



HILL END GOLD LIMITED

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Report for December 2003 Quarter

ASX Code : HEG
HEGO

HIGHLIGHTS

- *Drilling program planned to start during February 2004 targeting open pit shallow oxide mineralisation at Red Hill, Valentines, Emily, Old Company, Dun Dun, Peak O'Day and Clines Gully areas.*
- *Hill End is in the Transverse Zone of the Lachlan Fold Belt which is the fastest growing gold producing area in Australia with over 20 million ounces in new projects under development since the late 1980's. The area has huge potential for further discoveries.*
- *Large regional resource potential identified along extensive zones north of Hill End and in high grade repeats of the Hawkins Hill style of mineralisation such as the Reward deposit currently under development.*
- *Site preparation completed and development of the Hawkins Hill – Reward Gold Project well advanced.*



LACHLAN FOLD BELT PROJECTS

CORPORATE OVERVIEW

Hill End Gold has extensive tenements in the the Hill End area of the Lachlan Fold Belt. In addition to the very rich old mining areas of Hawkins Hill, Tambaroora and Red Hill, the company's tenements cover the 35 kilometres strike length of the Hill End Anticline and a number of adjacent mineralised structures.

The company's objective is to delineate and develop substantial gold deposits in the area and to expand its asset base through discovery and acquisition.

HILL END

Hill End is a gold mining district located approximately 60 kilometres north-west of Bathurst, New South Wales. The potential for discovery in the Hill End area is high given the low exploration effort over the area since the 1870's.

Successful exploration north of Hill End has identified the Red Hill – Old Company area and the Clines Gully area as containing extensive shallow oxide mineralisation. Drilling is planned to start early in the next quarter. The potential target is 3-5 million tonnes at 2-3g/t to be mined by open pit methods and processed through a separate leach plant.

Hill End Gold has amalgamated the Hawkins Hill – Reward area under mining lease and is currently developing underground towards the Reward area and establishing surface infrastructure and gravity processing facilities.

LACHLAN FOLD BELT

Hill End is located in the north-eastern Lachlan Fold Belt which is the fastest growing gold producing area in Australia with over 20 million ounces in new projects developed since the 1980's. Significant projects include Cadia/Ridgeway, Cowal, Browns Creek, Lewis Ponds, Sunny Corner, Cargo, Tomingley, Peak Hill, Northparkes, Mineral Hill and the deposits near Hill End such as Sofala, Hargraves and Bowdens Gift. Gold deposit types in the Hill End Trough include volcanic-hosted massive sulphide, low-sulphur orogenic gold, intrusive related skarns, epithermal and porphyry hosted gold.

The Bendigo goldfield in the Lachlan Fold Belt in Victoria has produced over 22 million ounces of gold with around 80% of this obtained from quartz reef mining carried out from surface to a depth of 1,400 metres. The Garden Gully Line in Bendigo is the longest line of reef in the Bendigo Goldfield. Overall it extends some 11 kilometres and was mined from the 1860s through to 1941 with a recorded production of 5.2 million ounces of gold.

By comparison, the Hill End Line extends over 13 kilometres and has produced about 1.5 million ounces with about 50% of this from quartz reef mining. It has been mined or explored to less than two hundred metres depth and only in very limited areas. The potential for large deposits to be found down-plunge and in stratigraphically lower repetitions of the high grade deposits mined from outcrop is very high.

HILL END EXPLORATION

Background

A feature of the mineralisation associated with the Hill End Anticline is a close spatial relationship with the axial plane of the anticline. The majority of workings, whether they be bedded veins, fault veins or stockworks are located in a zone which is parallel to, and within a critical distance of, the axial plane of the Hill End Anticline on both the eastern and western flanks. These strongly mineralised zones of 50 -100 metres width and some kilometres length have been identified in the Red Hill – Old Company and the Clines Gully areas.

Gold mineralisation is controlled by the structural competency of the host rocks, the depth of burial and the rock chemistry. The favourable stratigraphy between Chambers Creek and Dun Dun in the north and the understanding of local structural controls of the mineralisation indicate that repetitions of the surface deposits along strike and at depth are likely.

Red Hill – Old Company Area

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

A staged diamond drilling and reverse circulation drilling program of up to 4000 metres is planned to commence over the Red Hill – Old Company area, the Clines Gully prospect and a number of other prospects during February 2004. This program is expected to be followed by a resource delineation drilling program and engineering studies.

The Red Hill – Old Company structural zone is approximately three kilometres in strike and 50 to 100 metres in width. Deep weathering to a depth of 70 metres and gently undulating topography is ideal for open pit development.

The shallow oxide prospect areas have been identified by surface mapping and sampling over the extensive old high grade gold workings. In addition, reverse circulation drilling by BHP in the southern end of the Red Hill area in 1989 intersected mineralisation of 1.33g/t over 9 metres (HERH 6) and 2.02g/t over 8 metres (HERH 7) on 19300N and surface channel sampling of 0.65g/t over 50 metres across strike on 19250N. Previously announced surface rock chip sampling by HEG returned quartz vein assays of up to 40 g/t on hitherto untested stockworks near the centre of the Red Hill – Old Company area.

Shallow oxide ore would be treated in a separate plant to the planned high grade ore treatment plant which is to be located at the Amalgamated adit for the Reward Gold Mine.

Clines Gully

The Clines Gully prospect is in a zone of bedding veins intersected by multiple mineralised structures. The initial prospect area is approximately 300 metres in strike length and 50 metres wide and is open along strike and downdip.

HAWKINS HILL – REWARD GOLD PROJECT

Background

Approximately 400,000 ounces historical gold production has been reported from the Hawkins Hill deposit. The deposit is east dipping with multiple, bedding-controlled quartz veins, which contain very high grade gold mineralisation and number over thirteen continuous veins over a zone 125 metres width.

The high grade quartz veins and stockworks in the Hill End area have been mined individually in the past for very high grade gold production, however mining of close-spaced multiple veins and stockworks with modern bulk mining methods has not yet been undertaken.

Hill End Gold has noted that the central quartz veins in Hawkins Hill deposit contained the majority of the historically produced gold. This zone would have dimensions of approximately 400m x 200m x 20m, which could be mined by bulk mining methods if still intact. The unmined Reward zone is down-plunge of, and in the same stratigraphical position as, the central veins at Hawkins Hill. The Reward deposit has been diamond drilled over a 100m x 100m area and is interpreted to be a geological repeat of the Hawkins Hill deposit. Four diamond drill holes into the gold zone intersected high grade quartz veins with drill intersections of up to 17.6 ounces/tonne over 0.33 metre.

Project Update

Since listing on the ASX on 17 July 2003, Hill End Gold has achieved substantial progress in the re-opening and the re-development of the Hawkins Hill area to provide access to the Reward Gold Mine area. Early submission and approval of the Mining Operations Plan by the NSW Department of Mineral Resources resulted in the granting of Mining Lease 1541 over the Hawkins Hill – Reward area on 17 November 2003. By the end of November 2003 the access road, Amalgamated portal, Consolidated portal, plant area extension and site preparation, construction of workshops and office, installation of power, water and ventilation and the mobilisation of the underground mining contractor were completed.

By the end of the quarter drilling and blasting of the Amalgamated adit level was progressing towards the site of first ore extraction. After the quarter a second shift has commenced to bring forward the first gold pour and access to the Reward area from the Amalgamated level.

During February the rail system will be commissioned and the re-opening and widening of the Consolidated level will commence. The Consolidated adit level is 90 metres above the Amalgamated adit level. The Consolidated level will provide entry to the upper part of the Hawkins Hill - Reward mine.

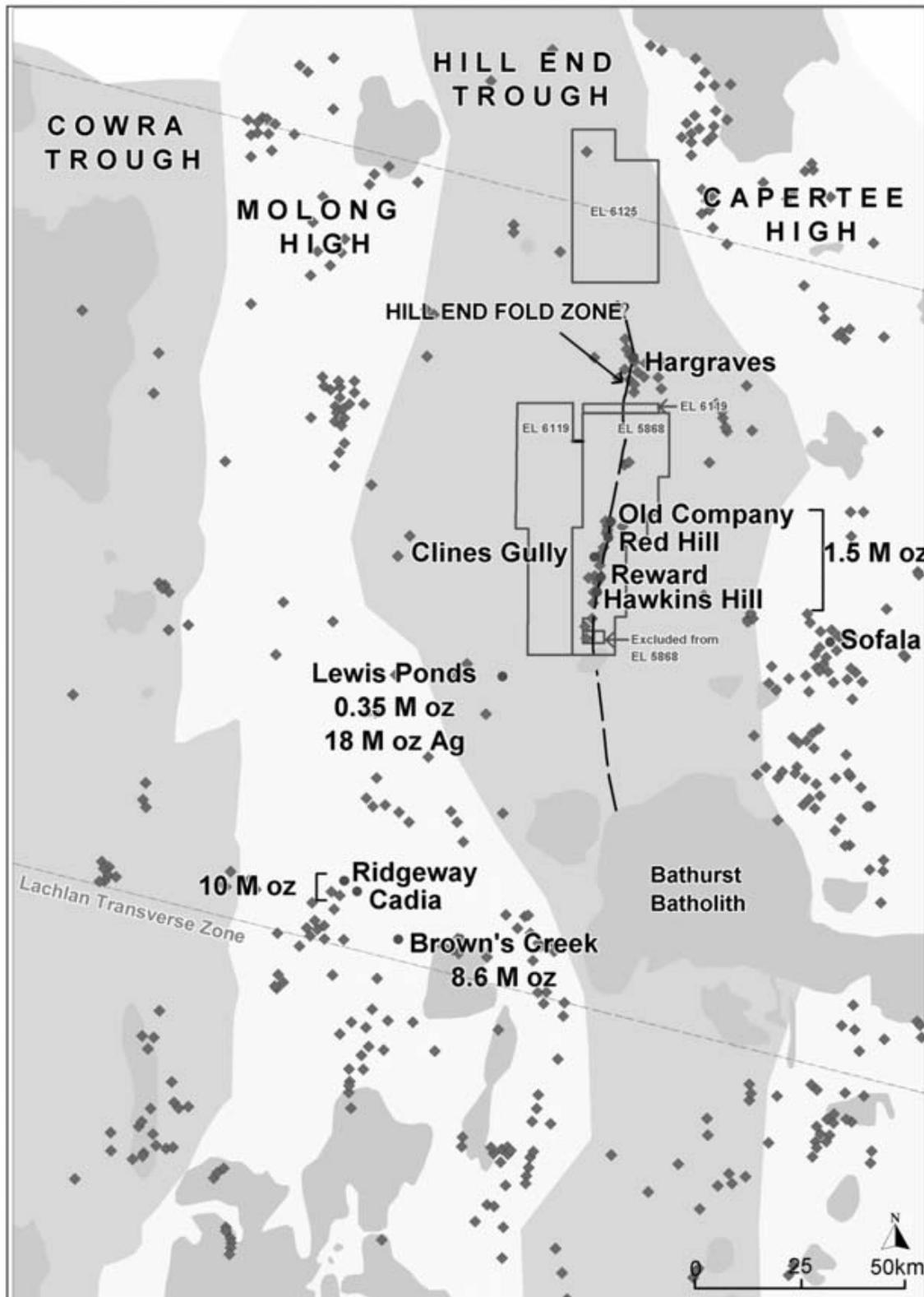
Arrangements for the installation of the plant and power supply are being finalised for the first gold pour during March 2004.

The gravity gold recovery plant will produce gold from the multiple ore sources available to the project. Gold will be produced from the backfill remaining in the old stopes, stope extensions in Hawkins Hill, development towards Reward and from the Reward quartz veins.

Yours faithfully
Hill End Gold Limited

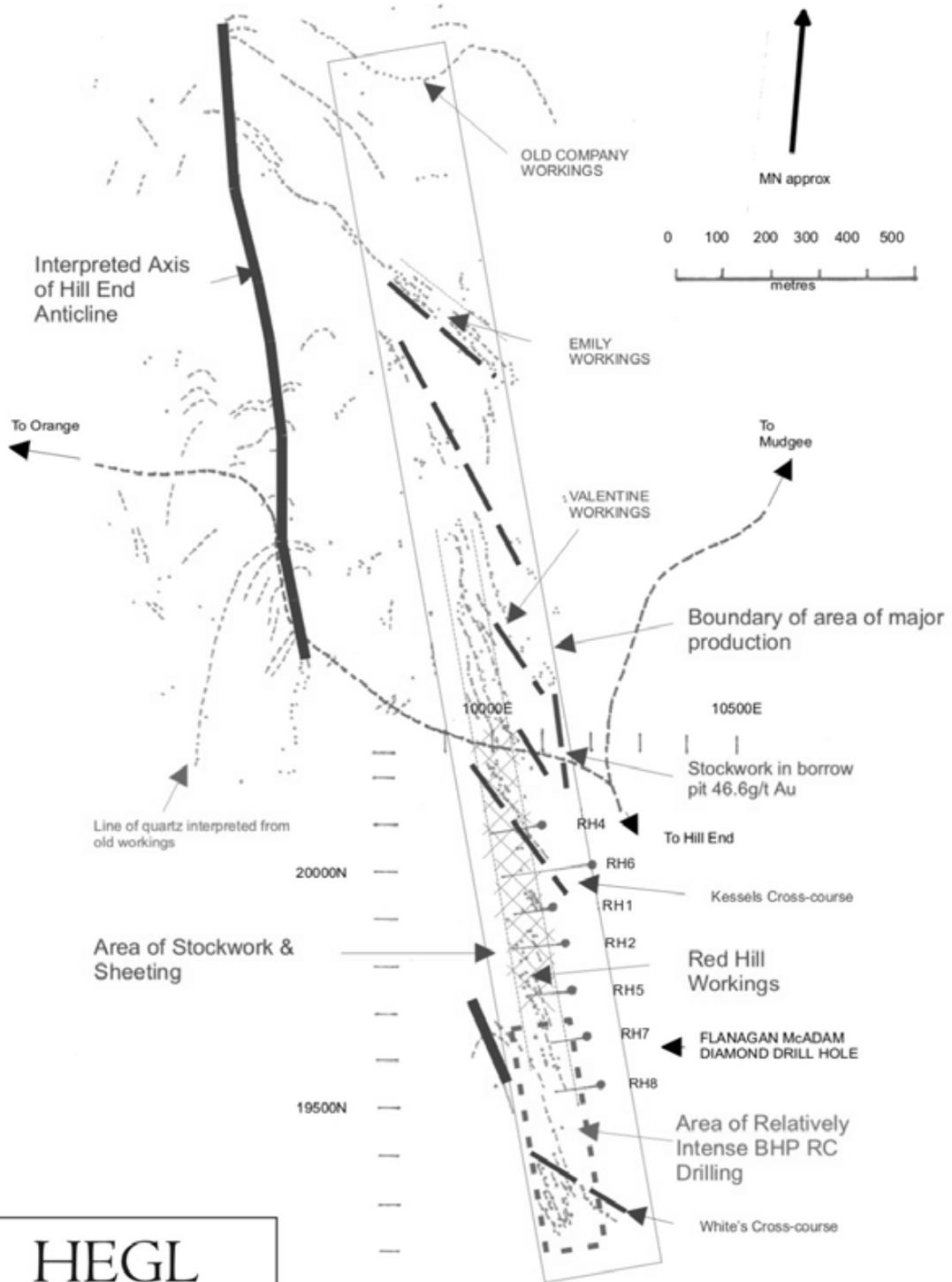
Graham Reveleigh
Managing Director

Attached: - Hill End area projects
 - Red Hill Project area exploration
 - Clines Gully area exploration
 - Hawkins Hill - Reward long section
 - Amalgamated level development plan



HILL END AREA PROJECTS AND GOLD OCCURRENCES

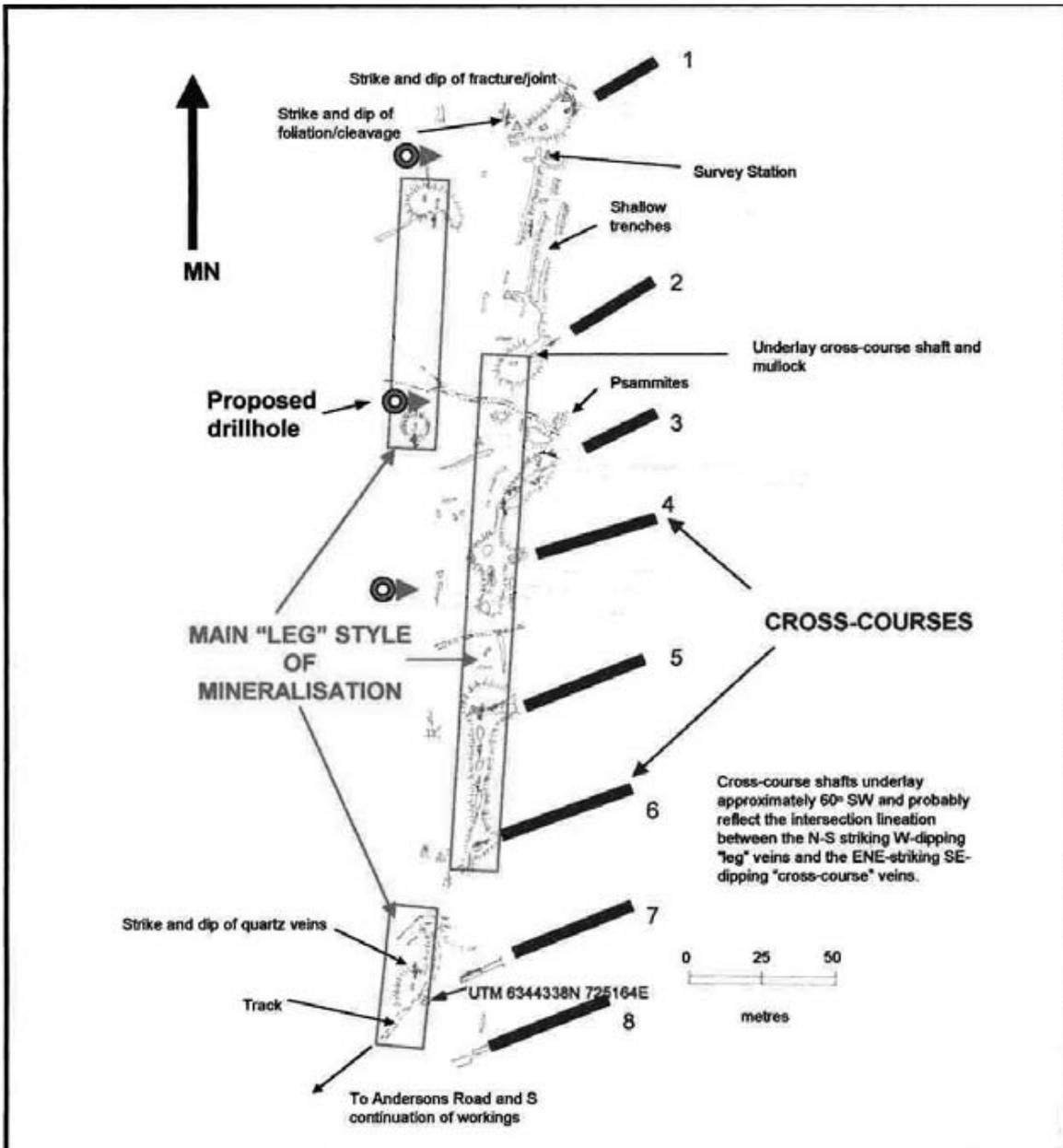
RED HILL PROJECT



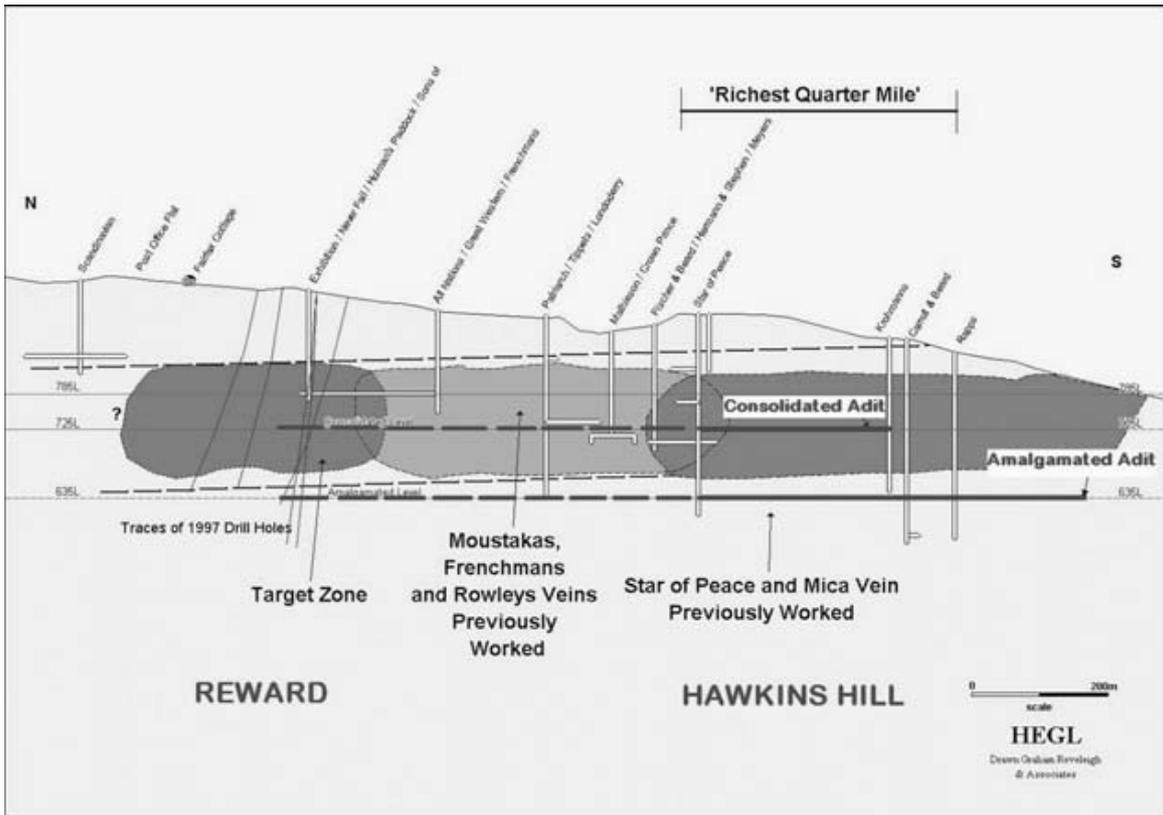
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Prepared by Graham Reveleigh
& Associates
October 2003

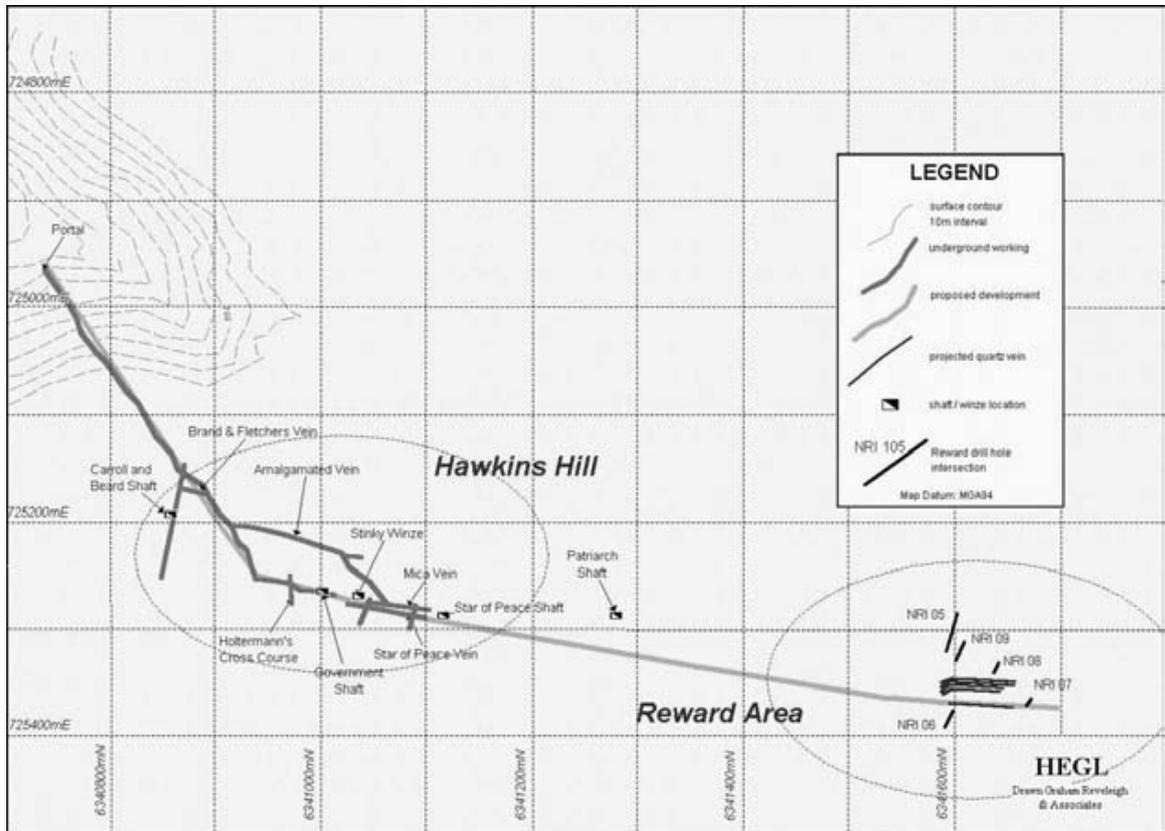
Red Hill Project area exploration



Clines Gully area exploration



Hawkins Hill – Reward long section



Amalgamated level development plan