

HILL END GOLD LIMITED
ACN 072 692 365

APPENDIX 4D
& HALF YEAR FINANCIAL REPORT

31 DECEMBER 2004

APPENDIX 4D REPORT TO ASX

**HILL END GOLD LIMITED
ACN 072 692 365**

HALF YEAR REPORT

Half Year Ended 31 December 2004

Revenue from ordinary activities	down 75% to	\$A'000 15
Profit (loss) after tax from ordinary activities attributable to members	up 166% to	(380)
Net Profit (loss) after tax attributable to members	up 166% to	(380)
Dividends	Amount per Security	Franked amount per security at 30% tax
Final dividend	-	-
Interim dividend	-	-
Record date for the determination of results	n/a	n/a
Brief explanation of the Results		
For the financial period to 31 December 2004, the Company raised \$1 million through a Placement and continued exploration and development in the Hill End Project Area.		
	Reporting Period	Previous Reporting Period
Net tangible asset backing per ordinary security	10.28 cents per share	10.94 cents per share
Ordinary securities on issue	52,209,625	34,729,234

This half-year report is to be read in conjunction with the annual financial report the year ended 30 June 2004.

HILL END GOLD LIMITED DIRECTORS' REPORT

The Directors present their report together with the financial statements of Hill End Gold Limited for the six months ended 31 December 2004

Directors

The Directors of Hill End Gold Limited during the financial period and up to the date of this report are:

Alfred Lampard Paton (Chairman)
Philip Francis Bruce (Managing Director)
Graham Charles Reveleigh (Executive Director)
Ian Noel Stuart Sloan (Non-Executive Director)
Bruce Geoffrey Thomas (Non-Executive Director – appointed 22 February 2005)

Principal Activities

The principal activities of the Company during the financial period were the exploration for minerals and development of the Hill End Project Area at Hill End New South Wales.

Review of Operations

During the period under review, the Company continue exploration and development in the Hill End Project Area.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs in the Company during the half year other than, the Company raising \$1 million in a Placement which was used to continue exploration and development in the Hill End Project Area

Rounding of Amounts to nearest Thousand Dollars.

The Company is of a kind referred to in class Order 98/0100 issued by the Australian Securities Commission relating to the rounding off of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the half-year ended 31 December 2004.

This report is made in accordance with a resolution of the directors.



ALFRED PATON
Chairman
Sydney 25 February 2005



PHILIP BRUCE
Managing Director

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Hill End Gold Limited

I declare that, to the best of my knowledge and belief, in relation to our review of Hill End Gold Limited for the half-year ended 31 December 2004 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001; and
- (ii) no contraventions of any applicable code of professional conduct.



William Buck
Chartered Accountants



D W Langdon
Lead Audit Partner

Dated this 25th day of February 2005.
Cairns, Australia.

HILL END GOLD LIMITED

STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Notes	Half year Ended 31 Dec 2004 \$'000	Half year Ended 31 Dec 2003 \$'000
Revenues from ordinary activities	1	15	64
Expenses from ordinary activities, excluding borrowing costs		-	-
- ASX / Registry Expenses		16	27
- Travel and Accommodation Expenses		4	7
- Directors Emoluments		151	71
- Office Expenses		37	36
- Professional Services		18	30
- Depreciation Expense		89	2
- Advertising / Promotions Expenses		20	19
- Other expenses from ordinary activities		61	13
Loss from ordinary activities before income tax expense		(380)	(143)
Income tax expense		-	-
Loss from ordinary activities after income tax expense		(380)	(143)
Total changes in equity other than those resulting from transactions with owners as owners		(380)	(143)
		Cents	Cents
Basic earnings per share		(0.009)	(0.004)
Diluted earnings per share		(0.007)	(0.003)

The accompanying notes form an integral part of these financial statements.

HILL END GOLD LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	31 Dec 2004 \$'000	30 Jun 2004 \$'000
Current Assets		
Cash assets	767	1,015
Other current assets	54	55
Total Current Assets	<u>821</u>	<u>1,070</u>
Non-Current Assets		
Other financial assets	213	200
Property plant & equipment	446	488
Capitalised exploration and tenement expenditure	4,182	3,456
Total Non-Current Assets	<u>4,841</u>	<u>4,144</u>
Total Assets	<u>5,662</u>	<u>5,214</u>
Current Liabilities		
Payables	293	416
Total Current Liabilities	<u>293</u>	<u>416</u>
Total Liabilities	<u>293</u>	<u>416</u>
Net Assets	<u>5,369</u>	<u>4,798</u>
Equity		
Contributed equity	7,049	6,099
Accumulated losses	(1,680)	(1,301)
Total Equity	<u>5,369</u>	<u>4,798</u>

The accompanying notes form an integral part of these financial statements.

HILL END GOLD LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004

	Half Year Ended 31 Dec 2004 \$'000	Half Year Ended 31 Dec 2003 \$'000
Cash Flows From Operating Activities		
Interest received	15	62
Payments to suppliers and employees	(1,153)	(737)
Other – DMR Bonds	(13)	(159)
	<hr/>	<hr/>
Net cash inflows (outflows) from operating activities	(1,151)	(834)
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payments for property plant & equipment	(47)	(38)
	<hr/>	<hr/>
Net cash inflows (outflows) from investing activities	(47)	(38)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Proceeds from the issue of shares	1,000	2,738
Other (Costs of Issue)	(50)	(161)
	<hr/>	<hr/>
Net cash inflows from financing activities	950	2,577
	<hr/>	<hr/>
Net Increase (Decrease) in Cash Held	(248)	1,705
Cash at the Beginning of the Financial Year	1,015	17
	<hr/>	<hr/>
Cash at the End of the Financial Year	767	1,722
	<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements.

HILL END GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Hill End Gold Limited as at the 30 June 2004. It is also recommended that the half-year financial report be considered together with any public announcement made by Hill End Gold Limited during the half year ended 31 December 2004 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Basis of accounting

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The financial report has been prepared in accordance with the historical cost convention and does not take into account money values or current valuations of non-current assets.

Changes in accounting policies

The accounting policies adopted are consistent with those in the annual report for the year ended 30 June 2004.

Australian Equivalents to International Financial Reporting Standards ("AIFRS")

The Australian Accounting Standards Board ("AASB") is adopting International Financial Reporting Standards ("IFRS") for application to reporting periods beginning on or after 1 January 2005. The AASB has issued AASB equivalents to IFRS, and Urgent Issues Group Abstracts corresponding to International Financial Reporting Interpretations adopted by the International Accounting Standards Board. These Australian pronouncements will be known as Australian equivalents to IFRS. The adoption of Australian equivalents to IFRS will be first reflected in the financial statements of Company name Limited for the year ending 30 June 2006.

The company is managing the transition to the new Standards by analysing the new standards and Urgent Issues Group Abstracts to identify key differences in accounting policies that are expected to arise on the adoption of Australian equivalents to IFRS.

The company has analysed the Australian equivalents to IFRS, and the key changes in accounting policies required on adoption of Australian equivalents to IFRS are set out below:

Equity Based Compensation Benefits

Under AASB 2: Share Based Payments, equity based compensation to employees will be recognised as an expense in respect of the services received.

This will result in a change to the current accounting policy, under which no expense is recognised for equity based compensation.

Impairment

The entity currently determines the recoverable amount of an asset on the basis of the discounted net cash flows that will be received from the assets use and subsequent disposal. In the terms of AASB 136: *Impairment of Assets*, the recoverable amount will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

Australian Equivalents to International Financial Reporting Standards ("AIFRS") continued

Extractive Industries

Under AASB 6, it is likely that the impairment test would apply leading to a greater probability of write down of capitalised exploration and development expenditure.

2. REVENUE

	31 Dec 2004 \$'000	31 Dec 2003 \$'000
Revenue from outside the operating activities		
Interest received	15	62

3. SEGMENT INFORMATION

Business Segments

The Company operates in the mining industry in Australia only. Operations comprise the exploration, development and mining of precious minerals.

	31 Dec 2004 Cents	31 Dec 2003 Cents
4. EARNINGS PER SHARE		
Basic earnings per share	(0.009)	(0.004)
Diluted earnings per share	(0.007)	(0.003)
	Number	Number

Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basis earnings per share and alternative basis earnings per share

43,363,471	34,729,234
------------	------------

Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share and alternative diluted earnings per share

55,367,661	34,484,843
------------	------------

\$'000	\$'000
---------------	---------------

Reconciliation of earnings used in calculating earnings per share

Earnings used in calculating basic and diluted earnings per share	(380)	(143)
---	-------	-------

Options granted to employees and directors are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The options have not been included in the determination of basic earnings per share.

5. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

HILL END GOLD LIMITED
DIRECTORS DECLARATION

The directors of the Hill End Gold Limited declare that:

1. The financial statements and notes as set out on pages 4 to 8:
 - (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations;
 - (b) give a true and fair view of the Company's financial position as at 31 December 2004 and its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Alfred Paton
Chairman

Sydney
25 February 2005



PHILIP BRUCE
Managing Director

HILL END GOLD LIMITED
INDEPENDENT REVIEW REPORT

To the members of Hill End Gold Limited

Scope

We have reviewed the financial report of Hill End Gold Limited in the form of Appendix 4D of the Australian Stock Exchange (ASX) Listing Rules, as set out on pages 4 to 9 for the half-year ended 31 December 2004.

The disclosing entity's directors are responsible for the preparation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and the accounting policies and accounting estimates inherent in the financial report.

Review Approach

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, statutory requirements and ASX Listing Rules as they relate to Appendix 4D, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission and the ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hill End Gold Limited is in not accordance with:

- (a) the Corporation Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.



WILLIAM BUCK
Chartered Accountants
Cairns, 25 February 2005



D W LANGDON
Partner

**HILL END GOLD LIMITED
CORPORATE DIRECTORY**

Directors

Alfred Lampard Paton
Non Executive Chairman

Philip Francis Bruce
Managing Director

Graham Charles Reveleigh
Executive Director

Ian Noel Stuart Sloan
Non Executive Director

Bruce Geoffrey Thomas
Non Executive Director

Auditor

William Buck
Level 1, 74 Abbott Street
Cairns QLD 4870

Legal Adviser

Ian Congdon
Solicitor
Level 7, 37 Bligh Street
Sydney NSW 2000

Company Secretary

Kevin Martin Lynn

Australian Company Number

072 692 365

Registered Office

41 Cavendish Street
P O Box 92
Earlville QLD 4870
Telephone: +61 7 4033 1805
Facsimile: +61 7 4033 6415
www.hillendgold.com.au

Field Office

Bowen Street
Hill End NSW 2850

Principal Office

Suite 1310, 3 Spring Street
Sydney NSW 2000
Telephone: +61 2 82494416
Facsimile: +61 2 82494919
Website: www.hillendgold.com.au
Email: Contact via website

Share Registry

Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000

Ph +61 2 9290 9600
Fax +61 2 9279 0664
www.registriesltd.com.au