



ACN 072 692 365

30 January 2012

Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

ASX: HEG

Issue of Convertible Notes, Cleansing Notice and Appendix 3B

Hill End Gold Limited (**HEG**) is pleased announce the issue of 20 million convertible notes with a face value of 2.5 cents each as per the ASX announcement of 12 January 2012 (Execution of a Subscription Agreement) to Infiniti Premium Resources Ltd.

Attached - Cleansing Notice and Appendix 3B.

For further information: Philip Bruce 0412 409 555

CLEANSING NOTICE
issued under section 708(12C)(e) of the Corporations Act 2001 (Cth)
(as inserted by ASIC Class Order [CO 10/322])

1 Summary

This Cleansing Notice has been prepared for the purposes of section 708(12C)(e) of the *Corporations Act 2001* (as inserted by ASIC Class Order [CO 10/322]) to enable fully paid ordinary shares in the capital of Hill End Gold Limited (**Company**) to be issued on conversion of the convertible notes issued by the Company to Infiniti Premium Resources Ltd (**IPR**) to be on-sold to retail investors.

This Cleansing Notice is important and should be read in its entirety.

2 The effect of the issue of the Notes on the Company

2.1 Background

On 25 January 2012, the Company and IPR entered into a convertible note deed pursuant to which the Company agreed to issue, and IPR agreed to acquire 40,000,000 convertible notes (**Notes**) with an aggregate issue price of \$1,000,000 (**Issue Price**) as follows:

- (a) 20,000,000 Notes on 30 January 2012 (**First Tranche Notes**); and
- (b) 20,000,000 Notes on 13 February 2012 (**Second Tranche Notes**).

An outline of the rights and liabilities attaching to the Notes is provided in section 3 of this Cleansing Notice.

This Cleansing Notice relates to the issue of the First Tranche Notes.

2.2 Use of proceeds

The First Tranche Notes to be issued by the Company will raise \$500,000 (less the expenses associated with the issue of the First Tranche Notes). The Company will use the net proceeds from the issue of the First Tranche Notes for working capital purposes.

If the Shareholders approve the issue of Shares to IPR pursuant to a subscription agreement entered into between the Company and IPR (as announced on 12 January 2012) (**Subscription Agreement**), the Notes will be repaid by the Company on issue of the first tranche of Shares under the Subscription Agreement by set off against the subscription price payable by IPR for those Shares.

2.3 The issue of the First Tranche Notes

IPR will subscribe for, and the Company will issue, the First Tranche Notes on the date of, or the day following, the date of this Cleansing Notice (**Issue Date**). The Issue Price is payable by IPR to the Company on the Issue Date.

2.4 Effect of the issue on the Company

The principal effects of the issue of the First Tranche Notes on the Company will be to:

- (a) increase the Company's cash reserves by \$500,000 (after deducting the Company's expenses associated with the First Tranche Notes issue) immediately upon the Notes being issued;
- (b) give rise to the Company assuming a liability for the proceeds received from IPR for payment of the Issue Price of the First Tranche Notes less any amount which has been the subject of a conversion into new Shares, repaid or prepaid; and
- (c) if the First Tranche Notes are converted, either in whole or in part, increase the number of Shares as a consequence of the issue of new Shares to IPR. The number of new Shares to be issued to IPR will depend on whether the First Tranche Notes are converted in whole or in part.

2.5 Effect of the issue on share structure

The current issued capital of the Company (before the issue of the Notes) is set out below.

Type of security	Securities prior to the issue of the First Tranche Notes	Securities following the issue of the First Tranche Notes
Shares	485,526,036	485,526,036
Options ¹	48,512,222	48,512,222
Convertible Notes	-	20,000,000

Note 1 - Options

Number	Description
20,682,222	Listed options expiring 28 February 2012
22,080,000	Listed options expiring 24 May 2014
5,750,000	Unlisted employee options expiring 22 November 2012
48,512,222	Total

As noted in section 2.4, the number of new Shares to be issued to IPR (if any) will depend on whether the First Tranche Notes are converted in whole or in part.

If all First Tranche Notes are converted (and assuming no other present dilutive securities are converted or exercised, such as options), 20,000,000 new Shares would be issued to IPR, which would give IPR a relevant interest in approximately 3.96% of the expanded total number of Shares.

3 Rights and liabilities attached to the First Tranche Notes

A summary of the key conditions of issue of the First Tranche Notes are set out below.

3.1 Issue Price

The aggregate Issue Price of the First Tranche Notes is \$500,000 (2.5 cents per Note).

3.2 Payment of the Issue Price

Each Note must be paid for in full on the Issue Date.

3.3 Interest

No interest is payable on the Notes.

3.4 Security

The Notes are unsecured and rank above all issued Shares but rank behind all secured debts in the event of a winding up of the Company.

3.5 Conversion

Each Note converts into one Share.

IPR may convert any Notes at any time after the Business Day following the general meeting of the Company (**Shareholders Meeting**) to approve the issue of Shares to IPR pursuant to the Subscription Agreement if shareholder approval is not obtained at that meeting by delivering a conversion notice to the Company.

3.6 Mandatory Redemption

All of the Notes held by IPR must:

- (a) if shareholder approval is obtained at the Shareholder Meeting for the transactions contemplated by the Subscription Agreement, be redeemed on issue of the first tranche of Shares pursuant to the Subscription Agreement. In these

circumstances the redemption amount payable by the Company will be set off against IPR's obligation to pay the subscription price for the first tranche of Shares; or

- (b) unless those Notes have been, or are to be, converted under a Conversion Notice, be redeemed on the date being 6 months after the Issue Date.

3.7 Voluntary Redemption

IPR may elect to redeem the Notes if an event of default occurs (being an insolvency event or a breach by the Company of its obligations under the convertible note deed). The Company may elect to redeem the Notes on 30 days prior written notice to IPR.

3.8 Entitlements

The Note will not carry any entitlement to attend or vote at a general meeting of Shareholders nor any entitlement to participate in any future issues of securities by the Company.

3.9 Transferability

The Note is not transferable unless the transferee is a sophisticated investor.

3.10 ASX listing

The Notes will not be quoted on ASX or any other securities exchange.

4 Rights and liabilities attaching to Shares issued on conversion of the Note

The new Shares to be issued to IPR on the conversion of the Note will rank equally in all respects with all of the existing Shares. The rights attaching to Shares, including the new Shares to be issued to IPR on the conversion of the Note, are set out in the Constitution and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

The following is a summary of the principal rights attaching to those Shares.

4.2 Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands and, on a poll, one vote for every Share held by him or her.

4.3 Dividends

The Directors may from time to time out of profits of the Company pay such dividends as appear to the directors to be justified by the profits of the Company, and may fix the time for payment.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends must be paid according to the amounts paid on the shares in respect of which the dividend is paid.

4.4 Transfer of shares

Except where required by law or elsewhere in the Constitution, there shall be no restriction on the transfer of shares. Notwithstanding anything to the contrary, the directors may determine not to issue a share certificate if that decision is not contrary to the law.

4.5 Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

4.6 Issue of further Shares

The Directors may allot, issue or grant options in respect of, further Shares on such terms and conditions as they see fit. However, the Directors must act in accordance with the Constitution, law, the ASX Listing Rules and any rights for the time being attached to the Shares.

5 Additional information

5.1 The Company is a "disclosing entity"

The Company is a "disclosing entity" under the Corporations Act and, accordingly, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specific events and matters as they arise. In particular, the Company has an obligation under ASX Listing Rule 3.1 and section 674 of the Corporations Act (subject to certain limited exceptions) to notify ASX immediately once it is or becomes aware of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit report or review. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (refer to section 5.2).

5.2 Copies of documents

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2011 (**2011 Financial Report**);
- (b) any half-year financial report lodged by the Company with ASIC after the lodgement of the 2011 Financial Report and before the lodgement of this Cleansing Notice with ASX; and
- (c) any continuous disclosure documents given by the Company to ASX after the lodgement of the 2011 Financial Report and before the lodgement of this Cleansing Notice with ASX.

A list of the continuous disclosure documents given by the Company to ASX after the lodgement of the 2011 Financial Report and before the lodgement of this Cleansing Notice with ASX is set out in the table below.

<u>Date</u>	<u>Headline</u>
12/01/2012	\$5m Cornerstone Investment Agreement
23/12/2011	Change of Director`s Interest Notice
21/12/2011	New Application in the Lachlan Fold Belt
06/12/2011	Change of Director`s Interest Notice
05/12/2011	Change of Director`s Interest Notice
22/11/2011	Results of Meeting
22/11/2011	Managing Director AGM Presentation
22/11/2011	Chairman`s Address to Shareholders
22/11/2011	First Tiffany
31/10/2011	Annual Report to shareholders
31/10/2011	Quarterly Activities and Cashflow Report
25/10/2011	Red Hill RC Drilling Results
20/10/2011	Amended Notice of Meeting
19/10/2011	Notice of Meeting
13/10/2011	Investor Presentation
10/10/2011	Hargraves Project - 140% Increase in Indicated Resources
29/09/2011	Encouraging Progress at Hargraves Project (amended)
29/09/2011	Encouraging progress at Hargraves
15/09/2011	Final Director`s Interest Notice
14/09/2011	Appointment of Exploration Manager
13/09/2011	Vale - Director Ian Sloan

5.3 Consent

The following consent has been given in accordance with the Corporations Act (as amended by ASIC Class Order [CO 10/322]) and has not been withdrawn as at the date of this Cleansing Notice:

IPR has given their written consent to being named in this Cleansing Notice in the form and context in which they are named.

6 Excluded information

As at the date of this notice, there is no information:

- (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) that investors and their professional advisors would reasonably require for the purposes of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performances, profits and losses of the Company; or
 - (ii) the rights and liabilities attaching to the Shares.

7 Glossary

2011 Financial Report means the annual financial report lodged by the Company with ASIC in respect of the year ended 30 June 2011.

A\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the listing rules of ASX.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney in the state of New South Wales, Australia.

Cleansing Notice means this Cleansing Notice issued under section 708(12C)(e) of the Corporations Act (as inserted by ASIC Class Order [CO 10/322]).

Constitution means the constitution of the Company at the date of this Cleansing Notice.

Conversion Notice means the notice by which IPR notifies the Company that it wishes to convert Notes into new Shares, as outlined in section 3.5.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Cleansing Notice.

Issue Date means the date of issue of the Note, being the date of, or the day following the date of, this Cleansing Notice.

Notes means the unsecured convertible notes to be issued by the Company to IPR on the Issue Date.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Hill End Gold Limited

ABN

072 692 365

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 20,000,000 Convertible Notes with a face value of 2.5 cents each. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Convertible Notes with a face value of 2.5 cents each. Terms per Cleansing Notice 30 January 2012 and ASX announcement 12 January 2012. |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> · the date from which they do · the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment · the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares issued as the result of the conversion of Convertible Notes will rank equally with ordinary fully paid shares from the date of allotment.</p>									
5	Issue price or consideration	<p>Nil, Convertible Notes have a face value of 2.5 cents each.</p>									
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Per the ASX announcement 12 January 2012, Exploration programs at the Hargraves and Hill End Projects and working capital</p>									
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	<p>30 January 2012</p>									
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>485,526,036</td> <td>Fully Paid Ordinary Shares</td> </tr> <tr> <td>20,682,222</td> <td>Listed options expiring 28 February 2012</td> </tr> <tr> <td>22,080,000</td> <td>Listed options expiring 24 May 2014</td> </tr> </tbody> </table>	Number	+Class	485,526,036	Fully Paid Ordinary Shares	20,682,222	Listed options expiring 28 February 2012	22,080,000	Listed options expiring 24 May 2014	
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+ See chapter 19 for defined terms.

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	5,750,000 20,000,000	Unlisted employee options expiring 22 November 2012 Convertible Notes with a face value of 2.5 cents each.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A	
12	Is the issue renounceable or non-renounceable?	N/A	
13	Ratio in which the +securities will be offered	N/A	
14	+Class of +securities to which the offer relates	N/A	
15	+Record date to determine entitlements	N/A	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A	
17	Policy for deciding entitlements in relation to fractions	N/A	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A	
19	Closing date for receipt of acceptances or renunciations	N/A	
20	Names of any underwriters	N/A	

+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	N/A

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> · the date from which they do · the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment · the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A				
42	<p>Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 2px;">Number</th> <th style="width: 50%; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px; text-align: center;">N/A</td> <td style="padding: 5px;"></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class					
N/A						

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C (6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 30 January 2012
(~~Director~~/Company Secretary)

Print name: Kevin Martin Lynn

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+ See chapter 19 for defined terms.