



HILL END GOLD LIMITED

ACN 072 692 365

Encouraging progress at Hargraves Project

29 September 2011

ASX Code : HEG, HEGO, HEGO A

Big Nugget Hill Deposit

- Resource re-estimate expected to be released early October 2011 after completion of extensive due diligence and peer review.
- Work to date expected to lead to a significant upgrade of resources from the Inferred category to the Indicated category.
- The Deposit is much larger than the current extent of drilling and closely-spaced drilling programs are under consideration for an additional 700m of strike and below 150m depth.
- Infill assaying of drill hole samples adjacent to high grade zones indicates the presence of a previously unrecognised low grade halo which will increase gold content of the deposit.
- Channel sampling across the Big Nugget Hill deposit outcrop over a strike length of 100m confirms strong gold mineralisation at surface in the sidewalls of historic workings. Best results above 0.5g/t gold are:
 - 2m @ 4.3 g/t Au (trench #1)
 - 4m @ 1.5 g/t Au (trench #2)
 - 10m @ 2.5 g/t Au (trench #3)
- Near surface and infill assaying of recent RC drill samples in the Southern Zone continue to provide encouraging results.

Gundowda Shear Zone

- Historical workings and surface rock samples indicate gold mineralisation along a one kilometre strike of the outcropping Gundowda zone.
- Channel sampling across some exposed areas returns spot moderate grade results.
- Geochemical sampling program of the interpreted two kilometre strike of the Gundowda zone is under consideration.

The Managing Director, Mr Philip Bruce, says "We have found that the Big Nugget Hill Deposit is much larger than the extent of drilling to date and with the recent appointment of Dr Stuart Munroe as Exploration Manager we are in good position to realise our strategy of increasing the quality of our resource inventory, and the quantity to over a million ounces, to facilitate the development of a commercially viable mining project."

Hill End Site and Registered Office
4 Bowen Street
Hill End NSW 2850
Phone +612 6337 8343
Fax +612 6337 8345

Sydney Principal Office
3 Spring Street
Sydney NSW 2000
Phone +612 8249 4416
Fax +612 8249 4919

Website: www.hillendgold.com.au
Email: admin@hillendgold.com.au

The wholly owned Hargraves Project is located approximately 35km north of Hill End, New South Wales. An initial combined Inferred and Indicated Resource for the Big Nugget Hill Deposit of 1,439,000 tonnes averaging 5.1g/t gold (234,400 contained ounces of gold) was announced in October 2010. This estimate relates only to an 800m portion of the Big Nugget Hill Deposit to a depth of approximately 200m.

A review and re-estimate of the Big Nugget Hill resource is close to completion. Recent drilling in the Central Zone has been included, although the drilling below 150m depth below surface is still quite widely-spaced. Data compilation and interpretation indicates that the Deposit is much bigger than the current extent of drilling and suggests a large increase in resources is likely with more closely-spaced drilling below 150m and along strike to the north and south.

The re-estimate has undergone an extensive due diligence exercise and peer review, which was conducted by an independent consultant and in-house personnel.

The 2010 estimate contained 74% of the resource estimate in the low confidence Inferred Resource category. Work to date has shown that the new resource estimate will lead to a significant upgrade of the Inferred Resources to the more confident Indicated Resource category. Under the JORC Code, Measured and Indicated Resources can be converted to Reserves based on project development criteria, though not necessarily Inferred resources.

The updated resource estimate for the Big Nugget Hill Deposit is expected to be released within two weeks.

Further resource upgrades are anticipated. Since there is no geological reason why the gold mineralisation would be limited to the extent of drilling to date, work is ongoing to establish a reasonable mining scenario and to plan for appropriate drilling to test extensions. Potential resource additions are expected to result in the future from the following activities:

- the infill assaying program, which has identified a low grade halo, and some high grade material, up and down dip of previously reported high grade results. This may add significantly to the metal content of the deposit.
- channel sampling and near surface drilling.
- drilling along the strike of the deposit deeper than 150m below surface where drill hole spacing is quite wide-spaced.
- drilling along strike to the north (~350m) and to the south (~350m) where wide-spaced drilling has indicated that the mineralisation continues. (See Figure 1)

The Gundowda Shear zone (see Figure 2) has been identified as a significant prospect given the extensive workings, high grade rock samples and the width (50-100m) and interpreted strike length (~two kilometres). While preliminary channel sampling of sporadic outcropping areas has returned mostly low grades, a more extensive geochemical survey is under consideration.

Hill End Gold Limited (ASX.HEG) has a clear focus on increasing resources and moving to significant gold production.

The HEG development strategy for the combined Hargraves and Hill End Gold Projects is to increase mineral resources to over one million ounces and to commence profitable production.

The Hargraves and Hill End Project tenements cover 860 square kilometres between Bathurst and Mudgee in New South Wales, Australia and include the three historic goldfields of Hill End, Hargraves and Windeyer, which are located within a radius of 35 kilometres.

The initial resource estimate completed in 2010 for the Big Nugget Hill deposit at Hargraves totals 1.44mt at 5.1g/t containing 234,400 ounces to a depth of about 200m below surface. An updated resource is currently being completed. At both Hargraves and Hill End there are numerous gold prospects in multiple parallel mineralised structures with evidence of significant previous production that are to be explored.

The Company holds a minimum 85% beneficial interest in the Mining Leases in the Hill End area and the area formerly subject to Exploration Licence 2037, which is now part of Exploration Licence 5868, and holds a 100% interest in other tenements. Other less advanced exploration projects are located in southern NSW and Laos.

Attribution

The information in this report that relates to 2010 Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Information that relates to 2011 Mineral Resources is based on information compiled by Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and was a full-time geological employee of the company. Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and both Mr Quayle and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Mr Quayle and Mr Bruce consent to the inclusion in the announcement of the matters based on their information in the form and context in which it appears.

For further information: Philip Bruce, Managing Director, M: 0412 409555

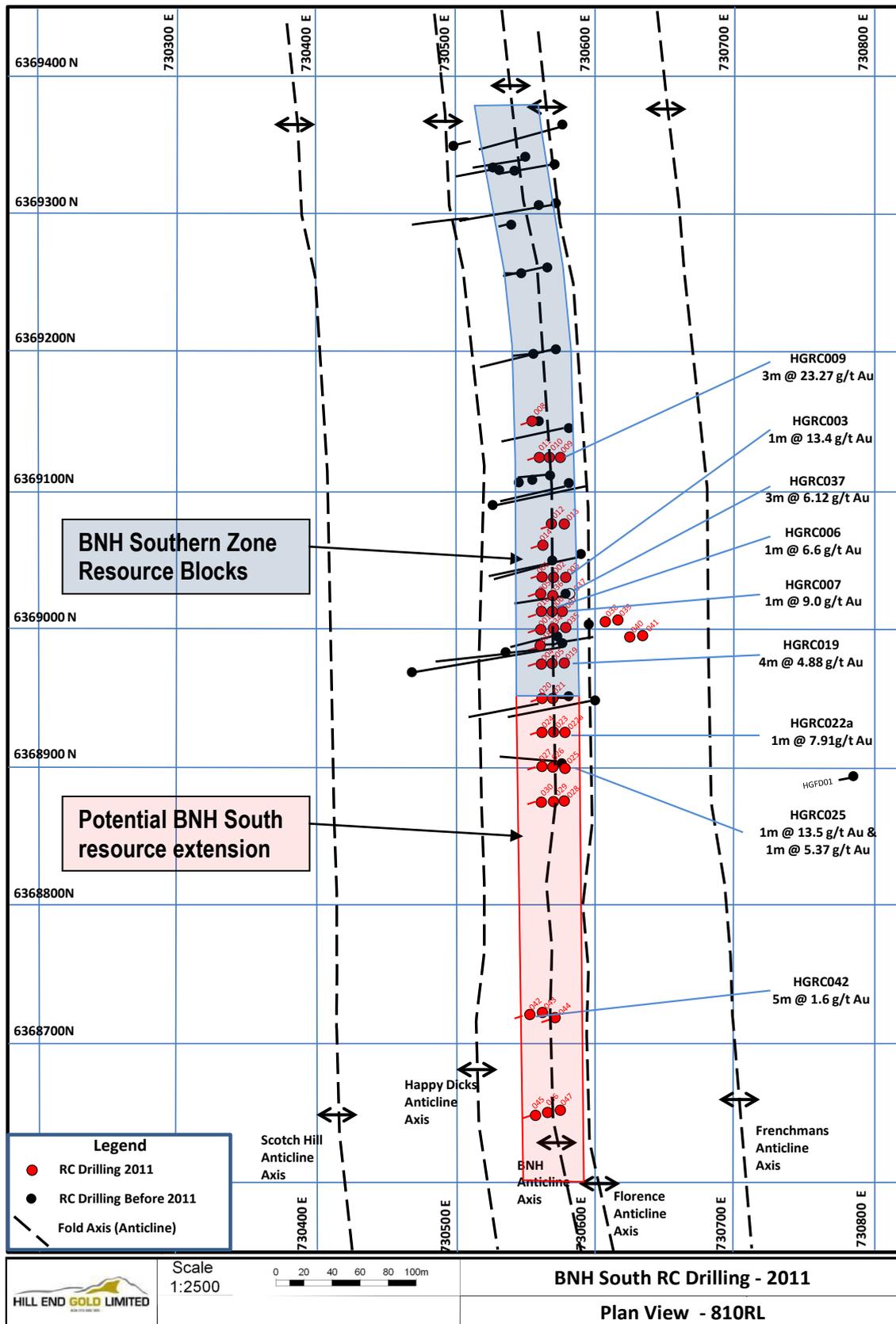


Figure 1: Big Nugget Hill Southern Zone drilling and potential resource extension to south

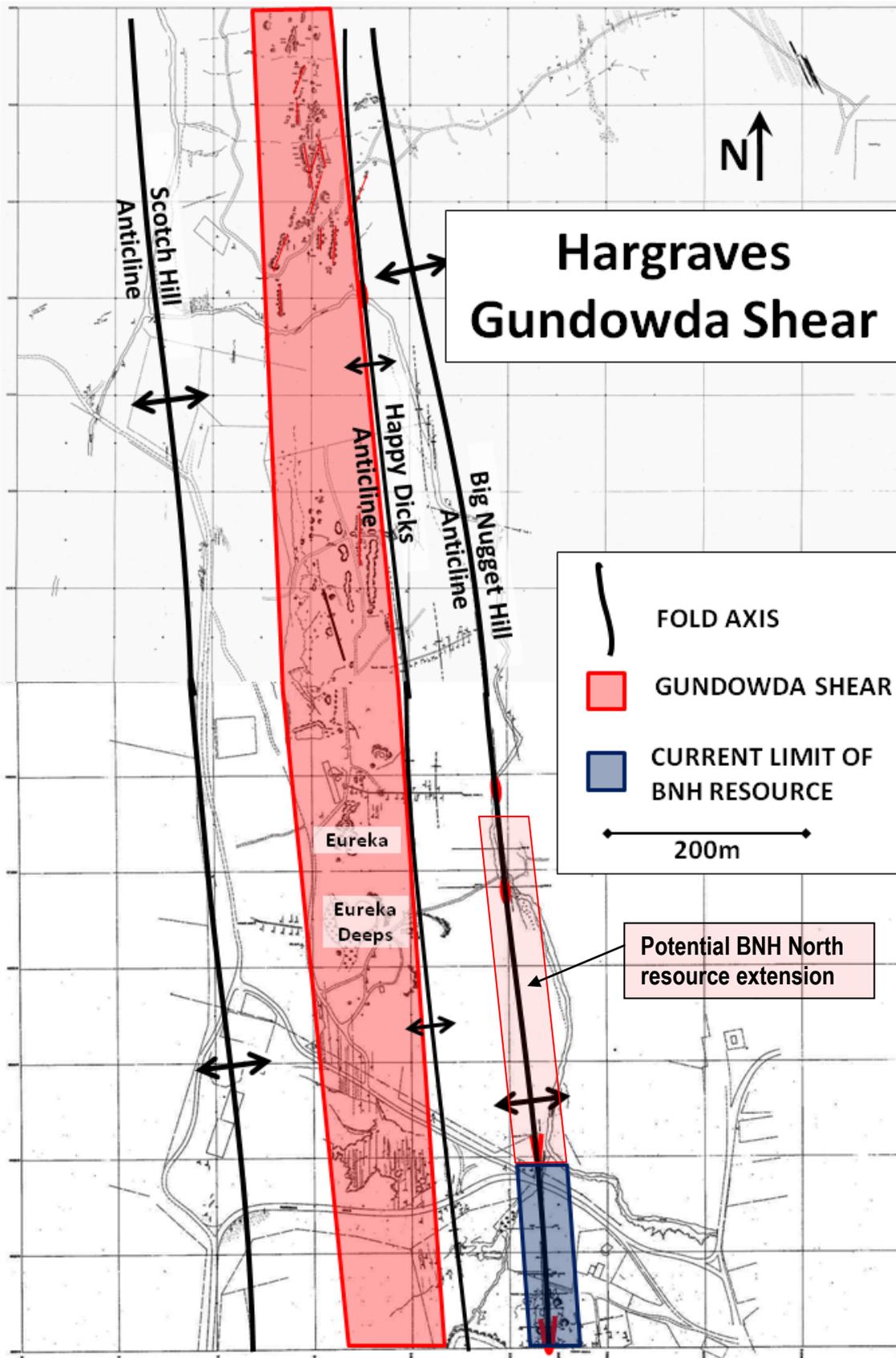


Figure 2: Part of the Northern Gundowda Shear Zone and potential Big Nugget Hill resource extension to north