

Hill End Gold Limited

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Report for September 2003 Quarter

ASX Code : HEG
HEGO

HIGHLIGHTS

- *Substantial progress was made in preparing the Hill End site for mine re-opening and access to the Reward Project Area.*
- *Wide zone of stockwork-style gold mineralisation mapped on EL5868 between the Red Hill and the Valentine workings over a distance of 700 metres.*
- *Previous shallow reverse circulation drilling intersected oxidised gold mineralisation between surface and a depth of 50 metres in the Red Hill area which has high potential for near-surface gold deposits.*
- *The Mine Operations Plan was submitted to the Department of Mineral Resources and has been approved.*
- *Underground mining contractor Comet Enterprises, appointed after the end of the quarter, will commence underground activity within two weeks.*
- *Mining Lease ML1541 over the project area granted after the end of the quarter. The lease encompasses the previously held mining leases south of Hill End.*
- *Two new Exploration Licences granted during the quarter. "Ullamulla" EL 6119 alongside the western boundary of EL 5868. "Mount Merinda" EL 6125 along strike to the north of EL 5868 is located west of Mudgee. Both have old gold workings and similar mineralised north-south structures to EL 5868.*

The Hawkins Hill - Reward Gold Project

Hill End is an historical gold mining area located approximately 60 kilometres north-west of Bathurst, New South Wales. About 1,500,000 ounces of gold were produced in the area now on Hill End Gold Limited tenements including 400,000 ounces mined from a number of high grade operations in the Hawkins Hill area, known as the 'Richest Quarter Mile'. The company owns 85% of the central tenement area encompassing Hawkins Hill-Reward and 100% of the remaining area.

The original Hawkins Hill operations mined a multiple-lode high grade gold deposit of about 400 metres in strike and 200 metres in dip length. It has been estimated that bulk mining of the middle lodes in the original Hawkins Hill deposit would have produced some 3 million tonnes at 10 g/t containing over 1 million ounces. The lodes are very continuous with strong wall rock and no water problems. The Hawkins Hill deposit was partially mined historically with additional high grade gold zones likely to be found.

The Reward area is located 400 metres north of the Hawkins Hill deposit and is interpreted to be a geological repeat of the Hawkins Hill structure. Four diamond drill holes into the gold zone have intersected the high grade quartz veins with drill intersections of up to 17.6 ounces/tonne over 0.33 metre.

Cashflow from gold production is planned to commence early in 2004. Gold will be produced from re-opening the Hawkins Hill deposit with access at the Amalgamated level, then from development along the line of lode towards the Reward area.

Since the end of the quarter, the Mine Operations Plan for the project has been approved by the Department of Mineral Resources and the Mining Lease which covers the greater project area, ML 1541, has been granted.

The access road is now upgraded and complete and a mining contractor has been appointed to commence underground activities during the first week of November 2003. Comet Enterprises is a small, vigorous group based Tasmania. They have undertaken underground contract work for a number of mainland and Tasmanian operations.

Some additional equipment for the underground operation and the process plant has been sourced and purchase arrangements are being negotiated.

Exploration

During the quarter Hill End Gold Limited was granted an additional 563 square kilometres of ground in the Hill End area under two new Exploration Licences. EL 6119 called "Ullamalla" flanks the western boundary of granted EL 5868 and is 308 sq km in extent, and EL 6125 called "Mount Merinda" is due north of EL 5868, west of Mudgee, and is 255 square kilometres in extent. The granting of these licences has increased our tenement area by 170%. Ullamalla has similar geology to EL 5868 with a north-south trending anticline to the west of the Hill End anticline and recorded

alluvial gold production in one part of the structure. The Hill End anticline continues along strike to the north and is considered prospective in the Mount Merinda area.

On EL 5868 further mapping and interpretation of data from previous explorers in the Red Hill area identified the near-surface potential for shallow oxidised gold deposits. The BHP reverse circulation drilling undertaken during the 1980's on 50 metre section lines identified wide zones of mineralisation up to 2 g/t Au and 20 metres wide. The drilling, sampling and assaying procedures were not well documented so follow up and infill drilling will be undertaken to provide reliable data.

The Company has sampled an outcrop of stockwork-style gold mineralisation at the north end of the Red Hill Prospect workings. Composite grab samples of quartz vein material have assayed 46.6 g/t Au (repeat 21.6 g/t Au), 3.1 g/t Au and 12.1 g/t Au.

This discovery extends the known zone of stockwork mineralisation over a strike length of approximately 700 metres north from the possible northern extent of the shallow oxide prospect identified by BHP.

Exploration will continue to determine if the stockwork style of mineralisation, which has been under-explored and rarely mined in the Hill End area, extends northwards through the Valentine and Emily workings, an additional strike of approximately 900 metres.

Further sampling and assaying of the stockwork mineralisation will be undertaken during the coming quarter.

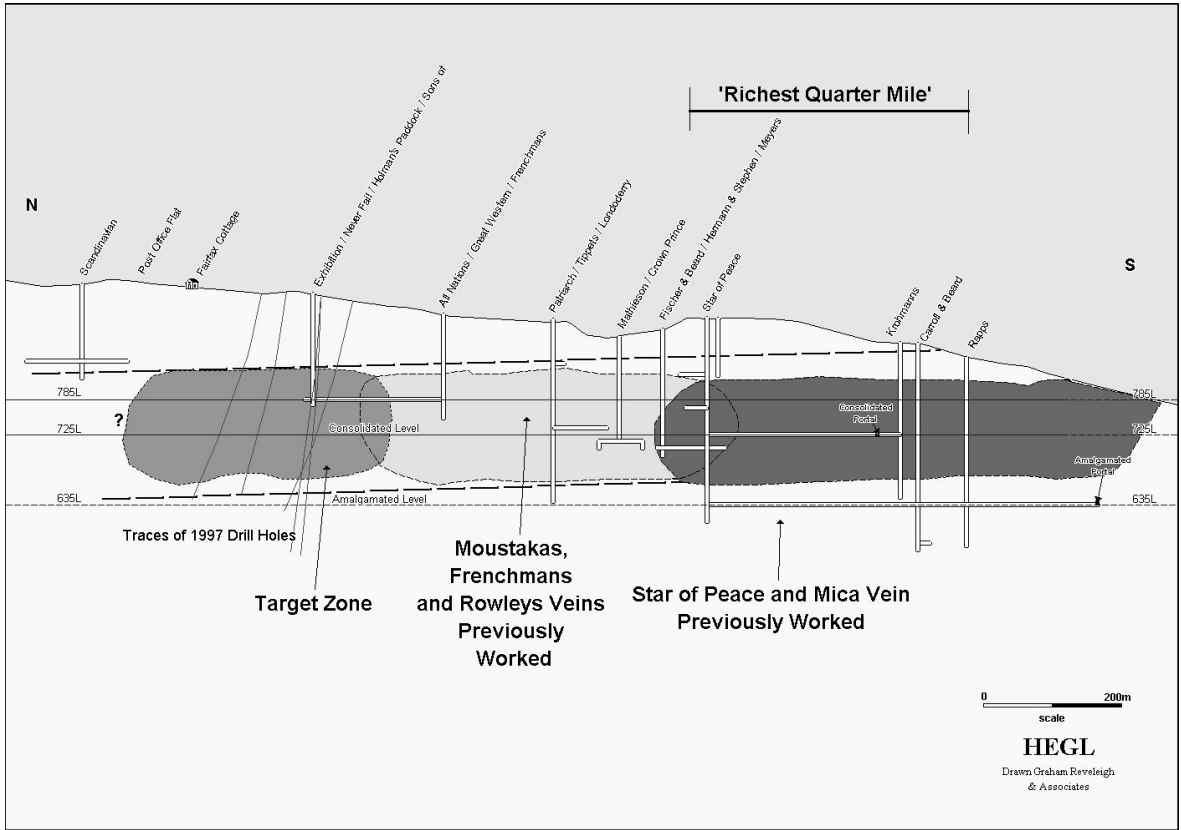
Yours faithfully
Hill End Gold Limited



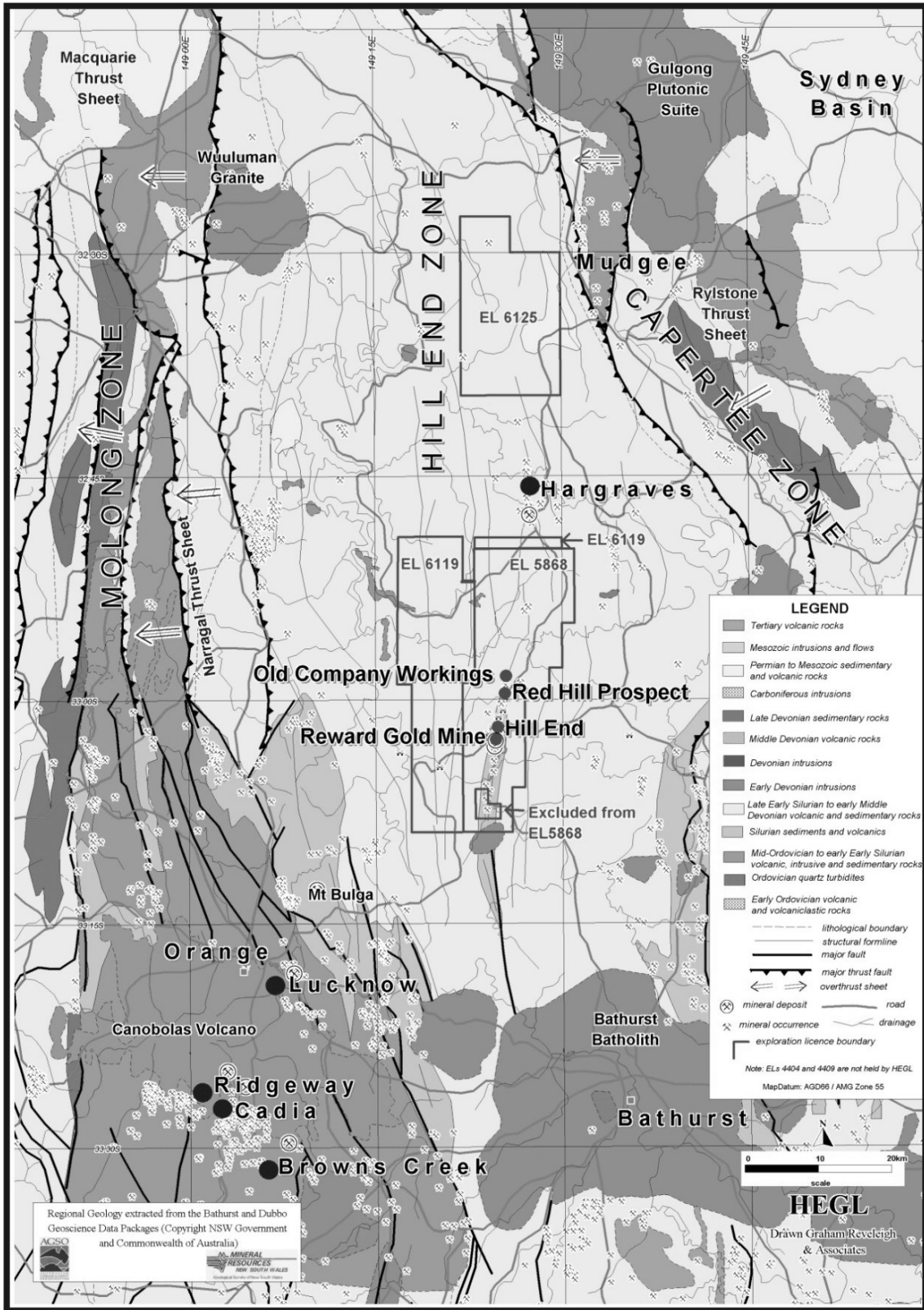
Graham Reveleigh
Managing Director

Attached: - Hawkins Hill - Reward long section

- Hill End regional geology and tenements
- Red Hill - Old Company area exploration

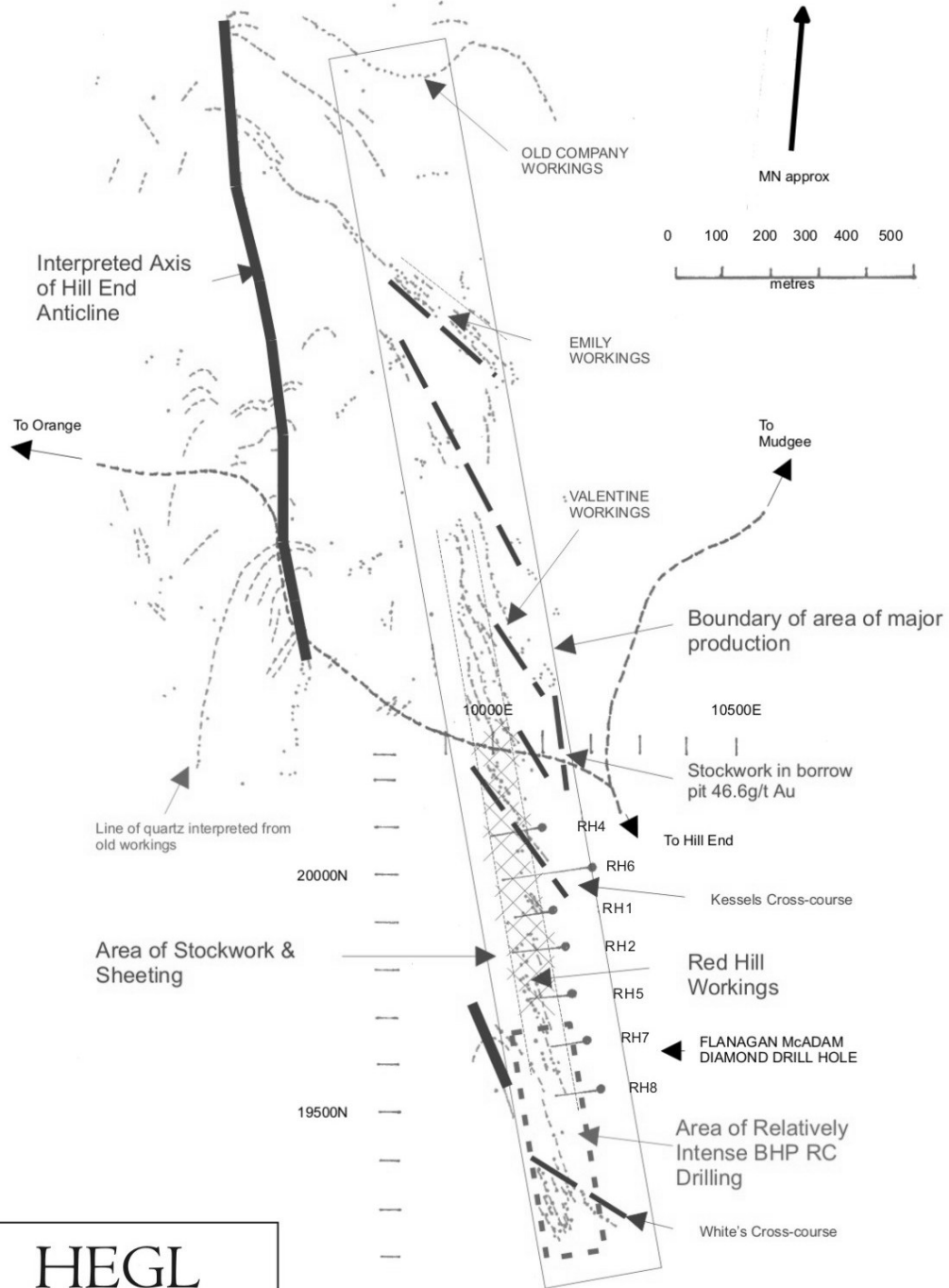


Hawkins Hill – Reward long section showing old workings and target zone.



Hill End Gold Limited EL5868 regional geology and exploration targets

RED HILL PROJECT



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Prepared by Graham Reveleigh
& Associates
October 2003

Red Hill Project Area