



# HILL END GOLD LIMITED

ACN 072 692 365

Hargraves Project – 140% Increase in Indicated Resources

10 October 2011

ASX Code: HEG, HEGO, HEOA

- The Indicated Resources estimate for the Big Nugget Hill Deposit has increased by 140% to 143,000 ounces with a minor drop in the total Resource estimate:

Indicated Resources	1,262,000 tonnes at 3.5 g/t gold for 143,000 contained ounces
Inferred Resources	944,000 tonnes at 2.6 g/t gold for 78,000 contained ounces
Total Contained Ounces	221,000 ounces

- This significant upgrade of much of the Inferred Resource to Indicated Resource category results from an independently conducted due diligence and peer review of the geology and resource estimate within essentially the same portion of the Big Nugget Hill Deposit as used in the previous resource estimate.
- The estimate relates to an 800 metre portion of the 1,600 metre plus strike length of the Big Nugget Hill Deposit. Almost 90% of the Indicated Resource estimate occurs between surface and a depth of 150 metres.
- A pre-feasibility study will be conducted to determine the potential ore reserves based on open pit mining.
- The Deposit remains open along strike and at depth below 150 metres.

Managing Director Mr Philip Bruce said, "This significant re-estimate of resources at Hargraves follows the gold price increase and additional drilling on the Big Nugget Hill Deposit. The independently reviewed uplift in our Indicated Resource will lead to a pre-feasibility study to assess the potential ore reserves at the Deposit and will reinforce our drive to advance our projects to development. At the same time we plan further drilling to increase our resource base to over one million ounces."

The wholly-owned Hargraves Project is located approximately 30 kilometres south of Mudgee in central New South Wales and was the site of Australia's first reef gold mining operation. The Project is on Exploration Licence 6996 which covers multiple parallel gold-mineralised structures with historical gold production, in addition to the main Big Nugget Hill structure.

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A review and re-estimate of the Big Nugget Hill resource has recently been completed. The re-estimate involved an extensive due diligence exercise and peer review, which was conducted by an independent consultant and in-house personnel.

### September 2011 Resource Estimate Big Nugget Hill Deposit (+0.5g/t)

	Tonnes	Grade g/tAu	Contained gold oz
Indicated Resources	1,262,000	3.5	143,000
Inferred Resources	944,000	2.6	78,000
	<b>2,206,000</b>	<b>3.1</b>	<b>221,000</b>

Numbers include insignificant rounding errors.

This Indicated Resource is 140% larger than the previously estimated Indicated Resource of 60,300 ounces.

The substantial increase in the Indicated Resource category reflects an increase in confidence of the continuity of the mineralisation and a better understanding of the geological controls of the mineralisation. The new estimation criteria include a reduction in the influence of very high grade intersections, a top cut of 100g/t for larger search criteria and a reduction in the cut off grade to 0.5g/t.

This increase is an important advance for the Hargraves Project, since under the JORC Code, Measured and Indicated Resources, in contrast to Inferred Resources, can be converted to Reserves based on project development criteria. Almost 90% of the Indicated Resource occurs from surface to a depth of 150m and an open pit pre-feasibility study will be conducted to determine the potential ore reserves.

Approximately 20% of the total contained ounces and much of the Inferred Resource is between 150 and 300m below surface, where relatively widely-spaced holes have partially intersected the deposit.

The new resource estimate relates to only a portion of the Big Nugget Hill Deposit and estimation is restricted to a zone 800m long to an average total depth of about 200m. The Deposit remains open along trend and at depth beyond this zone. Widely-spaced deep drill holes indicate that mineralisation continues to at least 400m depth.

Further resource upgrades for the Big Nugget Hill Deposit are anticipated in the future as a result of the following activities:

- An on-going infill assaying program, which has identified a low grade halo, and some high grade material, adjacent to previously reported high grade results.
- Channel sampling and near surface infill drilling.
- Drilling along the strike of the deposit deeper than 150m below surface where drill hole spacing is currently widely-spaced.
- Drilling along strike to the north (approximately 350m) and to the south (approximately 350m) where widely-spaced drilling has indicated that the mineralisation continues.

Substantial potential exists for increasing the resource by further exploration and drilling of the multiple geologically similar structures within the Hargraves Project area.

A JORC checklist of the Big Nugget Hill Resource October 2011 estimate will be released on the Company's website [www.hillendgold.com.au](http://www.hillendgold.com.au).

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 recently upgraded resource estimate completed in October for the Big Nugget Hill Deposit at Hargraves totals 2.21mt at 3.1g/t containing 221,000 ounces to an average depth of about 200m below surface. 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 Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce and for Exploration results is based on information compiled by Stuart Munroe and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and was a full-time geological employee of HEG. Dr Munroe is a Member of the Australasian Institute of Mining and Metallurgy and Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and both are full-time employees of HEG. Mr Quayle, Dr Munroe 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, Dr Munroe and Mr Bruce consent to the inclusion of the matters based on their information in the form and context in which it appears.

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