



HILL END GOLD LIMITED

ACN 072 692 365

\$5m Cornerstone Investment Agreement

12 January 2012

ASX Code: HEG, HEGO, HEGO A

Infiniti Subscription Agreement

- An agreement with Infiniti Premium Resources Ltd (Infiniti) of Singapore has been executed to raise \$5m with the issue of 200m HEG shares representing 29.16% of the enlarged issued capital of HEG.
- The investment comprises a private placement (which is subject to shareholder approval) in two tranches, each of \$2m (80m HEG shares), and a zero coupon Convertible Note for \$1m which is convertible to 40m HEG shares.
- Upon shareholder approval Infiniti has the right to appoint one Director to the Board following the first tranche of the private placement and an additional director following the second tranche.

Hill End Gold Limited (HEG) is pleased to announce the execution of a Subscription Agreement with Infiniti Premium Resources Ltd (Infiniti) to raise \$5m with the issue of 200m HEG shares representing 29.16% of the enlarged issued capital of the Company. Infiniti is a closed-end fund, which specialises in investments in resource-based companies globally. Infiniti is managed by Infiniti Asset Management Pte Ltd, which is a subsidiary of Asiasons WFG Financial Ltd, a company founded in 2000 and listed on the Singapore Stock Exchange. The cornerstone investment has been facilitated and advised by Sino Investment Services Pty Ltd.

A Convertible Note for \$1m (40m HEG shares) is to be entered into within 14 days of execution of the Subscription Agreement and is payable in two tranches of \$0.5m each; one immediately and the second in a further 14 days. Subject to shareholders' approval for the private placement, the Convertible Note will be immediately converted in full to HEG shares, following the shareholders' meeting.

The first tranche of the private placement will be paid following shareholders' approval and, at the same time as the Convertible Note is converted. The second tranche of the private placement will be paid 30 days after the first tranche. One Infiniti-nominated Director will be appointed following the completion of each of the two tranches. If shareholders do not approve the private placement, the zero coupon Convertible Note will then be repayable six months after the shareholders' meeting.

HEG is pleased to welcome Infiniti as a cornerstone investor and looks forward to a strong working relationship that will support the growth of its resources and development of commercial projects.

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

A Notice of General Meeting, together with a supporting explanatory statement and an independent expert's report and an independent geologist's report and valuation to enable shareholders to make an informed decision on the matter (together with a recommendation by Directors) will be prepared for dispatch to shareholders by early February 2012 with the view to the meeting being held in early March 2012. Further announcements will be made to keep shareholders advised of progress.

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 from 557,000 ounces to over one million ounces and to commence profitable production.

The Hargraves and Hill End Project tenements cover 614 square kilometres between Bathurst and Mudgee in New South Wales, Australia and include the historic goldfields of Hill End and Hargraves. 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 100% beneficial interest in all its tenements except for certain tenements in the Hill End area, formerly subject to Exploration Licence 2037, which are subject to reduction to 85% if another party elects to contribute 15% to project development and costs upon an economic feasibility study. Other less advanced exploration projects are located in NSW and Laos.

For further information: Philip Bruce 0412 409555