



HILL END GOLD LIMITED

ACN 072 692 365

Hargraves Project - First JORC Resource

6 October 2010

HIGHLIGHTS

- The first JORC Resource estimate for the Big Nugget Hill Deposit in the Hargraves Project is 234,400 contained gold ounces.

Indicated Resources	302,000 tonnes at 6.2 g/t gold for 60,300 contained ounces
Inferred Resources	1,137,000 tonnes at 4.8 g/t gold for 174,100 contained ounces.
Total Contained Ounces	234,400 ounces
- The Resource relates to an 800m length of the Big Nugget Hill Deposit to a depth of about 200m. The deposit remains open along trend and at depth beyond the limits of the currently delineated resource. Widely spaced deep drill holes indicate mineralisation continues to at least 400m depth.
- Substantial potential exists for increasing and upgrading the resources by further delineation drilling of the Big Nugget Hill structure and of the multiple geologically similar structures within the Hargraves Project area.

The Hargraves Project, located 30 kilometres south west of Mudgee in central New South Wales, Australia, covers a 10 x 4km historic goldfield which was the site of Australia's first reef gold mining. The goldfield was discovered in 1851 with a 50kg piece of gold-in-quartz mined from the surface outcrop of the Big Nugget Hill Deposit. The associated alluvial field contained many large nuggets up to 2,700 ounces. Exploration Licence 6996, wholly owned by Hill End Gold Limited (HEG), covers multiple parallel gold-mineralised structures with historical gold production in addition to the Big Nugget Hill structure which has been the focus of HEG's drilling.

Commenting on the initial JORC Resource, Hill End Gold's Managing Director Philip Bruce said, "Over the last year we have completed an extensive drilling program to test the Big Nugget Hill Deposit generally to a depth of about 150m, and with a few holes to 400m depth. We are extremely satisfied with the results and with the size of the resource estimate for the portion of the overall deposit drilled so far. I am very confident that we will increase the resource substantially as we continue drilling on the Big Nugget Hill structure and other nearby targets. Importantly, the gold mineralisation is amenable to simple relatively low cost gravity treatment. We intend shortly to commence scoping studies into various development options. However our immediate priority is to increase the Resource by further drilling. The Hargraves Project is a most valuable asset for our Company."

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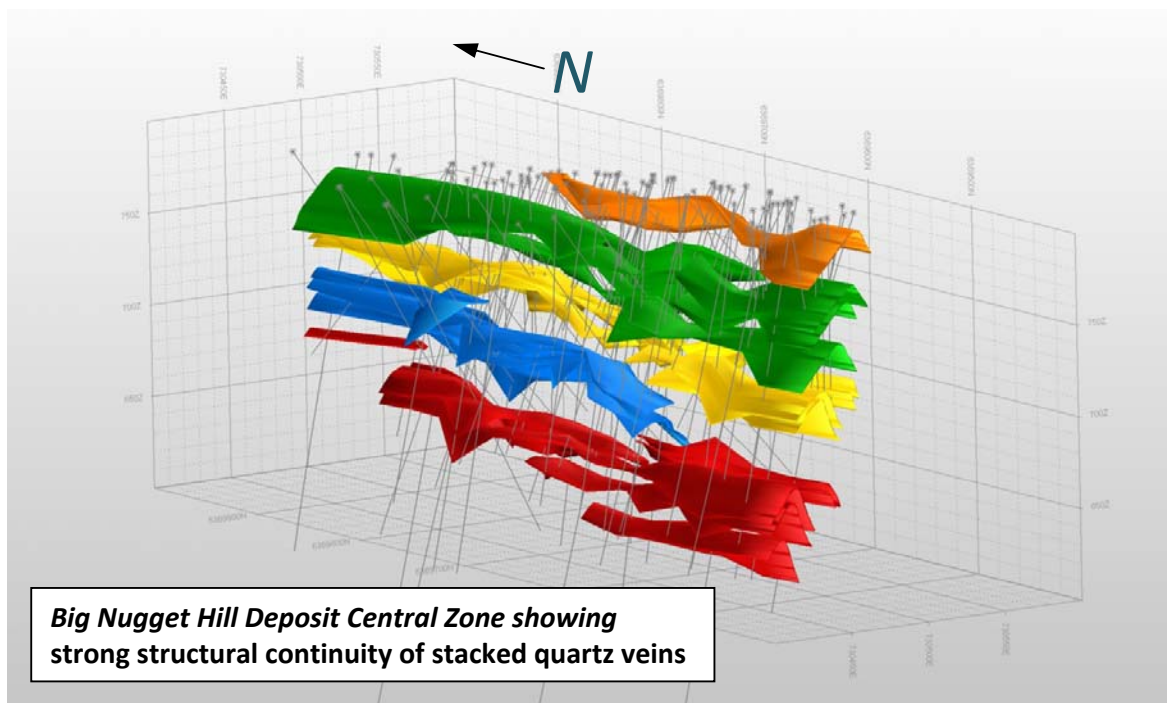
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The Resource relates to only a part of the Big Nugget Hill Deposit and estimation is restricted to a zone 800m long to a depth of about 200m. The deposit remains open along trend and at depth beyond this zone. Widely spaced deep drill holes indicate mineralisation continues to at least 400m depth.

Substantial potential exists for increasing the resource by further delineation drilling of the Big Nugget Hill structure and of the multiple geologically similar structures within the Hargraves Project area.

The Big Nugget Hill Deposit occurs along the axis of a well-defined tight anticline in folded sediments as a series of bedding parallel quartz veins. The stacked veins exhibit strong structural continuity as illustrated below.



Resources at 1 g/t gold cut-off have been recently estimated using the methodology outlined in the Appendix of this announcement. The estimate is principally based on the 16,668m of drilling completed since 2008 by HEG.

Resource estimate Big Nugget Hill Deposit

	Tonnes ⁽¹⁾	Grade ⁽²⁾ g/tAu	Contained ⁽³⁾ gold oz
Indicated Resources	302,000	6.2	60,300
Inferred Resources	1,137,000	4.8	174,100
	1,439,000	5.1	234,400

⁽¹⁾ Tonnage figures are rounded to nearest 1000.

⁽²⁾ Grade figures are rounded to the nearest 0.1.

⁽³⁾ Contained gold figures rounded to nearest 100.

Attribution

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Mike Quayle and Philip Bruce. Mr Quayle is a Member of The Australian Institute of Geoscientists and Mr Bruce is Fellow of the Australasian Institute of Mining and Metallurgy. 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.

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APPENDIX

DRILLING DATA

Year	Company	Type	Holes	Metres	Samples used in estimation
2008-2010	Hill End Gold	HQ3	91	16,668	4,388
1988	Challenger Mining	HQ	16	2,008	218
1987	Challenger Mining	RC	34	2,311	385
1984	Compass Resources	RC	<u>26</u>	<u>2,483</u>	<u>156</u>
TOTAL			167	23,470	5,147

All HEG drill hole collars were surveyed using Differential GPS or Trimble Total Station together with previously drilled holes if they were still evident. All HEG and Challenger downhole surveys were conducted using Reflex digital single or multi-shot cameras. A high quality photographic record is kept of all HEG core.

All drill hole data is stored in an acQuire database and worked using linked Micromine software.

GEOLOGY

HEG core was logged in detail and core containing quartz veins was separately sampled and assayed. The various quartz vein styles (bedded, feeder structure and ptigmatic quartz veins) are closely associated with the gold mineralisation and each quartz vein style has a separate structural orientation. A detailed manual interpretation of the deposit was completed and the significant features, such as the dominant quartz reefs and feeder structures were wireframed to assist with block modelling. Geological logging was conducted or supervised by geologists with considerable experience and expertise in this type of deposit and they are confident concerning the validity of the deposit model.

ANALYTICAL METHODS

HEG drill core containing quartz veining was cut in half by diamond saw and the samples analysed by LeachWell whole sample Accelerated Leach Technique at SGS Laboratories, Townsville. Additional analyses were performed on higher grade samples using Fire Assay and/or Gravimetric methods with AAS finish. Challenger reverse circulation drill samples were analysed by 50g Fire Assay by AAL Orange, with selected Screen Fire Assay re-assay by Fox Anamet, Sydney and HQ core samples with FAS4 by Comlabs. Compass reverse circulation samples were analysed by 50g Fire Assay or by Screen Fire Assay by AAL Orange if a high percentage of quartz was logged.

BLOCK MODELLING

The block modelling procedure using Micromine software was based on the quartz vein style and detailed structural data as well as an interpretation of gold grade distribution. Separate block model processing of each vein style and its associated structural orientation was done to ensure that the block positions and estimates of gold distribution conformed closely to the interpreted geology. The estimate used a low cutoff grade of 1g/t gold and a top cut of 320g/t. Bulk density used was 2.7 tonnes per cubic metre based on core measurements.

Grade interpolation used an inverse distance squared with the following search ellipse parameters:

	Strike (m)	Dip (m)	Thickness (m)
Indicated	10	8	0.5
Inferred	50	24	0.5
Block size	10	1	1