



**Registered Office**  
41 Cavendish Street  
P O Box 92 Earlville QLD 4870  
Phone +61 7 4033 1805  
Fax +61 7 4033 6415

**Sydney Office**  
Phone +61 2 9224 8932

**Hill End Office**  
Phone +61 2 63378343  
Fax + 61 2 63378345

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

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**Report for March 2004 Quarter**

**29 April 2004**

**ASX Code : HEG  
HEGO**

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**HIGHLIGHTS**

- ***Excellent drilling results have been obtained from the Red Hill project area with some preliminary results being :***
  - ***Drill hole RC 32 with 2.44g/t over 30 metres (from surface), including 4.60g/t over 13 metres,***
  - ***Drill hole RC 39 with 1.62g/t over 61 metres (from surface), including 12.69g/t over 4 metres, and***
  - ***Drill hole RC 60 with 1.63g/t over 15 metres from 40 metres.***
- ***Initial interpretation of the results to date for the Red Hill project indicates that a broad zone of oxidised mineralisation is associated with the three kilometre zone of previously mined high grade workings with potential for open pit development.***
- ***Construction of the Amalgamated gold recovery plant and associated infrastructure was completed during the quarter and gravity gold was recovered during wet commissioning from the material extracted from old stopes in Hawkins Hill.***
- ***Redevelopment of the Amalgamated and Consolidated levels proceeded satisfactorily with access to the Hawkins Hill backfill extraction area completed.***
- ***A placement was completed during the quarter raising \$1.01 million with the issue of 4.6 million shares.***
- ***A Share Purchase Plan was also completed after the quarter which raised a further \$0.32 million.***

## **CORPORATE OVERVIEW**

Hill End Gold has redeveloped the old underground mining area of Hawkins Hill at Hill with the aim to recover gold, while delineating the Hawkins Hill deposit, and to access and delineate the new Reward area a further 400 metres to the north from the Hawkins Hill workings.

The Company has extensive tenements in the Hill End area of the Lachlan Fold Belt which cover the 35 kilometres strike length of the prolifically mineralised Hill End Anticline and a number of adjacent mineralised structures.

Corporate, development and exploration activities are carried out with a cost effective small team. It is the Company's objective to delineate and develop substantial gold deposits in the Hill End area and to grow significantly through the discovery and development of projects on our properties and through acquisition.

During the quarter the Company completed an excluded offer placement through WHI Securities of 4.6 million fully paid HEG shares at an issue price of 22 cents per share to raise \$1.01 million. A Share Purchase Plan was also implemented to allow shareholders the opportunity to acquire additional stock at the same price. The Share Purchase Plan was well supported with over 15% of eligible shareholders participating and closed on 16 April having raised \$0.32 million.

## **HILL END EXPLORATION**

Successful surface mapping and interpretation has identified an extensive zone of shallow oxide gold mineralisation in the Red Hill, Clines and Camp Hill Project areas which are to be drilled to determine their extent and to delineate resources.

The first stage-drilling program was completed during the quarter with 48 holes completed for 3,508 metres of reverse circulation (RC) drilling, mostly over the Red Hill project area. A follow up program for Red Hill and an additional diamond drilling and reverse circulation drilling program is planned to commence over Clines, Camp Hill and other prospects.

The Red Hill, Clines and Camp Hill project areas have the potential for open pit mining which may be developed with a CIL-type processing plant as a separate operation from the Hawkins Hill – Reward operation. Shallow oxide ore would be treated in a separate plant to the Amalgamated gravity plant.

### **Red Hill Project**

The Red Hill project is located over a zone of gold mineralisation and old high grade workings in a structural zone of approximately three kilometres in strike, 50 to 100 metres in width along the eastern flank of the Hill End Anticline to the north of Hill End. Deep weathering to a depth of 70 metres and gently undulating topography is ideal for open pit development.

Preliminary gold assay results are attached with the better intersections being:-

**RC32 ▪ 2.44g/t over 30 metres (from surface), including 4.60g/t over 13 metres and**

**RC39 ▪ 1.62g/t over 61 metres (from surface), including 12.69g/t over 4 metres.**

Assay results for RC32 are from the '1kg screen fire assay' technique, which is used for final assays, while assays for RC39 and other drill holes in the attached results are preliminary assays from the '50g fire assay' technique. Assaying is undertaken by ALS Chemex a NATA-registered laboratory. A pronounced 'nugget effect' is noted with the coarse gold mineralisation and final assays are showing an approximate 50% upgrade over preliminary assays. The ALS laboratory

has an increased workload, which has slowed down the processing of samples. There are no further final assays to report after the previous announcement of 6 April 2004. Results will be will be announced as available.

Cross section 19300N is attached showing the recent drilling in the well mineralised Red Hill zone which has been previously mined for very high grade lodes, particularly on the western and eastern margins. The previous drilling by BHP undertaken in 1989 and the results of an adjacent surface trench confirm these results. The preliminary interpretation based on this first round of drilling is that the broad zone of mineralisation shown in this section plunges gently to the north so that previous drilling under the outcrop missed it.

### **Clines Project**

The Clines Project area is deeply weathered and well mineralised, similarly to the Red Hill area, except that it is located on the western flank of the Hill End Anticline to the west of Hill End. The strike length of the Clines structural zone is approximately four kilometres to date. The area was mined and abandoned in the 1860's, before the rise of the Hawkins Hill and Red Hill areas on the eastern flank of the Hill End Anticline. While the two drill holes in this area have returned low-grade intersections, a program similar in scope to the Red Hill effort is planned in the near future.

### **Camp Hill Project**

The Camp Hill Project area is another shallow oxide prospect located between Hill End and the Red Hill project area. Surface outcrop and encouraging results in drill hole RC 69 with 4.22g/t over 3 metres will be followed up with further drilling.

## ***HAWKINS HILL – REWARD GOLD PROJECT***

### **Project Update**

During the quarter the redevelopment of the Amalgamated adit has been completed to the old Hawkins Hill workings and access to the backfill has been established. Permanent services have been installed. The Consolidated adit has been reopened, the portal rebuilt and redevelopment has commenced. Some services, such as additional water supply, office and amenities upgrading and completion of site infrastructure facilities is ongoing.

The gravity plant has been constructed at the Amalgamated adit area and supporting infrastructure has been completed. Commissioning commenced at the end of the quarter and gold recovery during wet commissioning was achieved soon after the end of the quarter. The plant will continue to recover gold from parcels of material from Hawkins Hill and the underground development to Reward as required.

Gold recovered from this bulk sampling exercise is expected to increase over the next twelve months.

Yours faithfully

Graham Reveleigh

Attached:     - Hill End Gold RC drilling results  
                  - Hill End project areas  
                  - Red Hill Section 19300N  
                  - Plant flowsheet

## Hill End Gold Reverse Circulation Drilling Assay Results

(Holes RC 44 – 76 not previously announced)

(+1g/t high grade results and +0.2g/t COG intervals\*, to be screen fire assayed)

### Preliminary 50g fire assay results

Hole No (EOH)	Approx Location	Metreage (m)	Interval (m)	Gold Assay (g/tAu)
RC 29 (75m)	20300N 10080E	-	-	<1.0
RC 30 (75m)	19975N 10060E	-	-	<1.0
RC 31 (108m)	19980N 10100E	31-45*	14	0.29
		incl. 35-36	1	1.26
		74-75	1	28.7 (0.09 check assay)
		69-96*	27	0.70
		incl. 91-92	1	1.13
		100-101	1	1.74
RC 32 (75m)	19750N 10100E	0-29*	29	1.67
		incl. 6-8	2	1.91
		incl. 10-11	1	5.1
		incl. 12-15	4	3.82
		incl. 17-18	1	2.08
		incl. 19-24	5	3.18

### Final 1kg screen fire assay results

RC 32 (75m)	19750N 10100E	0-30	30	2.44
		incl. 4-5	1	2.17
		incl. 6-7	1	1.57
		incl. 12-25	13	4.60
		incl. 27-28	1	2.49

### Preliminary 50g fire assay results (continued)

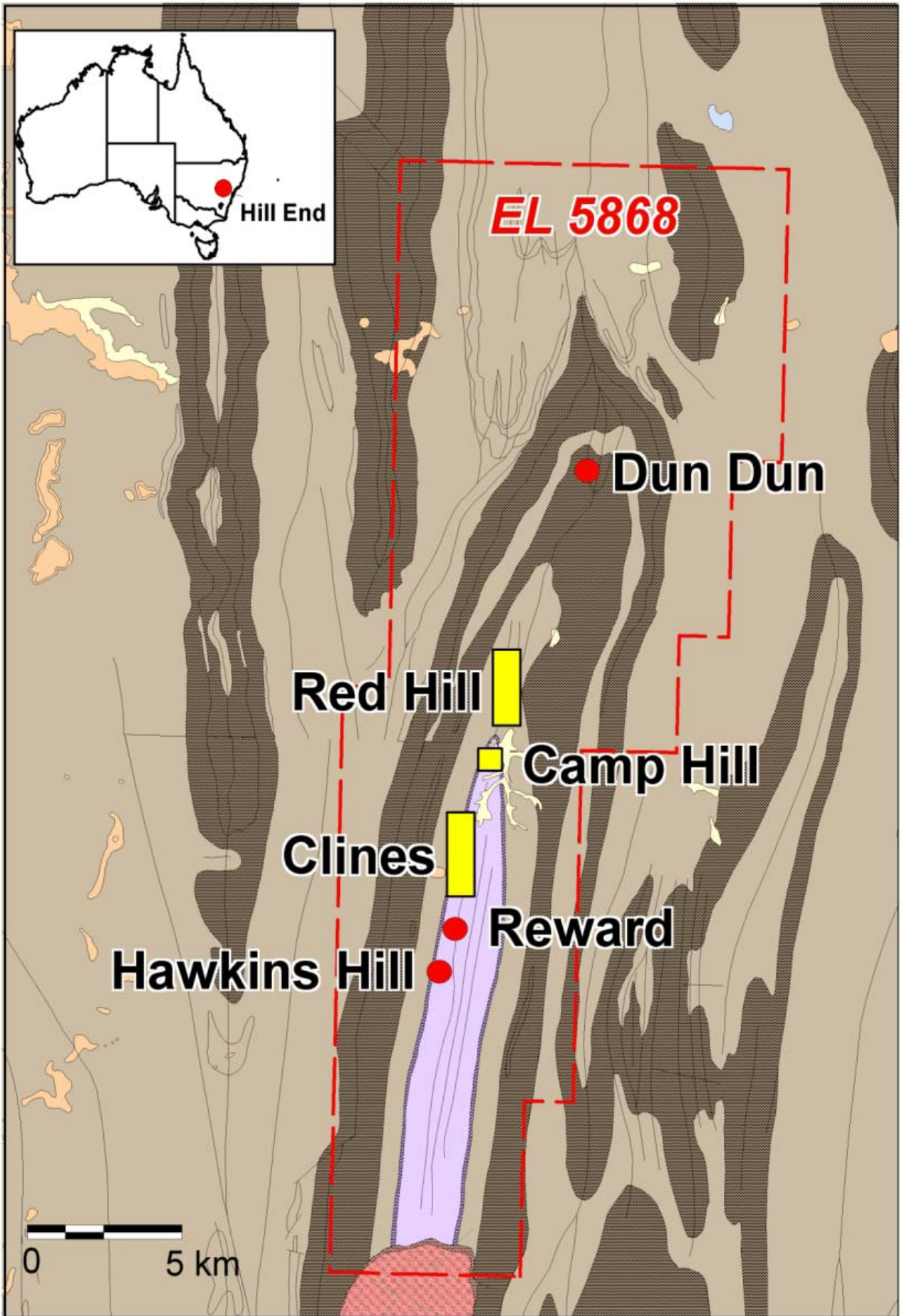
RC 33 (63m)	19350N 10107E	22-23	1	1.83
RC 34 (68m)	19207N 10125E	1-23*	22	0.70
		incl. 3-4	1	10.0
		incl. 22-23	1	1.09
		33-39*	6	1.13
		incl. 36-38	2	2.73
RC 35 (68m)	19210N 10150E	25-30*	5	0.26
		62-68*	6	1.54
		incl. 63-65	2	4.29
RC 36 (67m)	19250N 10115E	0-15*	15	0.49
		incl. 0-2	2	1.63
		incl. 14-15	1	1.99
		23-24	1	5.10
		62-63	1	1.15
RC 37 (64m)	19250N 10150E	0-44*	44	0.42
		incl. 0-1	1	4.15
		incl. 27-28	1	7.18 (0.95 check assay)
		incl. 34-35	1	4.31 (1.37 check assay)
		incl. 43-44	1	1.26
RC 38 (75m)	19300N 10110E	3-18*	15	0.58
		incl. 3-4	1	1.24
		incl. 16-17	1	8.44 (3.99 check assay)
RC 39 (76m)	19300N 10150E	15-76*	61	1.62
		incl. 16-18	2	2.64
		incl. 21-22	1	1.36
		incl. 23-24	1	1.29
		incl. 36-37	1	1.20 (1.15 check assay)
		incl. 40-44	4	12.79
		incl. 50-51	1	1.78 (0.63 duplicate assay)
		incl. 56-58	2	1.43
		incl. 60-61	1	2.14
		incl. 73-74	1	11.90
		incl. 75-76	1	5.68
RC 40 (80m)	19350N 10150E	44-45	1	7.0
		55-80*	25	1.38
		incl. 55-56	1	17.85 (25.1 check assay)
		incl. 60-61	1	2.59
		incl. 66-68	2	2.09
		incl. 77-78	1	1.15
		incl. 79-80	1	1.19 (0.25 duplicate assay)
RC 41 (80m)	19400N 10140E	60-74*	14	0.32
		incl. 60-61	1	2.43
RC 42 (65m)	19410N 10100E	19-20	1	1.17
RC 43 (75m)	19450N 10100E	36-37	1	2.47

**Hill End Gold Reverse Circulation Drilling Assay Results (not previously announced)**  
(+1g/t high grade results and +0.2g/t COG intervals\*, to be screen fire assayed)

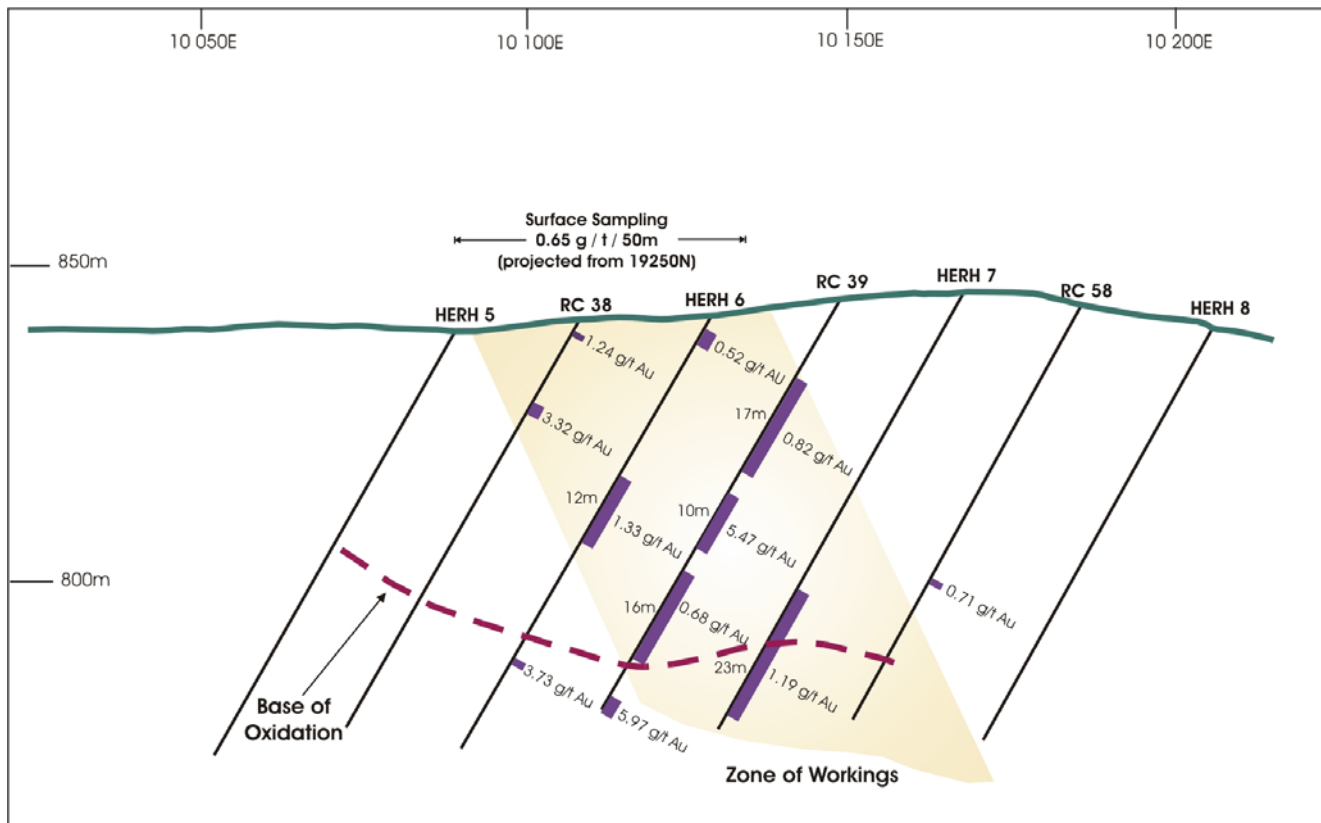
**Preliminary 50g fire assay results**

RC 44 (75m)	19550N 10110E	-	-	nil > 1.00
RC 45 (75m)	19450N 10125E	48-71*	23	0.13
		incl. 68-69	1	1.24
RC 46 (85m)	19650N 10150E	42-43	1	4.49
RC 47 (75m)	19550N 10140E	0-5*	5	0.27
		42-43	1	10.40
RC 48 (75m)	19450N 10150E	58-74*	16	0.32
		incl. 63-64	1	2.37
RC 49 (99m)	19500N 10150E	0-4*	4	0.38
		67-98*	31	0.92
		incl. 69-70	1	1.70
		incl. 78-80	2	4.66
		incl. 82-83	1	5.04
		incl. 85-86	1	1.20
		incl. 88-89	1	1.28
		incl. 91-93	1	2.56
RC 50 (75m)	19600N 10125E	0-28*	28	0.59
		incl. 6-7	1	4.81
		incl. 11-12	1	1.58
		incl. 14-15	1	2.92
RC 51 (60m)	19650N 10100E	20-44*	24	0.40
		incl. 43-44	1	1.62
RC 52 (69m)	19800N 10075E	28-34*	6	1.39
		incl. 28-29	1	1.20
		incl. 31-34	3	2.29
RC 53 (60m)	19850N 10075E	-	-	nil > 1.00
RC 54 (75m)	19900N 10075E	4-30	1	2.47
RC 55 (75m)	19900N 10100E	11-12	1	1.22
RC 56 (69m)	19850N 10125E	-	-	nil > 1.00
RC 57 (63m)	19700N 10100E	0-53*	53	0.74
		incl. 1-4	3	1.25
		incl. 15-17	2	1.88
		incl. 20-21	1	2.08
		incl. 22-23	1	7.41
		incl. 28-29	1	5.49
		incl. 31-32	1	3.20
		incl. 36-37	1	2.07
		incl. 52-53	1	1.90
RC 58 (75m)	19300N 10190E	-	-	nil > 1.00
RC 59 (69m)	19800N 10100E	-	-	nil > 1.00
RC 60 (80m)	19950N 10085E	40-55*	15	1.63
		incl. 40-41	1	1.74
		incl. 42-43	1	3.97
		incl. 46-47	1	1.24
		incl. 48-49	1	3.76
		incl. 50-51	1	2.98
		incl. 54-55	1	8.97
RC 61 (75m)	20100N 10050E	-	-	nil > 1.00
RC 62 (75m)	20050N 10060E	-	-	nil > 1.00
RC 63 (75m)	20200N 10025E	36-37	1	1.27
		46-47	1	2.33
RC 64 (81m)	20265N 10040E	71-76	5	3.97
		incl. 73-75	2	9.73
RC 65 (75m)	20220N 10080E	69-70	1	3.04
RC 66 (75m)	20200N 10100E	-	-	nil > 1.00
RC 67 (75m)	20150N 10050E	-	-	nil > 1.00
Valentine				
RC 68 (75m)	20380N 10050E	25-39	14	0.25
		incl. 38-39	1	1.27
Camp Hill				
RC 69 (60m)	6346375N 726192E	30-33	3	4.22
		incl. 30-32	2	6.26
Clines				
RC 75 (81m)	6343802N 724905E	-	-	nil > 1.00
RC 76 (81m)	6343714N 724869E	29-30	1	1.50
		44-45	1	3.23

Exploration comment and data herein are based on information provided by Mr John Gallo of JNK Exploration Services who has consented to its release in this report in the form and context in which they appear. Mr Gallo is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in the styles of mineralisation being reported on to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves".



HILL END GOLD PROJECT AREAS



**RED HILL SECTION 1930N (old BHP RC holes – HERH series)**

# HILL END GOLD LIMITED

## Process Plant Flowsheet

