



HILL END GOLD LIMITED

ACN 072 692 365

Hargraves pre-development study positive

ASX Code: HEG, HEGO A

24 April 2013

Hargraves Project pre-development study shows:

- Base case production of 100,000 ounces of gold over four years
- Gold grades of 2.3 – 3.3 g/t from two open pits on the Big Nugget Hill resource
- Total cost (including capital recovery) of less than \$1,000/ounce, below industry average of \$1,170/ounce¹
- Low capital cost of \$15m with payback within the first year
- Simple, relatively low-cost environmentally friendly gravity process allows excellent gold recoveries
- Progression to Feasibility Study is justified

A pre-development study into development of the Big Nugget Hill Deposit at the Company's wholly-owned Hargraves Project (Figure 1) has been completed with the assistance of external consultants. The resource estimate for the Big Nugget Hill Deposit is:

Indicated Resources	1.3 Mt at 3.5 g/t gold	(143,000 oz)
Inferred Resources	0.9 Mt at 2.6 g/t gold	(78,000 oz)
Total	2.2 Mt at 3.1 g/t gold	(221,000 oz)

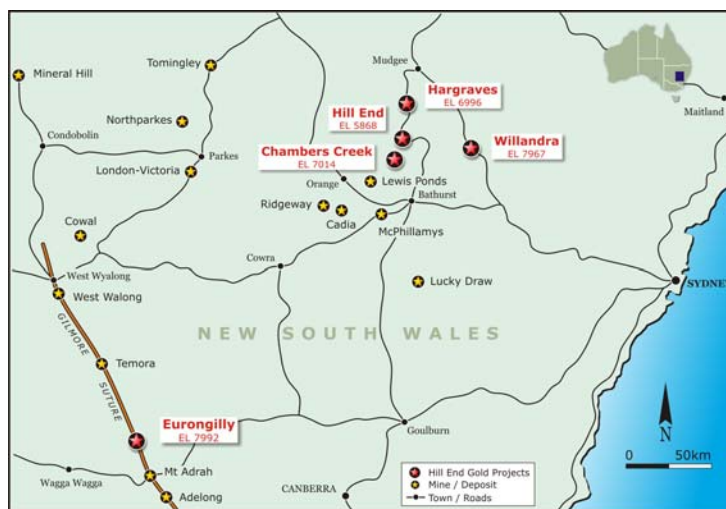


Figure 1. HEG project areas

¹ Bell Potter analysis of gold mining weighted average total operating costs (January 2013)

Gold at Hargraves occurs in sediment-hosted quartz veins developed near the north-south trending Big Nugget Hill Anticline. It is contained in bedding parallel veins, folded veins and in steep faults in the hinge of the Anticline. Minor quantities of sulphides, predominantly pyrite, accompany the gold.

Two open pits, Central and South, on the basis of pit optimisation studies completed at a base case gold price of A\$1,450/oz are expected to produce 1.2 Mt of ore at 2.9 g/t gold (100,000 oz). Mining at 300,000 tonnes per year provides average annual production of 25,000 ounces. Waste to ore ratio is approximately 11:1 over the life of mine.

Metallurgical test work indicates that crushing to a relatively coarse grainsize (0.5 mm) followed by simple gravity treatment provides excellent gold recovery of approximately 85-90%. The grade of gravity tailings will be less than 0.15 g/t gold.

Process design studies indicate the processing circuit can be built at a very low capital cost using the Company's existing plant and additional used equipment. As neither whole ore flotation nor cyanidation is required, capital costs are significantly reduced and any potential environmental impacts minimised.

Total operating cost is estimated at less than \$1,000/ounce. Capital cost of \$15 million is paid back within the first year of operation.

Opportunities exist to increase the resources at Hargraves by extensional drilling of the Big Nugget Hill Deposit and exploration drilling at nearby prospects including the Meroo Prospect. Success would enhance the overall project's economics.

The positive outcome of the pre-development studies justifies the Company progressing to a Feasibility Study. A Conceptual Project Development Plan, therefore, will shortly be presented to the NSW Department of Trade & Investment, Resources & Energy to initiate the process required for obtaining a Mining Lease.

Philip Bruce
Managing Director

Competent Persons' Statement

The information in this announcement is based on information compiled by Stuart Munroe and Philip Bruce. 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. 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). 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.

About Hill End Gold Limited

Hill End Gold Limited (ASX:HEG) is an exploration and development company with the objective of becoming a mid-tier producer based on its projects at Hill End and Hargraves in the historically gold-rich region in central New South Wales, Australia, and through continuing its acquisition of projects with significant potential. Gold resources defined by the Company currently total 557,000 ounces. The Company's strategy is to increase resources to more than one million ounces in the short term to form a basis for profitable production on a significant scale.

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