

ACN 072 692 365

Hill End Update 5 September 2008

ASX Code: HEG, HEGO, HEGOB

- · Recent gold pours continue to return high grade results for underground mining.
- Processing plant continues to increase thoughput.
- Paxton's 671 north drive on high grade.
- Reward Exhibition shaft steelwork being assembled on site.

Hill End Gold Limited has recently poured 240 ounces of fine gold in three bars which has been sourced from the high grade M2 floor stopes and the low grade M2 1500 drive. The gold included in these pours was only a portion of the gold recovered and additional gold will be produced from further processing of the Knelson concentrates. The grade of the 507 tonnes processed, which contributed to this output, is expected to be of the order of 20-30g/t gold.

The Amalgamated gravity treatment plant has been operating on two shifts since the middle of August and this week has operated at its most productive level since commencement of operations. The plant has achieved 53 tonnes per day at an average rate of nearly 4 tonnes per hour and further improvement is expected after modifications next week.

Development on the Paxton's 671 level is proceeding satisfactorily to the north and rise connections have been made to the 683 level to finish the nine metres of cross cutting to the Paxton's vein set, and the commencement of driving on that level.

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 is a full-time geological contractor for the company. 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.

For further information: Philip Bruce 0412 409555

Website: www.hillendgold.com.au

admin@hillendgold.com.au