



HILL END GOLD LIMITED

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Yendon HPA Project Update

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Hill End assessing commercial scale demonstration plant as part of Yendon high purity alumina definitive feasibility study

Larger demonstration scale plant would have the key benefit of generating positive cashflow at significantly lower capex than the full size operation while also establishing markets for and reducing costs of the full scale project

Hill End Gold (ASX:HEG) is pleased to advise that as part of the Definitive Feasibility Study (DFS) of its Yendon High Purity Alumina (HPA) Project in Victoria, the Company is assessing options for substituting the planned pilot plant with a larger commercial scale demonstration plant.

Under the scenario being assessed, the demonstration scale plant would produce a commercial volume of HPA up to 1000 tonnes a year.

This option could deliver several key benefits for both the DFS and Hill End's profitability. These would include:

- Such a plant would provide all the benefits of a pilot plant in respect to process optimisation and proof of scalability up to 8,000tpa of HPA;
- Capex of such a demonstration plant is yet to be determined, but is expected to be a small fraction of the US\$270 million identified in the 8,000 tpa Yendon HPA project pre-feasibility study (PFS);
- Production at this scale could start in a relatively short time frame, potentially years ahead of the 2022 commissioning schedule outlined for the 8,000 tpa HPA plant in the Yendon PFS;

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- The plant would continue to operate once the study phase was completed, generating ongoing revenue from HPA sales;
 - The plant would produce marketable quantities of HPA. These would be used to meet the HPA customer supplier accreditation processes and generate small scale offtake contracts, which would translate to large contracts when the full scale HPA operation is commissioned.
 - Having established HPA production through the demonstration plant, secure markets for the product, cash flow and strong customer relationships would in turn assist with obtaining funding for the 8,000 tpa HPA project. In addition, learnings from the construction and operation of the plant could reveal capital cost savings for the full-sized plant.

Hill End emphasises that this option needs to be fully assessed to determine the capital and operating costs to ensure it is financially feasible. The funding alternatives for such a plant also need to be determined.

It is envisaged that upon completion of the study phase, a demonstration scale plant would continue to operate as a small commercial plant.

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