



# HILL END GOLD LIMITED

ACN 072 692 365

Red Hill Deposit Potential

22 December 2010

ASX Code : HEG, HEGO

**Recent re-interpretation of the Red Hill Deposit at Hill End recognises significant targets for future drilling and substantially enhances the potential for increasing the 89,200 ounce gold resource defined in 2008.**

The Red Hill Deposit at Hill End is located approximately four kilometres north of the Hawkins Hill – Reward Deposit and has an Inferred Resource of 849,300 tonnes at 3.3g/t gold for 89,200 contained ounces.

The intensive trial mining and exploration of the Hawkins Hill – Reward Deposit have provided a good understanding of the geological controls on the gold mineralisation in the Hill End area and, in recent months, the Company has undertaken a detailed re-evaluation of all previous exploration at Red Hill.

Drilling to date at Red Hill has concentrated on testing the thin bedding parallel mineralised quartz veins (see Figure 1), however it is now known that near-vertical Feeder faults are the primary control of high grade gold mineralisation.

The re-evaluation has identified fourteen drill hole intersections of thick gold-mineralised stockworks (complex zones of multiple quartz veins of variable orientations) over approximately 1,000m of the length of the Red Hill Deposit. These stockworks, aligned along a zone of Feeder faults, include the Fraser Zone (see Figure 1) which in 2008 returned 5.2g/t over 28.2 metres downhole from 204 metres below surface, including 13.0g/t over 10.7 metres.

The Red Hill Feeder Zone structure, which is approximately 40m thick, is geologically similar to the Reward Ore Zone structure previously described by the Company at the Hawkins Hill – Reward Deposit.

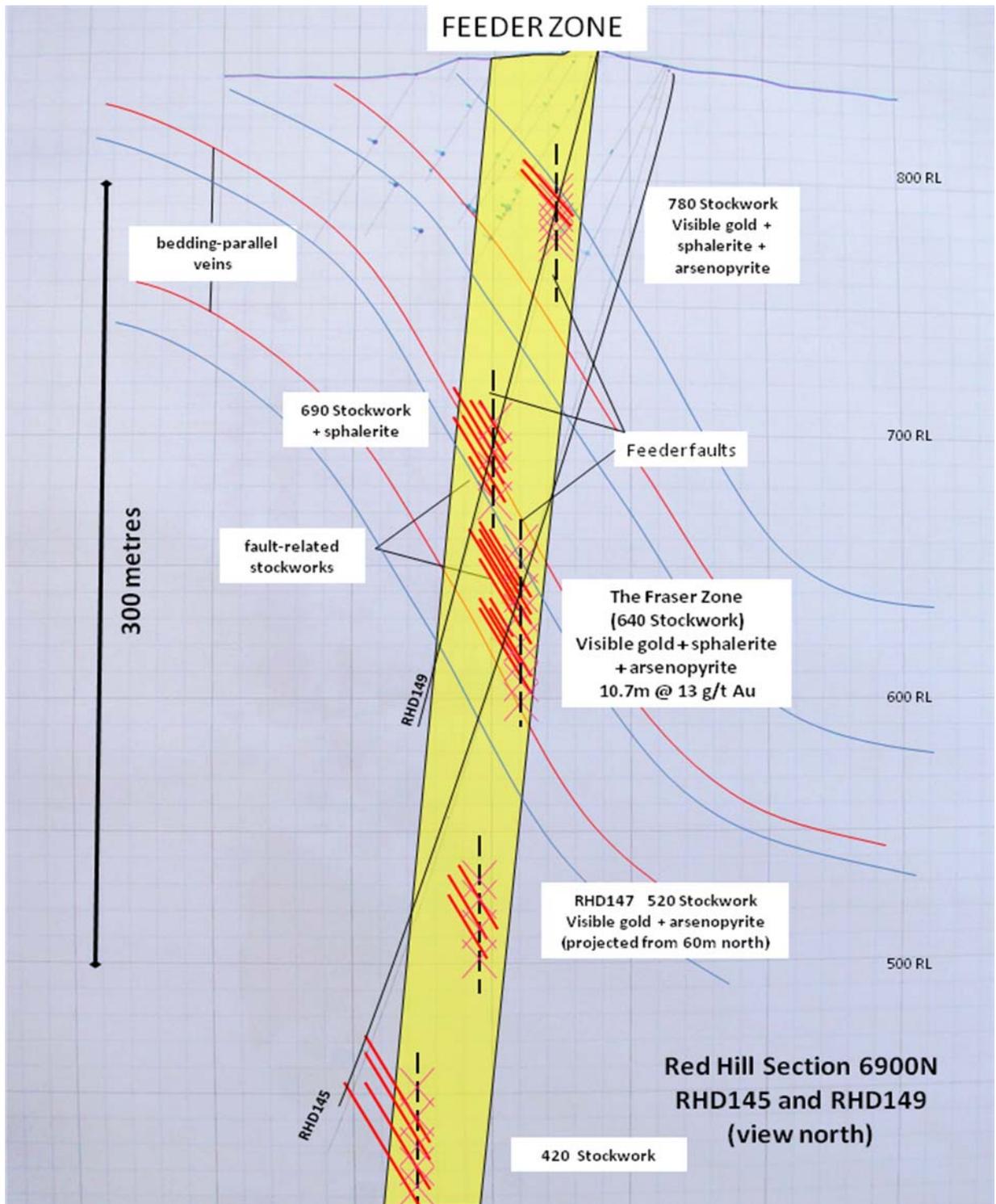
Notably, this new interpretation of the Red Hill mineralisation has defined a significant target for future drilling. The Feeder Zone structure and its stacked stockworks have not been tested and the potential for increasing the 89,200 ounce gold resource has, therefore, been substantially enhanced.

A drilling program for early 2011 is being prepared for Board approval.

**Hill End Site and Registered Office**  
4 Bowen Street  
Hill End NSW 2850  
Phone +612 6337 8343  
Fax +612 6337 8345

**Sydney Principal Office**  
3 Spring Street  
Sydney NSW 2000  
Phone +612 8249 4416  
Fax +612 8249 4919

**Website:** [www.hillendgold.com.au](http://www.hillendgold.com.au)  
**Email:** [admin@hillendgold.com.au](mailto:admin@hillendgold.com.au)



Hill End Gold Limited (ASX.HEG) has a clear focus on increasing resources and moving to significant gold production.

The HEG development strategy for the combined Hargraves and Hill End Gold Projects is to increase mineral resources to over one million ounces and to commence profitable production.

The Hargraves and Hill End Project tenements cover 860 square kilometres between Bathurst and Mudgee in New South Wales, Australia and include the three historic goldfields of Hill End, Hargraves and Windeyer, which are located within a radius of 35 kilometres.

During this past year, exploration programs have significantly uplifted resources, for the combined Hargraves and Hill End Projects, to 570,400 ounces through the 12,000m surface diamond drill program at Hargraves, and 6,900m of underground diamond drilling at Hill End, as well as the Hill End trial mining project, which has recovered a total of 35,000 tonnes at 11g/t since March 2008.

The initial resource estimate for the Big Nugget Hill deposit at Hargraves was recently completed and totals 1.44mt at 5.1g/t containing 234,400 ounces to a depth of about 200m below surface.

At both Hargraves and Hill End there are numerous gold prospects in multiple parallel mineralised structures with evidence of significant previous production that are to be explored.

The Company holds a minimum 85% beneficial interest in the Mining Leases in the Hill End area and the area formerly subject to Exploration Licence 2037, which is now part of Exploration Licence 5868, and holds a 100% interest in other tenements. Other less advanced exploration projects are located in southern NSW and Laos.

#### ***Attribution***

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and is a full-time geological employee of the company. Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and both Mr Quayle and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle and Mr Bruce consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

**For further information: Philip Bruce 0412 409 555**