

# Hill End Gold Limited

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## Report for June 2003 Quarter

ASX Code : HEG  
HEGO

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### HIGHLIGHTS

- *Hill Gold Limited listed on the ASX on 17 July 2003 having raised \$2.72m through an IPO. Total issued fully paid ordinary shares (HEG) are 36.1m (13.7m escrowed) and 25¢ options exercisable by 30 June 2005 (HEGO) are 9.5m (2.1m escrowed).*
- *During the June quarter exploration commenced on the northern part of EL 5868. Mapping, sampling and radiometric survey correlation at the Old Company prospect has indicated close association between gold mineralisation, alteration and cross-cutting structural control.*
- *As noted in the Prospectus, Hill End Gold Limited has diamond drilled a new high grade deposit named Reward at Hill End, NSW. This deposit is 400 metres north of the high grade Hawkins Hill deposit, which produced 400,000 ounces gold from a myriad of small leases during the late 1800's.*
- *The Reward zone development project and low cost high grade plant have development approvals in place under the granted EL 5868.*
- *Since the date of listing on the ASX, pre-development activities have commenced: surveys for the Mine Operations Plan, preparation of submissions for the granting of MLA 137 and 148, underground equipment sourcing and project manning, with new appointments being Robert Anderson, Hill End Site Manager and John Gallo, Exploration Consultant.*
- *Cashflow from gold production is planned within 6 months.*

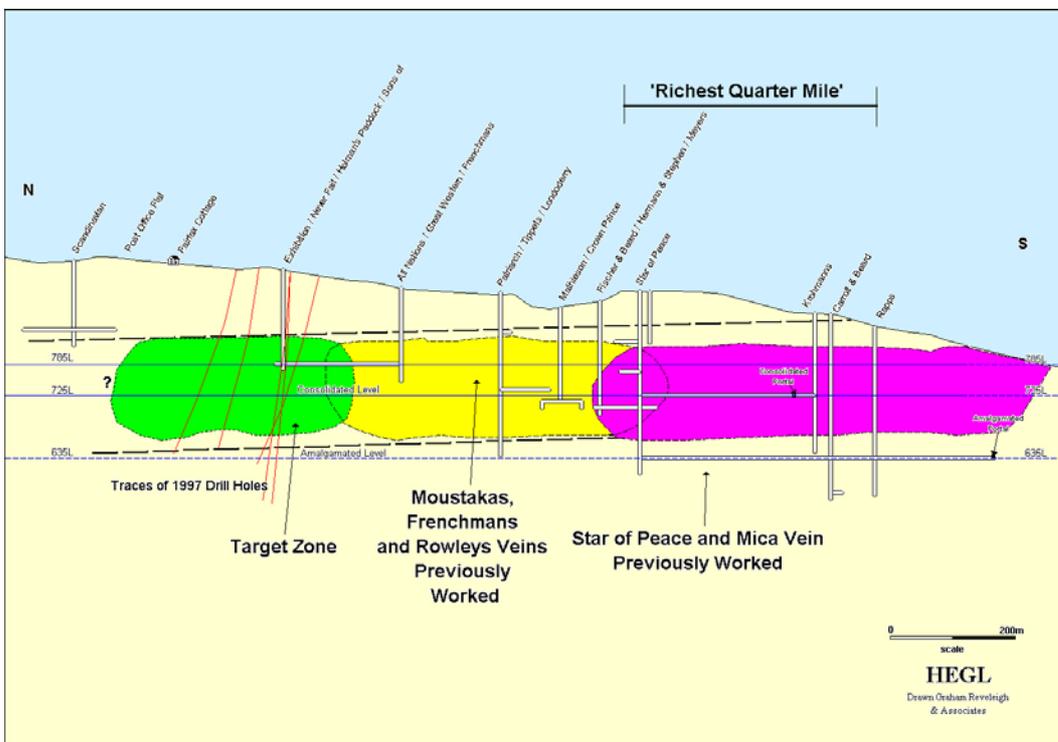
## The Hill End Project

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 under Nugget lease 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 area encompassing Hawkins Hill 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.

During 1996/7 a new high grade gold zone was drilled in the Reward area located 400 metres north of the Hawkins Hill deposit. 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. The new Reward zone is interpreted to be a geological repeat of the Hawkins Hill deposit.

Cashflow from gold production is planned to commence early in 2004. Production will commence with the re-opening of the Hawkins Hill deposit then from development along the line of lode towards the Reward area. It is expected that access to the Reward area will be established within twelve months of commencement. Development and drilling delineation of the Reward lodes and bulk sampling will indicate whether it is feasible to mine the 15-20 metre wide middle lodes in the Reward area with bulk, high productivity methods.

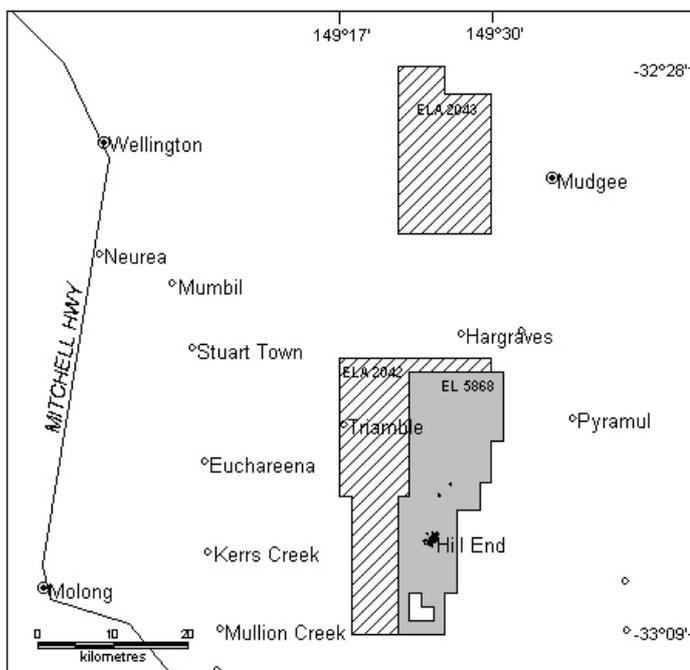


Long Section of Hawkins Hill showing old stope areas and new Reward area

## Exploration Areas

During the previous quarter Hill End Gold Limited applied for an additional 563 sq km of ground in the Hill End area. Two new Exploration licences have been applied for: ELA 2042 called "Ullamalla" flanks the western boundary of granted EL 5868 and is 308 sq km in extent, and ELA 2043 called "Mount Merinda" is due north of EL 5868, west of Mudgee, and is 255 sq km in extent. When granted, the Company's exploration area will be increased by 170%. Results indicate similar geology in the north-south trending anticline to the west of the Hill End anticline within ELA 2042, with recorded alluvial gold production in one part of the structure. The western structure continues along strike to the north, and is considered prospective in the Mount Merinda area. These areas are prospective for the same type of target as will be explored for in EL 5868.

While exploration activities during the pre-IPO period have been limited, some work on the northern part of EL 5868 has been undertaken. Geological and alteration mapping has commenced on the Old Company prospect. The preliminary work has indicated a correlation between structure, mineralisation, alteration and radiometric anomalies.



Hill End Gold Limited leases

Yours faithfully  
Hill End Gold Limited

Graham Reveleigh  
Managing Director