



HILL END GOLD LIMITED

ACN 072 692 365

13 October 2017

The Manager
ASX Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX: HEG, HEGOC

HPA Project beneficiation sizing completed

Highlights

- The Board is pleased to advise that excellent test work results for the first stage process design for the high purity alumina (HPA) project have been received.
- Beneficiation sizing results confirm an excellent mass yield of 46% at -63 microns assaying >33% Al₂O₃ in a low contaminant kaolin product.
- A higher cut at -106 microns results in only minor non-reactive contaminants being introduced and indicating a reliable scale up at -63 microns for plant design.
- The run-of-mine material readily disaggregated and the fine product fraction settled quickly.
- The coarser fractions have grades up to 98% silica and may constitute a valuable by-product.
- The -63 micron cut size will be used on the ~900 head assay samples for resource estimation.
- The portion of the Yendon deposit drilled to date is 3-4 times larger than expected and the assaying of the greater number of samples is expected to be completed in November.
- Mine planning will delineate the high grade resource samples for HPA metallurgical test work.
- An initial sample is currently undergoing the established HPA purification test work to produce a HPA product, with results to date for calcining and leaching proving very encouraging.
- This initial HPA product is expected to be available in November, with full test work and other studies for the Preliminary Feasibility Study in early 2018.

Chairman Philip Bruce says *“These excellent results to date indicate that the beneficiation process will produce a superior HPA feedstock for a simple HPA process facility. The demonstrated success of the established HPA processing route, which will be known in the next month, will greatly assist discussions for offtake arrangements to support the Preliminary Feasibility Study.”*

The results confirm Tolga Kumova’s earlier comments that, *“the superior kaolin qualities indicate a powerful economic case for the project, and combined with exponential growth rates being witnessed by high purity alumina end markets, the investment case speaks for itself.”*

Hill End Site Office
4 Bowen Street
Hill End NSW 2850
Phone +612 6337 8343

Sydney and Registered Office
Suite 111, 350 George Street
Sydney NSW 2000
Phone +612 8283 1915

Website: www.hillendgold.com.au
Email: hegadmin@tpg.com.au

For personal use only

HPA Project (100%: Victoria – EL5457, EL5461)

Approximately 900 kaolinised samples from the Yendon air core drilling program have been dispatched to LabWest Mineral Analysis in Perth WA for optimal beneficiation sizing test work and head assay analysis for the maiden resource estimate.

The optimal cut size for the kaolin beneficiation process is to be used for plant design and as the cut size for the ~900 samples to be assayed for the resource estimate. The sizing test work was conducted on a representative 25kg composite of fifty air core samples from the Dam area. The composite was wet screened in a sieve series from 1mm to 45 microns and all fractions were weighed and assayed.

Beneficiation sizing

Size (Microns) 100% passing	Yield%	Al ₂ O ₃ %	SiO ₂ %	Fe ₂ O ₃ %	TiO ₂ %
1000	77.5	21.0	67.1	0.87	0.58
106	49.8	32.2	49.9	0.93	0.89
75	47.5	32.9	48.7	0.94	0.92
63	46.3	33.2	48.2	0.95	0.93
53	44.9	33.4	47.7	0.96	0.95
45	43.6	33.6	47.3	0.97	0.96

The 63 micron size was chosen as the beneficiation cut size for process design and resource estimation head assaying. The results indicate that process plant scalability will be quite reliable given the low variance between the -106 and -45 micron products and that the kaolin deposit is readily beneficiated to a superior feedstock for the HPA leach and purification process.

Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

HEG Limited (HEG) is an ASX-listed exploration and resource investment company with projects and investments that are in late exploration / early development phase with high value potential.

HEG has extensive experience in exploration, development and operation of resource and technology projects and in acquiring and enhancing project and corporate opportunities.

HEG's HPA Project proposal is to mine kaolin from tenements near Ballarat, Victoria and produce +99.99% high purity alumina products for the battery and LED lighting sectors which are experiencing exceptional demand growth with the pressure for reduced power consumption, improved power storage and increasing electric vehicle production.

HEG's gold projects of Hargraves and Hill End in central New South Wales, Australia have gold resources totalling 571,000 ounces (20.9.2016) and pre-development activities continue for two potential low cost open pit development projects.

For further information:

Philip Bruce
Chairman
0412 409555

Kevin Lynn
Company Secretary
0411 403585

For personal use only