

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 FRIDAY, 26 NOVEMBER 2010 AT 11.00 A.M. AEDT



This Notice of Annual General Meeting, Explanatory Statement and Proxy Form 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 2010 Annual General Meeting of Hill End Gold Limited ('Company') will be convened at Christie Conference Centre, Tang Room, Level 2, 3 Spring Street, Sydney, NSW, on Friday, 26 November 2010 at 11.00 a.m. AEDT

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 of the meeting.

An Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires have the same meaning as explained in the Explanatory Statement.

AGENDA

Financial Statements and Reports

To receive and consider the Annual Financial Report of the Company, together with the Directors' and Auditor's Reports for the period ending 30 June 2010.

Resolution 1 – Non-binding approval of Remuneration Report

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Shareholders adopt the Remuneration Report set out in the Directors' Report for the year ended 30 June 2010."

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

Resolution 2 – Election of Director

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Dr Denis Clarke, being a Director of the Company who retires in accordance with the Company's Constitution and being eligible offers himself for election, is-elected as a Director."

Resolution 3 – Re-election of Director

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Mr Ian Daymond, being a Director of the Company who retires in accordance with the Company's Constitution and being eligible offers himself for re-election, is re-elected as a Director."

Resolution 4 – Re-election of Director

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for all purposes, Mr Graham Reveleigh, being a Director of the Company who retires in accordance with the Company's Constitution and being eligible offers himself for re-election, is re-elected as a Director."

Resolution 5 – Re-approval of Employee Option Plan

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the adoption of the Hill End Gold Limited Employee Share Option Plan (Plan) and the issue of Options pursuant thereto, as detailed in the Explanatory Statement accompanying this Notice, a copy of which Plan was initialled by the chairman of the meeting for the purposes of identification."

Short Explanation: The Plan was first approved by shareholders in November 2007 and requires approval by shareholders every 3 years. The Plan is designed to be an incentive to key people who assist in the successful development and operation of the Company. Approval is sought pursuant to ASX Listing Rule 7.2 (Exception 9) so that Options issued pursuant to the Plan are not included in the Company's 15% capacity for the purposes of ASX Listing Rule 7.1. With certain minor amendments, the Plan proposed to be adopted is the same as the Plan adopted in 2007. Please refer to the Explanatory Statement for further details.

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by the Directors and any of their associates. However, the Company will not disregard a vote if:

- (i) it 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) it 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 6 – Ratify an Issue of Securities

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX Limited and for all other purposes, the Company ratifies the issue and allotment of allotment of 10,308,888 fully paid ordinary shares at 9 cents per share plus 5,154,444 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 to sophisticated and professional investors."

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 6 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 7 – Ratify an Issue of Securities

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX Limited and for all other purposes, the Company ratifies the issue and allotment of 28,511,111 fully paid ordinary shares at 9 cents per share plus 14,255,555 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 to sophisticated and professional investors."

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 7 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 8 – Approve Director participation in Share Issue

To consider and, if thought fit, to pass, 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 2,000,000 fully paid ordinary shares at 9 cents per share plus 1,000,000 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 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 8 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.*

Resolution 9 – Approve Director participation in Share Issue

To consider and, if thought fit, to pass, 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 444,444 fully paid ordinary shares at 9 cents per share plus 222,222 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 to Diazill Pty Ltd, a company controlled by Mr Philip Bruce, 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 9 by Mr Bruce and his associates. 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 10 – Approve Director participation in Share Issue

To consider and, if thought fit, to pass, 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 100,000 fully paid ordinary shares at 9 cents per share plus 50,000 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 to Daymond & Associates Pty Ltd, a company controlled by Mr Ian Daymond, 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 10 by Mr Daymond and his associates. 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 11 – Approval of an Issue of Securities

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, the Company be authorised to allot and issue up to 70 million fully paid ordinary shares of the capital of the Company at an issue price no less than 80% of the average price for 5 trading days prior to the date the issue is made and 70 million options on the terms and conditions set out in the Explanatory Statement accompanying this notice.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 11 by a 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 and an associate of that 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.*

By Order of the Board of Directors

Kevin Lynn

Company Secretary

20 October 2010

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2010 Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting.

The Explanatory Statement consists of the following sections:

1. Financial Statements and Reports
 2. Resolution 1: Non-binding approval of Remuneration Report
 3. Resolutions 2–4: Election and Re-election of Directors
 4. Resolution 5: Approval of Employee Share Option Plan
 5. Resolution 6: Ratify an Issue of Securities
 6. Resolution 7: Ratify an Issue of Securities
 7. Resolution 8: Approve Director participation in Share Placement
 8. Resolution 9: Approve Director participation in Share Placement
 9. Resolution 10: Approve Director participation in Share Placement
 10. Resolution 11: Approve an Issue of Securities
 11. Other Information
 12. Action to be taken by Shareholders
- Appendix A: Terms and Conditions of Employee Share Option Plan
Appendix B: Terms of Options
Annexure A: Questions from Shareholders

EXPLANATORY STATEMENT

1. Financial Statements and Reports

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the period ending 30 June 2010 will be laid before the meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor may be made about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to your questions please submit any questions you may have using the enclosed Question Form at Annexure A of the Explanatory Statement so that it is received no later than 11.00 am (AEDT) on Thursday 18 November 2010 to:

Stephen Peterson
Chief Financial Officer

Hill End Gold Limited
3 Spring Street
SYDNEY NSW 2000
Australia

- or -

Fax: +61 2 8249 4919

As required under section 250PA of the Corporations Act, at the Annual General Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing, being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the period ended 30 June 2010. The Chairman will allow a reasonable opportunity to respond to the questions set out on this list.

2. Resolution 1 – Adoption of Remuneration Report

The Corporations Act 2001 requires that the Company propose a resolution that the Remuneration Report of the Company be adopted. The Remuneration Report is set out in the Director's Report contained in the Company's 2010 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

A reasonable opportunity will be given for discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

3. Resolutions 2 – 4: Election and Re-election of Directors

This Resolution deals with the election of Dr Denis Clarke and re-election of Messrs Ian Daymond and Graham Reveleigh as Directors of the Company.

In accordance with ASX Listing Rule 14.4 and the Company's Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re election. The Directors to retire are:

- (a) those who have been in office for 3 years since their appointment or last re-appointment;
- (b) those who have been longest in office since their appointment or last re-appointment; or
- (c) if the Directors have been in office for an equal length of time, by agreement.

In addition, the Company's Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next Annual General Meeting following his or her appointment, but is eligible for re-election at that Annual General Meeting.

In accordance with the Company's Constitution, Dr Denis Clarke, Mr Ian Daymond, and Mr Graham Reveleigh retire and being eligible, have offered themselves for election or re-election. The remaining Directors recommend to Shareholders that Dr Denis Clarke, be elected and Messrs Ian Daymond and Graham Reveleigh be re-elected as directors.

Details of each of Dr Clarke and Messrs Daymond and Reveleigh's background and experience are set out in the Annual Report.

4. Resolution 5 – Re-approval Of Employee Share Option Plan

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

The Plan was last approved by Shareholders in November 2007. It is proposed that Shareholders approve the Plan, which is identical to the Plan approved in 2007 (except for certain minor editorial changes) and approve of the issue of Options by the Company as an exception to ASX Listing Rule 7.1 in accordance with ASX Listing Rule 7.2 (Exception 9).

The purpose of the Plan is to recognise the ability and efforts of the Directors and employees of the Company who have contributed to the success of the Company; provide an incentive to Directors and employees to achieve the long term objectives of, and improve the performance of the Company; attract persons of experience and ability to the Company and foster and promote loyalty between the Company and its Directors and employees.

In order to take advantage of the exemption from ASX Listing Rule 7.1 contained in ASX Listing Rule 7.2 (Exception 9) and allow the Company greater flexibility to issue securities, Shareholders are requested to approve the Plan as an exemption from ASX Listing Rule 7.1.

For the purpose of Exception 9 of Listing Rule 7.2:

- (a) no options have previously been issued under the Plan since the date of the adoption of the Plan; and
- (b) a copy of the Plan proposed to be approved is set out in Appendix 1 to the Explanatory Statement.

A copy of the Plan will be sent to any Shareholder upon request and will also be available for inspection at the venue of the meeting during the meeting.

No share options are proposed to be issued to directors under the Plan (or otherwise except pursuant to Resolutions 8, 9 and 10 if approved). Any future issue of share options will require shareholder approval.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 5.

5. Resolution 6 – Ratification of the Allotment and Issue of Shares under Share Placement

Background

On 3 August 2010, the Company issued by way of share placement a total of 10,308,888 fully paid ordinary shares at 9 cents per share plus 5,154,444 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 to sophisticated and professional investors to raise \$927,780 before issue costs.

Regulatory Requirements – ASX Listing Rule 7.1 and 7.4

The Company did not breach Listing Rule 7.1.

Resolution 6 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 10,308,888 fully paid ordinary shares at 9 cents per share plus 5,154,444 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 to sophisticated and professional investors.

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 in the next 12 months 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:

- (a) the number of securities allotted and by the Company was 10,308,888 fully paid ordinary shares at 9 cents per share plus 5,154,444 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 ;
- (b) the allottees of the Securities were to professional and sophisticated investors;
- (c) the shares rank equally with the existing shares on issue, the options are unlisted;
- (d) the Securities were allotted at an issue price of 9 cents per share including half a free attaching option for gross proceeds of \$927,780; and
- (e) the funds raised from this issue were used to continue drilling programs at Hargraves and Hill End projects.

6. Resolution 7 – Ratification of the Allotment and Issue of Shares under Share Placement

Background

On 21 October 2010, the Company issued by way of share placement a total of 28,511,111 fully paid ordinary shares at 9 cents per share plus 14,255,555 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 to sophisticated and professional investors to raise \$2,566,000 before issue costs.

Regulatory Requirements – ASX Listing Rule 7.1 and 7.4

The Company did not breach Listing Rule 7.1.

Resolution 7 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 28,511,111 fully paid ordinary shares at 9 cents per share plus 14,255,555 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 to sophisticated and professional investors.

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 in the next 12 months 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:

- (a) the number of securities allotted and by the Company was 28,511,111 fully paid ordinary shares at 9 cents per share plus 14,255,555 free attaching options, exercisable at 15 cents per share, expiring 28 February 2012 ;
- (b) the allottees of the Securities were to professional and sophisticated investors;
- (c) the shares rank equally with the existing shares on issue, the options are unlisted;
- (d) the Securities were allotted at an issue price of 9 cents per share including half a free attaching option for gross proceeds of \$2,566,000; and
- (e) the funds raised from this issue were used to continue exploration at Hargraves and Hill End projects and working capital.

Terms of the Options are set out in Appendix B.

7. Resolution 8 – 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 21 October 2010 Placement by subscribing for 2,000,000 shares and 1,000,000 free attaching options. These shares and options are additional to the shares and options issued in accordance with Resolution 7.

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 21 October 2010 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 21 October 2010 Placement is 2,000,000 shares and 1,000,000 options which will raise \$180,000 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 21 October 2010 Placement is provided:

- (a) The proposed allottee of the shares to be issued pursuant to Resolution 8 is Leet Investment Pty Ltd a company controlled by Mr Thomas.
- (b) As noted above, Mr 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 and options the Company can issue to Mr Thomas or his associates under the 21 October 2010 Placement is 2,000,000 shares and 1,000,000 options, but the maximum number of shares and options the Company can issue to Directors and their associates under Resolutions 8, 9 and 10 is 2,544,000 shares and 1,272,222 options if those resolutions are passed. No other shares or options in the 21 October 2010 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 \$0.09 per share with half a free attaching option, exercisable at 15 cents per share, expiring 28 February 2012.
- (f) The funds raised, \$180,000, will be used for the same purposes as the 21 October 2010 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 21 October 2010 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 21 October 2010 Placement was completed with investors at arm's length and the shares and options were offered on the same terms to clients of sophisticated and professional investors and to 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 the 21 October 2010 Placement.

Terms of the Options are set out in Appendix B.

Directors' Recommendation

The Board (excluding Mr Thomas) recommends Shareholders vote in favour of Resolution 8.

8. Resolution 9 – Authorise Director Participation In Share Issue

Background

Mr Philip Bruce, through Diazill Pty Ltd a company he controls, was willing to participate in the 21 October 2010 Placement by subscribing for 444,444 shares and 222,222 options. These shares and are additional to the shares and options issued in accordance with Resolution 7.

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 Bruce is a related party of the Company for the purposes of Listing Rule 10.11 and therefore the participation by Diazill Pty Ltd in the 21 October 2010 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 Bruce through Diazill Pty Ltd under the 21 October 2010 Placement is 444,444 shares and 222,222 options which will raise \$40,000 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 21 October 2010 Placement is provided:

- (a) The proposed allottee of the shares to be issued pursuant to Resolution 9 is Diazill Pty Ltd a company controlled by Mr Bruce.
- (b) As noted above, Mr Bruce is a related party of the Company for the purposes of ASX Listing Rule 10.11 and consequently his associated company Diazill Pty Ltd is a related party of the Company.
- (c) The maximum number of shares and options the Company can issue to Mr Bruce or his associates under the 21 October 2010 Placement is 444,444 shares and 222,222 options but the maximum number of shares and options the Company issue to Directors under Resolutions 8, 9 and 10 is 2,544,444 shares and 1,272,222 options if those resolutions are passed. No other shares or options in the 21 October 2010 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 \$0.09 per share with half a free attaching option, exercisable at 15 cents per share, expiring 28 February 2012.
- (f) The funds raised, \$40,000, will be used for the same purposes as the 21 October 2010 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 21 October 2010 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 21 October 2010 Placement was completed with investors at arm's length and the shares and options were offered on the same terms to clients of sophisticated and professional investors and to Mr Bruce. Accordingly, Directors have formed the view that the exemption in section 210 of the Corporations Act applies to the participation by Mr Bruce in the 21 October 2010 Placement.

Terms of the Options are set out in Appendix B.

Directors' Recommendation

The Board (excluding Mr Bruce) recommends Shareholders vote in favour of Resolution 9.

9. Resolution 10 – Authorise Director Participation In Share Issue

Background

Mr Ian Daymond, through Daymond & Associates Pty Ltd a company he controls, was willing to participate in the 21 October 2010 Placement by subscribing for 100,000 shares and 50,000 options. These shares and options are additional to the shares and options issued in accordance with Resolution 7.

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 Daymond is a related party of the Company for the purposes of Listing Rule 10.11 and therefore the participation by Daymond & Associates Pty Ltd in the 21 October 2010 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 Daymond through Daymond & Associates Pty Ltd under the 21 October 2010 placement is 100,000 shares and 50,000 options which will raise \$9,000 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 21 October 2010 Placement is provided:

- (a) The proposed allottee of the shares to be issued pursuant to Resolution 10 is Daymond & Associates Pty Ltd a company controlled by Mr Daymond.
- (b) As noted above, Mr Daymond is a related party of the Company for the purposes of ASX Listing Rule 10.11 and consequently his associated company Daymond & Associates Pty Ltd is a related party of the Company.
- (c) The maximum number of shares and options the Company can issue to Mr Daymond and his associates under the 21 October 2010 Placement is 100,000 shares and 50,000 options, but the maximum number of shares and options the Company can issue to Directors and their associates under Resolutions 9, 10 and 11 is 2,544,444 shares and 1,272,222 options if those resolutions are passed. No other shares or options in the 21 October 2010 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 \$0.09 per share with half a free attaching option, exercisable at 15 cents per share, expiring 28 February 2012.
- (f) The funds raised, \$9,000 will be used for the same purposes as the 21 October 2010 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 21 October 2010 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 21 October 2010 Placement was completed with investors at arm's length and the shares and options were offered on the same terms to clients of sophisticated and professional investors and to Mr Daymond. Accordingly, Directors have formed the view that the exemption in section 210 of the Corporations Act applies to the participation by Mr Daymond in the 21 October 2010 placement.

Terms of the Options are set out in Appendix B.

Directors' Recommendation

The Board (excluding Mr Daymond) recommends Shareholders vote in favour of Resolution 10.

10. Resolution 11 – Approval of an Issue of Securities

Background – Listing Rule 7.1

Resolution 11 of the Notice of Meeting proposes the issue and allotment of up to 70 million fully paid ordinary shares and 70 million options in the capital of the Company per the ASX Listing Rules.

In compliance with the information requirements of ASX Listing Rule 7.3, members are advised of the following particulars in relation to the proposed issue:

1. Maximum number of Shares to issued – up to 70 million shares and 70 million options.
2. Date by which the Company will issue and allot shares and options – no later than 3 months after the date of the meeting.
3. Price at which shares are to be issued – minimum being no less than 80% of the average market price calculated in accordance with ASX Listing Rule 7.3.3. Options Nil.
4. Basis upon which allottees will be determined – the allottees will be determined by the Board having regard to a number of issues, including:
 - a. the level of demand for placement Shares;
 - b. the identification of sophisticated and professional investors (who are not related parties) with a long term commitment to the Company; and
 - c. other issues which the board may consider appropriate from time to time.
5. Terms of issue – the shares will rank equally in all respects with the existing ordinary shares on issue. The options will have an exercisable at 15 cents per share, expiring 28 February 2012 and will rank equally with existing 28 February 2012 options.
6. Intended use of funds raised – the issue of shares will provide additional funding required by the Company for the following purposes:
 - a. exploration programs on the Hargraves and Hill End projects and other Company tenements; and
 - b. general working capital.
7. Dates of allotment – allotment will occur progressively.

Pursuant to the placement proposed under Resolution 11, no single Shareholder/Placee will be permitted to exceed 20% of the issued capital of the Company and therefore no change in control of the Company is anticipated. This prohibition will be included in the placement Information Statement.

It is proposed that the placement be made to selected allottees pursuant to a placement Information Statement.

Terms of the Options are set out in Appendix B

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 11.

11. Other Information

There is no other information known to the Company that is material to a Shareholder's decision on how to vote on the resolutions set out in the Notice. However, should any Shareholder be in doubt as to how they should vote on any resolution and/or as to how a resolution may affect them, they should seek advice from their accountant, solicitor or other professional adviser as soon as possible.

Queries as to the lodgement of proxies and other formalities in relation to the meeting should be directed to the Company on Telephone: +61 2 8249 4416.

12. Action to be Taken by Shareholders

Enclosed with the Notice of Meeting and this Explanatory Statement is a proxy form for use by Shareholders. All Shareholders are invited and encouraged to attend the meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the proxy form to the Company in accordance with the instructions contained on the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a Shareholder from attending and voting at the meeting in person.

Appendix A

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Rules, unless the contrary intention appears:

‘Associated Company’	means at any time any body corporate that at that time is a related body corporate of the Company within the meaning of section 50 of the Corporations Act;
‘ASX’	means Australian Securities Exchange Limited and includes any body corporate which may hereafter succeed to the powers, functions and duties of Australian Securities Exchange Limited;
‘Board’	means the directors acting as the board of directors of the Company;
‘Business Day’	means a day on which the stock market of ASX is open for trading in securities;
‘Certificate’	means the certificate issued by the Company to a Holder in respect of an Option;
‘Company’	Hill End Gold Limited ACN 072 692 365;
‘Corporations Act’	means the Corporations Act 2001 (Cth);
‘Director’	means a director of a the Company from time to time;
‘Eligible Person’	means at any time a person who then is an employee (whether full-time or part-time), or director of the Company;
‘Exercise Price’	means, in respect of an Option, the subscription price per Share, determined in accordance with Rule 12, payable by a Holder on exercise of the Option;
‘Expiry Date’	means, in relation to an Option, the period of 5 years from and including the Issue Date of the Option;
‘Company’	means the Company or any Associated Company;
‘Holder’	means, in relation to an Option, the person (whether an Eligible Person or a Permitted Nominee) entered in the Company’s register of options as the holder of that Option;
‘Issue Date’	means, in relation to an Option, the date on which the Company grants that Option;
‘Listing Rules’	means the Official Listing Rules of ASX;
‘Market Value’	means: (a) the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding the day on which the Board resolves to offer an Option (excluding special crossings and overnight sales); or (b) in circumstances where there has been no trading in the Shares during the five trading days immediately preceding the day on which the Board resolves to offer an Option, the last sale price recorded on the stock market of ASX (excluding special crossings and overnight sales);
‘Option’	means an Option issued under the Plan to subscribe (subject to Rule 11) for a Share;
‘Permanent Disablement’	means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience;
‘Permitted Nominee’	has the meaning given to it by Rule 5.4;
‘Plan’	means The Hill End Gold Limited Employee Share Option Plan established in accordance with these Rules;

'Redundancy'	means, in relation to an Eligible Person, a determination by the Board that the relevant Company's need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of any Company of his own accord);
'Retirement'	means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered appropriate by the Board;
'Rules'	means these rules, as amended from time to time;
'Shares'	means fully paid ordinary shares in the capital of the Company.

1.2 Interpretation

In these Rules, unless the contrary intention appears:

- (a) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a gender includes all genders; and
- (d) an expression defined in, or given a meaning for the purposes of, the Corporations Act or the Listing Rules has the same meaning where used in these Rules.

2. ESTABLISHMENT AND TERMINATION OF THE PLAN

- 2.1 The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules and otherwise as it determines from time to time in its absolute and uncontrolled discretion.
- 2.2 The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.
- 2.3 The Board may not issue any further Options after the Plan has been terminated.

However, these Rules will continue to apply to Options on issue at the date of such termination until the last of those Options lapses or is exercised.

3. NUMBER OF OPTIONS TO BE ISSUED

The Company shall not offer or issue Options to any Eligible Person in accordance with the Plan if the total number of shares the subject of Options, when aggregated with:

- 3.1 the number of shares in the same class which would be issued were each outstanding offer or option to acquire unissued shares in the Company, being an offer made or option acquired pursuant to the Plan or any other employee share scheme extended only to employees, or directors of Companies, to be accepted or exercised (as the case may be); and
- 3.2 the number of shares in the same class issued during the previous five years pursuant to the Plan or any other employee share scheme extended only to employees, or directors of the Company, (but disregarding any offer made, or option acquired or share issued by way of or as a result of an offer to a person situated at the time of receipt of the offer outside Australia or any offer which, pursuant to Section 708 of the Corporations Act, does not need disclosure to investors), would exceed 5% of the total number of issued shares in that class of the Company as at the time of the proposed offer.

4. ENTITLEMENT TO PARTICIPATE

- 4.1 The Board may from time to time determine in its absolute and uncontrolled discretion that any Eligible Person is entitled to participate in the Plan and the extent of that participation. The determination of the Board shall be binding and neither the Board nor any director of the Company shall be obliged to give any reason for a determination.
- 4.2 The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

- 4.3 Unless otherwise determined by the Board in its absolute and uncontrolled discretion, no Eligible Person shall be entitled to participate in the Plan unless that Eligible Person has been in continuous employment with the Company for at least 12 months prior to the Issue Date.
- 4.4 The Plan shall not form part of any contract of employment between any Company and any of its employees and shall not confer directly or indirectly on any such employee any legal or equitable right whatsoever against any Company.

5. OFFER OF OPTIONS

- 5.1 Subject to these Rules and to the Listing Rules, the Company (acting through the Board) may offer Options to any Eligible Persons at such times and on such terms as the Board considers appropriate in its absolute and uncontrolled discretion. Each offer must state:
- (a) that the Eligible Person to whom it is addressed may accept the whole or any lesser number of Options offered. The offer may stipulate a minimum number of Options and any multiple of such minimum or any other number which may be accepted;
 - (b) the period within which the offer may be accepted; and
 - (c) any other matters which the Board may determine.
- 5.2 Upon receipt of an offer of Options, an Eligible Person may, within the period specified in the offer:
- (a) accept the whole or any lesser number of Options offered by notice in writing to the Board; or
 - (b) nominate a nominee in whose favour the Eligible Person wishes to renounce the offer by notice in writing to the Board. The Board may, in its absolute and uncontrolled discretion, resolve not to allow such renunciation of an offer in favour of a nominee without giving any reason for such decision.
- 5.3 Each Option will be issued free.
- 5.4 Upon:
- (a) receipt of the acceptance referred to in Rule 5.2(a); or
 - (b) the Board resolving to allow a renunciation of an offer in favour of a nominee ('Permitted Nominee') and the Permitted Nominee accepting the whole or any lesser number of Options offered by notice in writing to the Board, then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and will be issued Options subject to these Rules.
- 5.5 Certificates for Options will be dispatched within 10 Business Days after their Issue Date (or within such lesser period (if any) as may be required by the Listing Rules).
- 5.6 If Options are issued to a Permitted Nominee of an Eligible Person, the Eligible Person must, without limiting any provision in these Rules, ensure that the Permitted Nominee complies with these Rules.

6. QUOTATION

- 6.1 The Company will not apply for official quotation by ASX of any Options.
- 6.2 If the Company's Shares have been granted official quotation by ASX, the Company must apply for official quotation of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment (or within such lesser period (if any) as may be required by the Listing Rules).

7. TRANSFER OF OPTIONS

Subject to Rule 10.3, Options are only transferable with Board approval.

8. EXERCISE OF OPTIONS

- 8.1 Subject to these Rules, Options may be exercised at any time during the period commencing after the Issue Date and ending on the Expiry Date.
- 8.2 Options not exercised on or before the Expiry Date will automatically lapse.

8.3 Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:

- (a) the Exercise Price for the number of Options specified in the notice; and
- (b) the Certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).

8.4 Subject to clause 8.2, within 10 Business Days after the notice referred to in clause 8.3 becomes effective (or within such lesser period (if any) as may be required by the Listing Rules), the Board must:

- (a) allot and issue the number of Shares specified in the notice to the Holder;
- (b) cancel the Certificate for the Options being exercised; and
- (c) if applicable, issue a new Certificate for any remaining Options covered by the Certificate accompanying the notice.

9. SHARES ALLOTTED ON EXERCISE OF OPTIONS

All Shares allotted upon exercise of Options rank *pari passu* in all respects with Shares previously issued and, in particular, entitle the Holders to participate fully in:

- 9.1 dividends declared by the Company after the date of allotment; and
- 9.2 all issues of securities made or offered pro rata to holders of Shares.

10. CEASING TO BE AN ELIGIBLE PERSON

10.1 If at any time prior to the Expiry Date of any Options, an Eligible Person ceases to be an Eligible Person for any reason other than Retirement, Permanent Disability, Redundancy or death, all Options held by such Eligible Person or his Permitted Nominee (as the case may be), will, to the extent that they have not been exercised beforehand, automatically lapse on the first to occur of:

- (a) the expiry of the period of three (3) calendar month from the date of such occurrence, and
- (b) the Expiry Date.

10.2 A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the date of such occurrence.

10.3 If at any time prior to the Expiry Date of any Options a Holder dies, the deceased Holder's legal personal representative may:

- (a) elect to be registered as the new Holder of the deceased Holder's Options;
- (b) whether or not he becomes so registered, exercise those Options as if it were the Holder of them in accordance with these Rules; and
- (c) if the deceased Holder had already given the Company a notice of exercise of his Options, pay the Exercise Price in respect of those Options.

11. ENTITLEMENT TO PARTICIPATE IN FUTURE ISSUES

11.1 New Issues

Holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give at least nine Business Days' notice (or such greater period of notice (if any) as may be required by the Listing Rules) to Holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

11.2 Bonus Issues

If there is a bonus share issue ('**Bonus Issue**') to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the Bonus Issue ('**Bonus Shares**'). Upon issue the Bonus Shares will rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

11.3 Pro Rata Issue

If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares, the Exercise Price of an Option will be reduced according to the following formula:

$$A = \frac{O - E [P - (S+D)]}{N + 1}$$

A= the new exercise price of the Option.

O= the old exercise price of the Option.

E= the number of Shares into which one Option is exercisable.

P= the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises).

S= the subscription price for a security under the pro rata issue.

D= the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N= the number of securities with rights or entitlements that must be held to receive a right to one new security.

11.4 Reorganisation of Capital

If, prior to the expiry or lapse of any Options, there is a reorganisation of the issued capital of the Company, those Options will be reorganised to the extent necessary to comply with the Listing Rules.

11.5 Advice

In accordance with the Listing Rules, the Company must give notice to each Holder of any adjustment to the number of Shares for which the Holder is entitled to subscribe or to the Exercise Price pursuant to the provisions of Rules 11.2, 11.3 or 11.4.

12. EXERCISE PRICE OF OPTIONS

The Exercise Price of each Option will be determined by the Board when it resolves to offer the Option and will be not less than the Market Value of a Share at that time.

13. AMENDMENTS TO THE RULES

The Board may alter, delete or add to these Rules at any time (save for the provisions of Rule 3), but, where the Company is admitted to the Official List of ASX, its resolution to do so has no effect unless the requirements of the Listing Rules in relation to the alteration, deletion or addition have been complied with.

14. NOTICES

Notices may be given by the Company to any Holder either personally or by sending by post to his address as noted in the Company's records or to the address (if any) within the Commonwealth of Australia supplied by him to the Company for the giving of notices.

Notices of any overseas Holders shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served on the day after posting. The signature of any notice may be given by any Director or Secretary of the Company. A notice of exercise of Options shall not be deemed to be served on the Company until actually received.

Registered Office: 4 Bowen Street Hill End NSW 2850

Schedule 1

Employee Share Option Plan Invitation to Apply for Options

Hill End Gold Limited ACN 072 692 365

Registered Office: Level 10, 3 Spring Street, Sydney NSW 2000

Incorporated In: New South Wales

No. of Options

[Number]

Name & Address of Eligible Employee:

Terms:

Vesting Dates:

Exercise Parcels:

Exercise Rights:

Restrictions:

Exercise Period

[Date to the Expiry Date]

[Name and address]

Dear [Insert Name]

You are invited to apply for the number of options specified above to acquire ordinary shares in the capital of Hill End Gold Limited (the “**Company**”) in accordance with the Employee Share Option Plan.

The exercise price for your options will be [price]. The options will be issued [free of charge/at [price]].

[The Company will also provide you with information on the current market price of the Company’s shares from time to time during the exercise period of your options. Please contact [name] or [alternative contact] on [number] if you would like this information.]

The Company’s Employee Share Option Plan permits you to nominate a relative or associate (as defined in the Income Tax Assessment Act) to receive your entitlement to options. To nominate a relative or an associate, you must ensure that that nominee is identified in the attached Application for Options.

To accept this invitation, you must complete the attached Application for Options and return it to the Company [or identify alternate address] no later than [date]. You will not receive the options referred to above unless you sign and return the attached Application for Options by this date.

If you have any questions regarding this invitation, you should contact [name] on [telephone number].

Should you decide to accept this invitation, please sign and return the attached Application for Options.

[Name]

Company Secretary

[Date]

Application for Options

The Company Secretary
Hill End Gold Limited
3 Spring Street
Sydney NSW 2000

Dear Sir/Madam

I apply for options to acquire **[number]** ordinary shares in the capital of Hill End Gold Limited (the “**Company**”) on the terms of the Invitation to apply for options dated **[date]**. I understand that these options will be issued to me on the terms of the Company’s Employee Share Option Plan current on the date of this acceptance (as amended from time to time).

I request that the options referred to above be allocated to.

_____ of
(name)

(address)*.

Employee

Dated:

* Delete if inapplicable

Form of Notice of Exercise

The Company Secretary
Hill End Gold Limited
3 Spring Street
Sydney NSW 2000

Dear Sir/Madam

[Name of Optionholder] hereby gives notice of the exercise of **[number of Options]** issued pursuant to the Company's Employee Share Option Plan and exercisable at **[\$*]**.

A cheque made payable to "**[*]**" for **[\$*]** (being the total of the exercise price payable on the exercise of these Options), is enclosed.

The relevant SRN is **[*]**.

[Optionholder to sign]

Individual:

SIGNED by **[*]**

in the presence of:

Witness

Name of Witness (print)

Company:

EXECUTED by **[*]** in accordance with section 127

of the Corporations Act by:

Secretary/Director

Name of Secretary/Director (print)

Director

Name of Director (print)

Schedule 2

Option Certificate

Hill End Gold Limited ACN 072 692 365

Registered Office: 4 Bowen Street NSW 2850

Incorporated in: New South Wales

Certificate No. [Number]

No. of Options [Number]

Terms:

Grant Date:

Vesting Dates:

Exercise Period:

Exercise Parcels:

Exercise Price:

Exercise Rights:

Expiry Date:

Restrictions:

This is to certify that [Name] of [Address] is the registered holder of [Number] options numbered as shown above, in Hill End Gold Limited, subject to the Constitution, and Employee Share Option Plan, of Hill End Gold Limited and the Rules.

SIGNED BY HILL END GOLD LIMITED in the presence of:

Director

Director / Secretary

Appendix B

TERMS OF OPTIONS

The Options will have the attached terms and conditions.

- (a) The holder of a New Option is entitled to be issued with one Share for each New Option exercised on payment of 15 cents per Share ("the Exercise Price").
- (b) Subject to condition (g) the options are exercisable wholly or in part at any time from day of issue and will expire on the date 28 February 2012;
- (c) Each option shall entitle the option holder to acquire one (1) share in the capital of the Company;
- (d) Each option may be exercised by delivering to the registered office of the Company a notice in writing during the period referred to in condition (a) stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
- (e) All shares issued on exercise of the options will rank pari passu in all respects with the Company's then issued shares. These options will be unlisted, the Company will apply for listing of on the ASX, should the ASX not grant listing, the options will be unlisted;
- (f) The options are transferable;
- (g) Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of the receipt;
- (h) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of securities Offered to Shareholders of the Company during the currency of the Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced so as to give holders the opportunity to exercise their Options before the date for determining entitlement to participate in any issue;
- (i) Share allotted pursuant to the exercise of the Options will be allotted following receipt of all the relevant documents and payment and will rank equally with existing issued shares; and
- (j) In the event of a reconstruction (including consolidations, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder shall be reconstructed in accordance with the ASX Listing Rules.

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Annexure A: Questions from Shareholders

This form is provided with the Notice of the Annual General Meeting of Hill End Gold Limited ACN 117 770 475. ("Company") to be held at the **Christie Conference Centre, Tang Room, Level 2, 3 Spring Street, Sydney, NSW**, on **Friday, 26 November 2010 at 11.00 a.m. AEDT** to assist shareholders in asking questions of:

- the Directors of the Company in relation to the management of the Company; and
- WHK Horwarth, as the auditor who prepared the auditor's report for the period ended 30 June 2010, in relation to the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

The Board of Directors and the auditor will endeavour to respond to the questions received by shareholders as the chair of the meeting determines is reasonable given the time available at the meeting.

Name of shareholder/s:

Questions (please place an "X" in the box next to the question if your question is directed at the auditor)

1. _____

2. _____

3. _____

Lodging this form

If you wish to ask questions using this form, you should submit this form as described below by **no later than 11.00 am (AEST) on Thursday 18 November 2010**.

By mail: Stephen Peterson, Chief Financial Officer
Hill End Gold Limited
3 Spring Street
SYDNEY, NSW 2000
Australia

- or -

By fax: +61 2 8249 4919

Proxy and Voting Entitlement Instructions

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged:

In person or by Mail: or **Fax: +61 2 8249 4919**

Hill End Gold Limited
3 Spring Street
SYDNEY NSW 2000
Australia

not later than 48 hours before the time for holding the meeting, i.e. no later than 11.00 am AEST on Wednesday 24 November 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

VOTING ENTITLEMENT

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s Directors have determined that all shares of the Company that are quoted on ASX at 11.00 am (AEST) on Wednesday 24 November 2010 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

APPOINTMENT OF A PROXY

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy. The proxy may, but need not be, a member of the Company.

If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy. A proxy need not be a shareholder of the company.

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on +61 2 8249 4416 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

VOTES ON RESOLUTIONS

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice or may be obtained from the company's share registry.

Proxy Form

Hill End Gold Limited

ACN 072 692 365

SHAREHOLDER DETAILS

Name: _____

Address: _____

Contact Telephone No: _____

Contact Name (if different from above): _____

APPOINTMENT OF PROXY

I/We being a shareholder/s of Hill End Gold Limited and entitled to attend and vote hereby appoint

The Chairman of the meeting (*mark with an 'X'*)

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Hill End Gold Limited to be held at Christie Conference Centre, Tang Room, Level 2, 3 Spring Street, Sydney, NSW, on Friday, 26 November 2010 at 11.00 a.m. AEDT and at any adjournment of that meeting.



IMPORTANT

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

Voting Directions to your Proxy – Please mark the boxes to indicate your directions

Ordinary Resolutions	FOR	AGAINST	ABSTAIN
1. Non-binding approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director Dr Denis Clarke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director Mr Ian Daymond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Director Mr Graham Reveleigh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approve of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratify an Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratify an Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approve Directors participation in Share Placement (Mr Thomas)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Approve Directors participation in Share Placement (Mr Bruce)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Approve Directors participation in Share Placement (Mr Daymond)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Approval of an Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (instructions detailed in Notice of Annual General Meeting)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions detailed in the Notice of Annual General Meeting to enable your directions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director
and Sole Company Secretary

Director

Director/Company Secretary

Appointment of Corporate Representative Section 250D of the Corporations Act 2001

Shareholder Details

This is to certify that by a resolution of the Directors of:

(Company),

Insert name of shareholder company

the Company has appointed:

Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the meeting of the members of Hill End Gold Limited to be held at the Christie Christie Conference Centre, Tang Room, Level 2, 3 Spring Street, Sydney, NSW, on Friday, 26 November 2010 at 11.00 a.m. AEDT and at any adjournments of that meeting.

DATED _____ 2010

Please sign here

Executed by the Company)
in accordance with its constituent documents)

Signed by authorised representative

Signed by authorised representative

Name of authorised representative (print)

Name of authorised representative (print)

Position of authorised representative (print)

Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor Company and the name or position of the appointee (eg "John Smith" or "each Director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (e.g. Director) of each company officer who signs this Certificate on behalf of the company.
4. Insert the date of execution where indicated.
5. Mail or Deliver the Certificate to the office at Hill End Gold Limited, 3 Spring Street, SYDNEY, NSW 2000, Australia, or by facsimile on +61 2 8249,4919.