaine	Morningstar	Cortona
ASX Code	HEG	BDG	CGT	MCO	CRC
Market Cap (\$A million)	41	112	47	102	37
Status	Adv Expl	Operating	Adv Expl	Construction	Adv Expl
Resource (Mt)	3.17	0.17	6.66	4.62	1.50
Grade (g/t)	5.6	7.4	10.1	6.3	6.3
Contained Gold (koz)	568	173	2,171	910	305
EV/oz (\$/oz)	68	324	12	216	100

Table 2: Project Comparison Oct 2010, Source: MPS, Intierra, Company websites

## Event Timeline

*The company has commenced scoping studies into optimising the mine plan at Reward*

*A 6,000m drilling program at Hargraves is planned to commence at the end of October*

Utilising their increased understanding of the geological structural controls, Hill End Gold's focus is to implement an extensive drilling program on nearby targets with similar geological characteristics to their latest discovery at the Big Nugget Hill deposit. The company plans to commence a 6,000 metre drilling program at the end of October on multiple priority targets. Scoping studies have recently commenced into optimising the mine plan at the Reward Project.

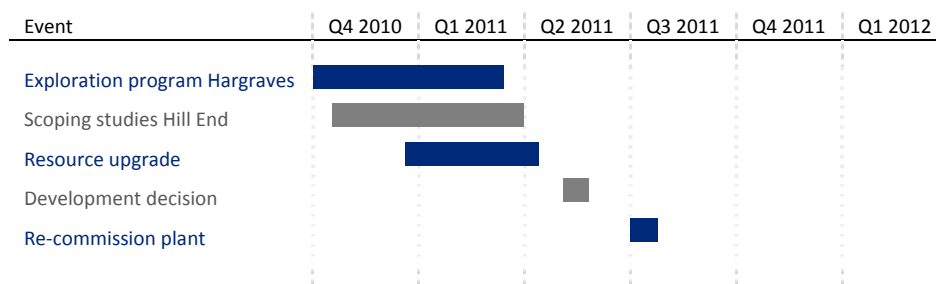


Table 3: Event Timeline, Source: HEG

*Denis Clarke and Philip Bruce worked in the team that built Plutonic to a \$1.5B company.*

## Board & Management

Denis Clarke and Philip Bruce both worked in the team that built Plutonic Resources from \$30 million to \$1.5 billion prior to the acquisition by Homestake in 1998. Homestake was subsequently taken over by Barrick Gold Corp in 2001.

- Chairman: **Dr Denis Clarke** - has a Ph.D. (Geology) from Stanford University and has over forty years experience in senior technical, financial and corporate positions in the mining and exploration industry in Australia and overseas. He played a significant role in the extraordinary growth of Plutonic Resources Limited, which developed into one of Australia's largest gold producers.
- Managing Director: **Philip Bruce** - was Managing Director of Triako Resources Limited, General Manager – Development for Plutonic Resources Limited, CEO of PT BHP Indonesia and a Director of Buka Minerals Limited and Ausmelt Limited.
- Director: **Graham Reveleigh** - was General Manager, Noble's Nob for seven years and project manager for the early development of a number of mines in Australia, Solomon Islands and Hill End in New South Wales since the mid-1980s.
- Director: **Bruce Thomas** - had an outstanding career in funds management including Zurich Insurance Company, Hambros Australia Ltd and FAI Insurance and is a Director of GRD Limited.
- Director: **Ian Sloan** - was Production Engineer for Nauru Phosphate Corporation.
- Director: **Ian Daymond** - practises as a solicitor and a consultant in mining and resources.
- Senior Geologist: **Mike Quayle** - is a geologist with 28 years experience in mining and exploration extensively in base metals and gold. Mike has worked in such mines as Zinc Corporation / NBHC in Broken Hill, Rosebery and Mt Lyell in Tasmania and Mineral Hill in NSW.

**MANAGEMENT**

**Barry Dawes**  
Managing Director  
bdawes@mpsecurities.com.au

**RESEARCH**

**Warren Kreyzig**  
Research Analyst  
wkreyzig@mpsecurities.com.au

**CORPORATE**

**David Grimes**  
Authorised Representative  
dgrimes@mpsecurities.com.au

**Tim Allen**  
Consultant  
AFSL: 225 994  
tallen@mpsecurities.com.au

**Joseph Lee**  
Corporate Advisor  
jlee@mpsecurities.com.au

**RETAIL DEALING**

**Jonathon Howe**  
Head of Trading  
jhowe@mpsecurities.com.au

**John Athanasiou**  
Client Advisor  
jathanasiou@mpsecurities.com.au

**Ryan Bradshaw**  
Client Advisor  
rbradshaw@mpsecurities.com.au

**Jonathan Feil**  
Client Advisor  
jfeil@mpsecurities.com.au

**Ryan Hoffman**  
Client Advisor  
rhoffman@mpsecurities.com.au

**Anthony Hung**  
Client Advisor  
ahung@mpsecurities.com.au

**Andrew McLeod**  
Client Advisor  
amcleod@mpsecurities.com.au

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**Disclosure**

Martin Place Securities Pty Ltd and its associates declare that as of Thursday, 14 October 2010, they may have a relevant interest in the securities recommended herein, in particular:

- Martin Place Securities Pty Ltd was Lead broker for the Listing of Hill End Gold in 2003 and earned commission on this transaction.
- Since 2003 MPS has conducted a series of placements for HEG, raising \$800,000 in 2005, \$760,000 in 2006, +\$290,000 in 2009 and \$300,000 in 2010. On each of these transactions MPS earned a commission
- In 2006 MPS was Underwriter for the Exercise of Options and earned an Underwriting Fee on this transaction
- Martin Place Securities Pty Ltd, its directors and associates may hold shares in the securities mentioned in this report. This position may change at any time.