



HILL END GOLD LIMITED

ACN 072 692 365

Report for September 2008 Quarter

31 October 2008

ASX Code : HEG, HEGOB

Hill End Project, NSW

Reward

- *Gold production up to 663 ounces for the quarter included in a project total of 1029 ounces from 1761 tonnes at 23 g/t gold.*
- *Initial stoping on high grade M2.*
- *Initial development on two levels from Reward Shaft in high grade Paxton's.*
- *Underground diamond drilling intersects wide Central Zone with 4.1g/t gold over 17.3 metres in HHUGD09.*
- *Reward Shaft installation completed.*

Hargraves

- *BNH deposit downhole diamond drill intersections of 4.2g/t gold over 75 metres in HGD12 and 1.07g/t gold over 148 metres in HGD14.*
- *Preliminary exploration potential estimate for BNH deposit of over 1mt at 7.7g/t gold.*

Swan Hill, NSW

- *Field work initiated.*

Lak Sao, Laos

- *Discussions underway with parties in Lak Sao area to progress Mineral Reconnaissance and Exploration Agreement (MREA) approval.*

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SUMMARY

During the quarter at Hill End, the Reward Shaft was completed and development commenced on the Paxton's vein set on two levels. An initial stope was opened up on the M2 vein set in the Cornelian area and the gold recovery plant operation time was extended to two shifts.

Plant throughput has increased with total gold production for the quarter at 663 ounces and total gold production for the project to the end of September is estimated to be 1029 ounces from 1761 tonnes at a feed grade of 23g/t gold.

A total of 2,282 metres were drilled during the quarter, including 336 metres of underground diamond drilling at Reward, with excellent results received at Hill End and Hargraves.

An updated resource estimate totalling 175,400 ounces gold has been completed for the Reward and Red Hill areas and published in the 2008 Annual Report.

A preliminary Exploration Potential estimate for the Hargraves drilling on the BNH deposit to date is between 900,000 – 1,400,000 tonnes at a grade of between 6 – 9 g/t gold for a range of 220,000 – 325,000 ounces. An initial resource estimate for the Hargraves Big Nugget Hill deposit is underway.

During the quarter \$7.1m was raised through the conversion of 36.3m HEGO options and the issue of 54.2m HGOB options. The capital structure of the Company is currently:

HEG fully paid shares	ASX listed	307,499,175
HEGOB options (25c)	ASX listed	54,218,158
Various employee options (20 - 40c)	Unlisted	12,505,000

The Mineral Reconnaissance and Exploration Agreement application for the Lak Sao Project in Laos has progressed to the top echelons of the Lao PDR government. Hill End Gold is discussing matters with parties with mineral interests adjacent to the application area.

During the quarter Mr Ian Daymond was appointed to the Board of Directors of Hill End Gold Limited.

HILL END PROJECT

The Hill End Project includes tenements covering the Hill End, Hargraves and Windeyer goldfields. Total gold output from these tenements of over two million ounces of gold came from surface and shallow underground workings during the nineteenth century. The majority of past hard rock production came from high grade deposits such as at Big Nugget Hill, Red Hill, Reward and, Hawkins Hill which yielded over 400,000 ounces of gold from a strike length of approximately 400 metres, averaging about 10 ounces per tonne.

Diamond drilling at Hargraves which is located 35 kilometres north of Hill End has confirmed the deeper potential of the Big Nugget Hill Anticline where drilling to 400 metres below surface has discovered new continuous zones of strong gold mineralisation. Each of the lower five zones intersected in recent drilling contains abundant visible gold in numerous veins in both saddle and limb positions.

The saddle zones form in tight anticlinal positions typically 10 to 40 metres in thickness, approximately 30 to 50 metres apart comprising multiple saddle reefs up to 3 metres in thickness and potentially several hundred metres long.

These mineralised zones may be suitable for bulk mining and indications are that they may be close to surface below alluvial cover to the north. Drilling is in progress to confirm the continuity of the zones to the north and south.

HAWKINS HILL – REWARD

General

During the quarter a total of 386 metres of underground development was completed including trenching in the initial stoping on the M2 in the Cornelian area and in the Paxton's veinset on 671 and 683 levels and connecting rises.

Underground diamond drilling totalled 336 metres testing the Reward mineralised zone above and below the Amalgamated level, completing the program commenced last quarter.

The cutting of ten sublevel stations from the Reward Shaft was completed and the development on these levels will open all the Reward Exhibition veinsets below the old Reward workings to the Amalgamated level over a vertical distance of approximately 150 metres. An underground drill rig has been purchased to enable more effective mine development and greater confidence when targeting ore on the Reward - Hawkins Hill veinsets.

The steel support frame for the Reward Shaft Alimak lift system, emergency ladders and electrical and water services were delivered and the steel work was lowered down the shaft in September and commissioning was completed with the Alimak in service by 13th October 2008.

Planning and preparation continued for the development and stoping of the Reward Exhibition and Cornelian areas above the Amalgamated level with mining commencing on the bottom two levels of 671 and 683RL in the Paxton's veinset.

A new decline ramp is under consideration for the Reward - Cornelian area to access potential ore in the M2 veinset below the Amalgamated level.

Focus continues to be on improving the mine, plant and services for increased and more continuous gold output. Operating time for the gravity gold processing plant at the Amalgamated portal area was extended and improved water and materials handling has seen several days with throughput of approximately sixty tonnes per day.

The plant is currently processing material from various underground sources, particularly the M2 ore drive, which has produced some very high grade material and the initial material from the Paxton's veinset from the 671 level drives north & south and the 683 level drive north.

Total gold production for the quarter was 663 ounces and total gold production for the project to the end of September is estimated to be 1029 ounces from 1761 tonnes at a feed grade of 23g/t gold.

The current mining and processing exercise is aimed at confirming the high grade continuity and tenor of the Reward high grade vein sets, to provide data for the continuing Reward area resource updates and to establish the economic scope of the Hawkins Hill / Reward area mine development as a large moderate grade project or small high grade project.

Reward Development

During the quarter the Alimak and all steelwork and machinery were delivered to site and installation and commissioning of the Reward Shaft commenced. The Alimak lift provides access from the surface to all ten sublevels and the Amalgamated level for personnel and tools and equipment. It also provides a second means of exit from the underground mine.

During the quarter the Amalgamated level underground development was mainly driving, stoping, rising and initial stope trenching on the Cornelian M2 veinset between 1375N and 1450N with further crosscutting to the Paxton's veinset at 1440N, 1555N and 1600N.

In the Reward shaft, a manway rise and 'ore' rises on the Paxton's vein set (1555N and 1550N) have been completed from the Amalgamated level to the 671 sublevel and a shaft rock pass rise has been completed from 671 to 683 sublevel.

Cross cuts from the shaft on the 671, 683, 695, 707, 731, 755 and 789 sublevels will be the first to be developed to the Paxton's and Steven's vein sets to access the resources. The

2007 inferred resource of 23,000 tonnes at 47.8g/t gold and the Steven's resource of 32,400 tonnes at 10.4g/t gold are expected to be conservative.

M2

The initial high grade stope on the M2 between 1375 and 1400N was mined below the Amalgamated level and has been mapped for the geological controls of the very high grade zones within the stoped area.

Mining below the level is still ongoing to the north of 1400N to 1445N. Two rises on the M2 were commenced at 1378N and 1408N to map and sample the vein immediately above the high grade area to determine the extent of the high grade pod above the level. The development mapping and sampling has provided help to understand the geological controls of the high grade gold shoots.

The initial stope sampling of the Cornelian M2 vein from 1376N through to 1449N returned results with the grade averaging 64.5 g/t gold across a 0.8m stoping width. M2 material which was sampled is still to be mined and processed through the plant and reconciliation is ongoing but not yet complete. The 2007 inferred resource estimate for the Cornelian area M2 was 24,460 tonnes at 8.5g/t gold, however development and processing grades have indicated the actual grade and tonnage to be higher.

Planning for the development of the Reward - Cornelian M2 above and further below the Amalgamated level is under consideration and additional information is to be provided by rises in the area and further drilling with the recently acquired 'Bazooka' underground drill rig.

New Patriarch wide zone

In the Patriarch area, between Hawkins Hill and Cornelian, a new wide zone was intersected about 15 metres above the Amalgamated level, which included the M2 – Star of Peace – Middle – Paxtons veinsets which make up the Central group. Underground diamond drill hole HHUG09 returned a total intersection of 4.1g/t gold over 17.3 metres (true width) at 1250N with consistently high grade veins up to 284.7g/t gold over 0.2 metre in the M2.

Assays are awaited for underground drill hole HHUG12 located 50 metres to the north of HHUG09, which also intersected multiple veins with conspicuous visible gold in the M2 position over a similar 17 metre intersection about 15 metres above the Amalgamated level.

The Patriarch wide zone is being tested by three rises up the M2 vein at 25 metre spacing and three similarly spaced cross cut rises at 1275N - 1300N, which will provide a bulk sample test of this new zone.

Reward Shaft area

Cross cuts from the Reward Shaft on the 671 and 683 levels were developed out to the Paxton's veinset and drives to the north and south were started on both levels. A manway rise was completed between 671 and 683 along the Star of Peace (SOP) vein to enable access between the Amalgamated level and the 671 and 683 sublevels whilst the Alimak steelwork was lowered down the shaft. The manway rise provided information on the SOP although in this area it is not mineralised.

Orepass rises on the Paxton's veinset (1500N, 1555N and 1600N) have been completed from the Amalgamated level to the 671 sublevel and from the 671 level to the 683 on the Paxton's veinset at 1555N. Also a waste rock pass rise has been completed from 683 to 695 sublevels.

On the initial breakthrough to Paxton's on the 671 level the vein exposed had numerous flecks of visible gold and thus development was started both north and south. However the grade in the vein to the south decreased and development concentrated on the north drive from the 1555N crosscut. Processing the Paxton's 671-1555 north drive material has indicated 5g/t gold feed grade with numerous occasions when visible gold was observed.

The breakthrough on the 683 level to Paxton's displayed and returned excellent grades across the vein with values above 400g/t gold. Development proceeded to the north with the average grade of processed material indicating a feed grade of 34g/t gold

Geological mapping and sampling, along with processing results, are providing an understanding of the possible controls of the high grade mineralisation.

Further rising on the Paxton's veinset is connecting the 683 level with the levels above and driving will proceed north and south on each level to open up the veinset for sampling, stoping and testing for economic mining at an appropriate scale.

Currently development is progressing the 695 crosscut east from the Reward Shaft to the Paxton's veinsets and the 683 Paxton's drive north and the 640 M2 trench northern end are continuing to supply the plant with ore.

With the Alimak now operating, development is able to commence on 695, 707, 731, 755 and 789 sublevels to the Paxton's and Steven's veinsets to access the resources. The 2007 inferred Paxton's resource of 23,000 tonnes at 47.8g/t gold and the Steven's resource of 32,400 tonnes at 10.4g/t gold are expected to be conservative.



ALIMAK LIFT IN REWARD SHAFT



GEOLOGIST DANIEL STEVEN IN PAXTON'S 683 NORTH DRIVE

Processing

The Hill End gold production results to end September 2008 are as follows:

Period	Tonnes	Recovered Grade (g/t gold)	Feed Grade (g/t gold)	Estimated Gold Produced (oz)	Operating hours	Tonnes per operating hour
Prior to July 2008	482	22.0	27.8	341		
July 2008	264	30.5	39.5	259	88	3.0
August 2008	321	10.0	12.0	103	92	3.5
September 2008	694	14.6	18.4	326	174	4.0
Total	1761	18.2	23.0	1029		

Gold bars poured to date (31 October 2008) are as follows:

Bar number	Bullion Weight (oz)	Mint Outturn (fine oz)	Gold Price Realised (AUD)	Fine ounces per bar	Tonnes	Recovered Grade (g/t)
1 and 2	219.44	204.949	962.08	204.949	213	29.9
3	150.47	]		141.688	263	16.8
4	164.29	296.389	956.14	154.701	104	46.3
5	111.95	]		104.673	259	12.6
6	33.48	]		22.659	-	-
7a and 7b	110.22	]		103.056	266	12.1
8	88.00	312.668	1,075.16	82.280	337	7.6
9*	172.84			161.61	191	26.3
10*	46.55			43.52	91	14.9
11*	154.15			144.13	256	17.5
12*	102.14			95.50	138	21.5
Nuggets	12.87			12.03	-	-
Total	1366.40			1270.797	2118	18.6

* October gold pours mint outturn awaited

Gold bullion is poured into bars which are transported to the Perth Mint for refining. The bars are produced from gravity gold concentrates, which are separately recovered from individual underground working areas and the concentrates included in any particular bar may overlap the month's end.

The total gold pour figures include many small specimen nuggets, which are being prepared for separate marketing, and exclude the SGS Laboratories' Knelson concentrate tail grades.

Plant recovery prior to the installation of the ball mill has been slightly over 80% which indicates an average feed grade to date of 23g/t gold.

Plant throughput has increased to four tonnes per operating hour with some days processing up to sixty tonnes of material. The recent addition of the ball mill to grind the coarse component of the tailings is expected to improve this further.

A further increase in throughput is expected with more optimisation of the crushing, screening and tailings areas and an increase in the operating time. The design for the installation of the 2 foot Symons cone crusher between the jaw crusher and impact crusher has been completed.

Hawkins Hill - Reward underground diamond drilling

Eight underground diamond drill sites were established in the Reward area in the Amalgamated drive on about 50 metre centres and a 2,000 metre diamond drilling program has partially tested the Central group of veins above and below the Amalgamated drive level.

A total of 336 metres of underground diamond drilling were completed during the quarter in holes HHUG17, HHUG18, HHUG19, HHUG20, HHUG21 and HHUG22 to finish this initial drilling program. Assays are awaited for all holes.

HHUG17 was drilled to test the Mica through to Paxton's veins on the 640 level at 920N on the old Star of Peace crosscut in the Hawkins Hill workings at 30 metres below the 640 level. It intersected two significant veins both about 10cms in thickness and prominently laminated. These veins are possibly the Mica and Star of Peace. No visible gold has yet been observed and the core is awaiting lithological logging.

HHUG18 was drilled to test the Mica through to Paxton's veins on the 640 level at 1020N, 30 metres below the 640 level, intersected moderate veining in these veins. No visible gold has yet been observed and the core is awaiting lithological logging.

HHUG19, HHUG20 & HHUG21 were drilled on 1345N north on the 640 level. HHUG19 was drilled below the level to test the Middle vein through Mica veins to Amalgamated vein about 35 metres below the level. Significant veining was encountered in the Phillipson's and Amalgamated positions but no visible gold has yet been observed.

HHUG20 drilled to test the Middle vein through to Mica veins about 20 metres above the level, intersected significant veining in these positions.

HHUG21 which was drilled to test for Stevens veins 10 metres above the level did not intersect significant veining.

HHUG22 was drilled from the 640 level at 1600N to test Steven's vein on the 671 level above to determine the length of the crosscut required from Paxton's to Steven's veins and if Steven's was carrying ore in this position. Two narrow laminated veins were intersected in the Stevens position one containing visible gold. The result is not sufficient to justify 25 metres of crosscut by itself, however this will be reviewed after Steven's vein is intersected in cross cuts on the sublevels above.

Assay results from HHUG03, HHUG04, HHUG05, HHUG09, HHUG10 and HHUG13 were received during the quarter.

HHUG03, HHUG04, HHUG05 & HHUG06 were drilled from 1430N on the 640 level to test the zone from Amalgamated to Paxton's veinsets above and below the level. HHUG03 and HHUG04 were drilled to the east testing M2 to Paxton's veinsets. These holes are of significant interest as they intersect the M2 vein above and below the Amalgamated level in the area of the current M2 trench development.

HHUG03 intersected a series of seven veins in the M2 position including a bifurcated main vein with crack seal laminations and visible gold and spur veins, which assayed 55.4g/t gold over 15cm from 6.7 metres uphole. This result suggests the northern high grade pod on the M2 vein between 1375N and 1450N continues above the Amalgamated level. The Star of Peace vein intersected was 25cm in thickness with indicator sphalerite and assayed 5.5g/t gold. The Middle veinset comprises minor narrow quartz veining and Paxton's comprises four narrow veins each 3-5cm in thickness, however no significant assay results were received.

HHUG04 intersected a 23cm M2 vein some five metres below the 640 level, two Star of Peace veins of 10cm each and a good Paxton's vein with indicator sphalerite some 20 metres below the level. The M2 vein assayed 8.5g/t gold over 34cm suggesting the grade may drop off below the level in the M2 and further drilling, with the Bazooka drill rig, will be done to determine the morphology of the high grade pods and their grade trend below the level. A value of 115.2g/t gold was returned for one of the Star of Peace veins across 4cm approximately 7 metres below the level and the Paxton's vein returned 7.9g/t gold over 10cm.

HHUG05, which was drilled to the west and below the level to test for footwall mineralisation, intersected visible gold with indicator sphalerite/chlorite in the Amalgamated zone with 6 veins totalling 54cms about 10 metres below the 640 level and one vein of 18cm in thickness assaying 40.8g/t gold.

HHUG11 and HHUG05 returned 25cm at 61.9 g/t gold and 18cm at 40.8 g/t gold in the Amalgamated vein respectively. The current resource estimate does not include the Amalgamated vein and these intersections are 182 metres apart along strike. We are still awaiting the results from HHUG06.

HHUG10 and HHUG09 were collared on 1250N to test the M2 to Paxton's veins both above and below levels. The uphole HHUG09 contained a laminated M2 vein with visible gold assaying 284.7g/t gold over 20cm located 14m above the level, and a zone of 8 veins totalling one metre over an 8 metre interval, including 15 and 20cm veins which combine both the Star of Peace (27.5g/t gold over 15cm width and 15.3g/t gold over 20cm) and Middle (82.2g/t gold over 18cm) veinsets. Minor veining was encountered in the Paxton's position.

HHUG10 intersected numerous stockwork quartz veins with pyrite and chlorite in the footwall to the Mica position not evident in HHUG09, 20m above. Minor veining was encountered in the Mica position, a 10cm laminated quartz vein accounted for the Star of Peace, and Middle and Paxton's veins were not evident. Assay results for HHUG10 did not have any significant results.

HHUG13 was drilled from 1305N to test for M2 to Paxton's vein sets below the level and returned 25cm at 544.9g/t gold in the M2 vein located 35 metres south of the current resource blocks and 15 metres below the Amalgamated level.

Hawkins Hill surface diamond drilling

HHD38 was drilled to a depth of 389 metres from a position at the north end of previous Reward drilling to test for the extension of the Reward mineralisation to the north beyond the Robert Emmett's crosscourse. Numerous veins were intersected and logging and assaying are still to be completed.

Reward Resource Update

JORC-compliant resource estimation for the Hill End Project is a progressive exercise, which starts with low initial estimates based on drilling results and moderate confidence in geology and grade continuity. At Reward, the previous inferred resource of 124,400 tonnes at 19g/t gold and the current 158,500 tonnes at 17g/t gold are only partial resource estimates for the area, which can be reliably correlated based on conservative surface and underground diamond drilling results

SCANDINAVIAN

A total of 387 metres diamond drilling was drilled in the Scandinavian area during the quarter.

The program was designed to traverse the northern extensions of the Reward/Hawkins Hill mineralised sequence at a position approximately 500 metres north of previous drilling. The drill holes tested below historical mining activity, which was stopped by water inflow, to identify the location of the mineralised corridor. A deeper hole is designed to finish at 400 metres depth to test the stacked vein sequence at greater depth.

SCD02 was drilled to 311 metres intersected seven veins totalling 90cms in the Paxton's position at about 185 metres down hole and intersected 10cm veins at 259 metres and 265 metres downhole possibly correlating with the Mica and Paxton's veins in SCD01.

SCD03 was drilled to a total depth of 374.4 metres with a significant laminated quartz vein of 60cm thickness intersected at 227.3m hole depth which possibly correlates with the Paxton's intersections in both SCD01 and SCD02. No visible gold was observed and assays are awaited.

The holes have confirmed the continuity of the Reward vein sets to the north and to contain visible gold mineralisation.

Additional holes are planned to the north of Scandinavian in the Hawkins Hill – Reward – Scandinavian mineralised corridor to test along strike adjacent to the Germantown workings.

If drilling indicates that the Reward – Scandinavian mineralisation is potentially economic it could be accessed from the Reward area development.

RED HILL

A total of 246 metres of diamond drilling were completed at Red Hill during the quarter.

Further drilling adjacent to the Fraser zone discovery hole RHD145 was undertaken during the quarter. RHD145 is located in the White's area at the south end of Red Hill and intersected 13g/t gold over 7.5 metres true width from 207.4m.

RHD146 was located approximately 100 metres south of the discovery hole RHD145 and returned some minor gold assays at 207.78m, 218.26m, 229.07m and 234.82m down hole in the Fraser zone. RHD147 was collared 50 metres north of RHD145 and the Fraser zone in this position was not well mineralised. RHD148 was sited 50 metres south of RHD145 and targeted the Fraser zone between RHD145 and RHD146. The drill hole intersected a very weakly mineralised Fraser zone.

RHD149 targeted the Fraser zone approximately 15 metres to the north and 40m updip of the intersection in RHD145 and was stopped at 245.9m. The hole intersected areas of significant quartz veining hosting several specks of gold and an interpretation of results will be completed in the coming weeks.

A structural study has been carried out to log, report and suggest follow up on the Frasers zone. Results indicate that the wide zone of high gold grades in RHD145 is likely to represent a "stockwork" of mineralised extension veins developed between bedding parallel 'movement horizons' ramping up-dip during flexural-slip fold development. Further drilling is being planned to test for extension of the stockwork zone.

Gold mineralisation at Red Hill has remarkable continuity of the vein sets over some kilometres and new *en echelon* vein sets continue to be discovered at depth. Wide mineralised quartz 'bedded' stockwork zones have been intersected in the White's, Marshall McMahon's and Kessell's vein sets and can contain high grades, such as in the new Fraser zone which is an indication of the huge potential yet to be realised in the area.

The resource estimate for the Red Hill area has been updated to include the latest drilling for a total of 849,300 tonnes at 3.3g/t gold for 89,200 ounces.

TAMBAROORA

Diamond drill holes TMD01 and TMD02 were completed to depths of 200.4 metres and 221 metres respectively and drilled to test an area of historical alluvial workings where modern exploration activity has been limited to minor RC drilling.

The holes intersected typical stratigraphy and veining encountered in the White's and Fraser's zones at Red Hill which is less than one kilometre to the north of Tambaroora. Visible gold in TMD01 occurs in bedding-parallel veins, which when projected to surface are coincident with one of the few surface workings in the locality. Several zones of increased quartz veining with indicator sulphide minerals were intersected and a focused exploration effort is required to assess the potential of the area.

Geological logging and assaying of the drill holes is expected by the end of the year.

GERMANTOWN

No drilling was carried out during the quarter. A further hole is being planned to test for mineralisation at depth within the projected mineralised corridor.

HARGRAVES

The Hargraves Exploration Licence (EL6996) is adjacent to the Hill End tenements to the north and the Big Nugget Hill prospect is located approximately 35 kilometres to the north of the town of Hill End.

The Hargraves tenements contain numerous historical production areas and Big Nugget Hill is the site of Australia's earliest gold reef mining in 1851, when large pieces of gold in quartz, containing up to 1,546 ounces, were discovered in quartz vein outcrops. Rich alluvial deposits were also mined in the nearby Louisa, Daly and Meroo Creeks and many large nuggets were found, with the 'King of Waterworn Nuggets' being the largest at 2,680 ounces of gold.

Previous exploration on the Big Nugget Hill zone of mineralisation has identified strong gold mineralisation over a strike length of 600 metres by drilling, and over 1,500 metres by surface sampling.

The recently completed nineteen hole diamond drilling program along the north end of the known BNH deposit is the first deep drilling on the deposit since its discovery in 1850. Holes were drilled to approximately 400 metres below surface to test the depth extent of the BNH deposit and all holes assayed to date show a similar pattern of repeating zones of mineralisation continuing undiminished to the bottom of the holes.

Drillholes HGD18 and HGD19 were completed this quarter and finalise the 2008 diamond drilling program for a total of 4082.3 metres. Diamond drilling at Hargraves totalled 502.9 metres for the quarter.

The drilling has confirmed that the distribution of gold at BNHA is concentrated along the axis of the anticline and continues at depth as a series of repeating zones of strong mineralisation, which plunge gently to the south with a long dimension along strike to be determined but interpreted to be some hundreds of metres.

The saddle zones form in tight anticlinal positions typically 10 to 40 metres in thickness, approximately 30 to 50 metres apart comprising multiple saddle reefs up to 3 metres in thickness and potentially several hundred metres long.

These mineralised zones may be suitable for bulk mining and indications are that they may be close to surface below alluvial cover to the north.

Visible gold has also been observed in a similar anticlinal axis position in the Florence Anticline which is parallel to the BNHA about 50 metres to the east.

Thirteen holes drilled across the BNH anticline have successfully provided a firm understanding of the structural and stratigraphic controls of the gold mineralisation.

Six holes were drilled down the axis of the BNH anticline to intersect the central zone which has hosted much of the historically produced gold. The first of these holes HGD12 identified five thick mineralised zones with multiple veins and each zone is of 10-20 metres thickness and they are typically 40-50 metres apart down hole. Over thirty occurrences of visible gold were logged in the hole with visible gold observed in each zone and the lower three zones are new discoveries. Both gold grade and abundance of veining continue undiminished and open at the bottom of the hole at 400 metres. See attached table of significant assays.

Diamond drill hole HGD13 located 25 metres to the south of HGD12 averaged 4.2g/t gold over a down hole interval of 75 metres (36 metres true width) from 22 metres below surface. The intersection included individual veins of 722.1g/t gold over 0.20 metre and 609.7g/t gold over 0.18 metre, which were part of a zone averaging 19.98g/t gold over 14.22 metres downhole (6 metres true width).

HGD14 located 110 metres south of HGD13, intersected 148 metres averaging 1.07g/t gold, including two zones with 1.36g/t gold over 31 metres and a further 70.7 metre interval (true widths) averaging 1.57g/t gold from 81 metres below surface. With the latter interval including a 6.2 metre zone averaging 15.4g/t gold.

HGD15 located 100 metres south of HGD14 and HGD16, which is located 320 metres north of HGD12 returned minor results which are still being reviewed.

HGD18 and HGD19 were drilled 100 and 320 metres to the north of HGD12 respectively and are yet to be logged and sampled and both contain similar abundant quartz veining.

Results are awaited for holes HGD17,18 and 19 and a resource estimate for the BNH deposit has commenced.

WINDEYER

Hill End Gold holds 100% of Exploration Licence (EL7017) over the Windeyer historic goldfield area, which is adjacent to the Hargraves and Hill End goldfields and is located on a mineralised structure parallel and to the west of the mineralised Hill End Anticline.

Windeyer has a number of historically rich hardrock deposits and during the 19th century rich alluvial deposits were mined in Clarkes Creek, which rises in the Boiga Mountain area: also covered by EL7017.

Very little modern exploration has been done on the Windeyer-Boiga Mountain area.

NSW UNDERCOVER - MURRAY RIVER AREA

Swan Hill

The company has 100% ownership of granted Exploration Licences (EL6905, 6906, 7124 and 7125) and has applied for a further Exploration Licence (ELA3047) in the Swan Hill area of New South Wales. The Swan Hill area tenements cover the extension of the gold rich Bendigo Zone from Victoria into New South Wales.

FrogTech have completed a geophysical report of the Swan Hill tenement area which indicates many targets of a shallow depth to basement for field follow up.

Initial field investigation of the tenements has been undertaken.

LAOS

The Lak Sao Project application in Laos for a Mineral Reconnaissance and Exploration Agreement application is now being considered at the highest level of the Department of Mining, Department of Foreign Investment and the Government of Lao PDR.

Hill End Gold is in discussion with parties with mineral interests adjacent to the application area.

The Lak Sao Project area of approximately 2,000km² is located in the Bolikhamxay Province in Central Laos between the Mekong River and the Vietnam border. The area is approximately 100 kilometres north of the Sepon copper-gold project, operated by Oxiana Limited, in the Truongson Belt.

Previous prospecting has identified numerous precious and base metal occurrences in outcrop and in stream sediment dispersion haloes. Controlled artisanal gold mining of a moderate scale is underway on a small tenement excised from the tenement application.

Hill End Gold have a 51% interest in the Lak Sao Project with Mekong Resources Pty Ltd.

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 his information in the form and context in which it appears.

Yours faithfully



Philip Bruce

Managing Director

Attached:

- Hill End Project - Significant Assay Results – September Quarter 2008
- Hill End Project - Tenement Location Plan
- Hill End Project Resource Summary Statement
- Hawkins Hill - Reward Development / Initial Stopping
- Reward 640 level development plan
- Hargraves long section
- Hargraves Cross Section
- Swan Hill Tenement

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**HILL END PROJECT – Significant Assay Results – September Quarter 2008
(Final assay results)**

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)	Visible Gold
HARGRAVES										
HGD07	730369	6369723	-60	79	234.0	185.90	186.06	0.16	7.84	
HGD08	730415	6369806	-50	87	197.6	37.22	37.33	0.11	1.09	
						38.93	39.08	0.15	16.43	
						40.00	40.35	0.35	4.17	
						45.68	45.85	0.17	8.00	
						51.01	51.09	0.08	4.00	
						57.35	57.45	0.10	48.70	
						57.64	57.76	0.12	1.52	
						61.12	61.20	0.08	1.51	
						65.75	65.84	0.09	36.18	
						65.97	66.13	0.16	14.50	
						96.19	96.21	0.02	3.12	
						99.04	99.34	0.30	2.04	
						173.55	173.58	0.03	41.39	
						178.13	178.18	0.05	4.86	
HGD09	730381	6369785	-50	79	224.3	95.10	95.26	0.16	43.63	
						96.06	96.57	0.51	3.42	
						99.97	100.38	0.41	3.52	
						100.93	101.50	0.57	2.07	
						102.75	103.25	0.50	2.19	
						104.80	105.12	0.32	8.77	
						109.65	110.18	0.53	1.18	
HGD10	730379	6369784	-60	79	161.1	99.84	100.01	0.17	5.67	
						100.84	101.04	0.20	5.08	
						103.12	103.26	0.14	1.58	
						108.56	108.65	0.09	2.00	
						134.72	135.03	0.31	2.00	
						135.03	135.36	0.33	45.82	
HGD11	730458	6369795	-52	79	59.3	8.00	8.15	0.15	42.60	
						21.30	21.60	0.30	8.45	
						22.30	22.60	0.30	103.95	
						22.60	23.00	0.40	2.77	
						23.00	23.30	0.30	3.48	
						28.10	28.43	0.33	1.74	

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)	Visible Gold
HGD12	730476	6369796	-74	259	409.7	17.40	17.65	0.25	22.47	
						65.00	65.20	0.20	19.10	vg
						252.25	252.52	0.27	2.30	
						264.47	264.72	0.25	5.51	
HGD13	730480	6369772	-74	270	98.1	22.40	23.10	0.70	14.49	
						26.60	26.90	0.30	3.67	
						26.90	27.10	0.20	2.95	
						27.10	27.35	0.25	3.96	
						40.90	41.10	0.20	722.10	
						46.35	46.55	0.20	8.19	
						50.10	50.35	0.25	10.90	vg
						50.35	50.53	0.18	609.65	vg
						54.55	54.85	0.30	84.04	
						54.85	55.12	0.27	1.40	
						66.20	66.42	0.22	16.13	vg
						66.90	67.01	0.11	17.05	
						75.10	75.40	0.30	12.70	
						86.45	86.82	0.37	2.34	
						88.60	88.80	0.20	10.55	
						89.70	89.95	0.25	1.95	vg
						95.52	95.68	0.16	4.94	vg
96.06	96.20	0.14	15.69							
97.50	97.60	0.10	16.84							
HGD14	730495	6369657	-74	270	372.5	7.00	7.30	0.30	6.74	
						7.30	7.65	0.35	15.12	
						32.00	32.21	0.21	1.80	
						43.45	43.57	0.12	1.19	
						66.75	67.00	0.25	1.40	
						67.20	67.45	0.25	3.51	
						67.45	67.70	0.25	5.70	
						68.10	68.30	0.20	5.64	
						70.35	70.70	0.35	2.46	vg
						73.80	74.07	0.27	1.14	
						79.05	79.35	0.30	1.92	
						79.65	79.95	0.30	4.19	
						80.85	81.15	0.30	26.16	
						81.15	81.45	0.30	1.13	
						82.65	82.90	0.25	1.60	
						84.30	84.60	0.30	8.35	
						84.75	84.95	0.20	1.51	
89.05	89.20	0.15	25.93							
95.62	95.79	0.17	2.12	vg						
96.57	96.75	0.18	1.61							

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)	Visible Gold
HGD14						97.80	98.10	0.30	1.41	
						98.10	98.37	0.27	2.94	
						102.89	103.20	0.31	2.52	vg
						103.20	103.50	0.30	9.39	vg
						103.50	103.80	0.30	2.10	vg
						103.80	104.05	0.25	3.86	vg
						104.05	104.35	0.30	1.11	vg
						104.35	104.65	0.30	1.06	vg
						104.65	104.95	0.30	1.14	
						105.25	105.51	0.26	4.67	
						105.69	105.80	0.11	12.90	
						105.97	106.30	0.33	5.55	
						106.60	106.90	0.30	1.00	
						107.70	108.00	0.30	1.00	
						109.70	110.00	0.30	3.15	
						110.00	110.30	0.30	3.68	vg
						110.30	110.60	0.30	1.83	vg
						110.60	110.80	0.20	1.99	vg
						111.80	112.00	0.20	50.28	vg
						116.20	116.50	0.30	1.74	
						119.00	119.20	0.20	5.13	
						133.25	133.45	0.20	1.92	
						137.35	137.60	0.25	1.00	
						138.10	138.37	0.27	1.48	
						158.10	158.40	0.30	142.20	vg
						158.40	158.60	0.20	1.13	vg
						158.60	158.90	0.30	150.07	vg
						164.01	164.30	0.29	22.72	
						172.80	173.10	0.30	1.82	vg
						173.10	173.30	0.20	12.95	vg
						191.35	191.70	0.35	16.40	
						197.60	197.85	0.25	11.85	
						210.05	210.26	0.21	1.05	
					228.70	228.80	0.10	24.52		
					233.80	234.10	0.30	1.23		
					234.10	234.40	0.30	1.09		
					235.00	235.20	0.20	1.55		
					237.55	237.75	0.20	3.52		
					237.75	237.92	0.17	3.06		
					252.95	253.17	0.22	1.15		
					258.13	258.44	0.31	2.35		
					266.30	266.50	0.20	6.09	vg	
					266.50	266.70	0.20	5.22	vg	
					268.70	269.00	0.30	1.46		
					277.79	277.86	0.07	11.35		

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)	Visible Gold
						282.47	282.59	0.12	1.52	
						345.50	345.85	0.35	1.37	vg
HGD15	730506	6369551	-73	267	309.9	14.30	14.56	0.26	1.47	
HGD16	730343	6370104	-50	82	110.7	54.20	54.30	0.10	1.46	
						60.23	60.36	0.13	2.71	
						89.34	89.48	0.14	2.86	
						93.43	93.64	0.21	1.40	
						96.85	96.95	0.10	2.05	
						109.49	109.63	0.14	24.98	vg
RED HILL										
RHD145	726514	6346891	-75	270	435.8	12.11	12.24	0.13	4.79	
						24.80	24.90	0.10	4.62	
						118.24	118.36	0.12	4.93	
						208.94	209.27	0.33	1.67	
						210.07	210.38	0.31	19.59	
						211.00	211.33	0.33	88.04	vg
						214.95	215.32	0.37	1.78	
						215.93	216.47	0.54	14.39	
						217.29	217.57	0.28	1.01	
						394.56	394.73	0.17	2.54	
RHD146	726472	6346777	-75	270	390.3	70.05	70.20	0.15	1.08	
						207.78	207.86	0.08	1.76	
						218.26	218.34	0.08	2.29	
						229.07	229.15	0.08	4.32	
						234.82	235.08	0.26	2.58	
								0.00		
RHD147	726511	6346947	-79	270	437.5	54.09	54.15	0.06	14.70	
						58.06	58.10	0.04	15.60	vg
						92.70	92.79	0.09	1.21	
						94.91	94.97	0.06	75.19	
						97.70	97.79	0.09	20.20	
						128.40	128.62	0.22	6.46	
						269.87	269.96	0.09	2.34	
						333.46	333.60	0.14	3.54	vg
RHD148	726515	6346841	-74	270	248.5	1.94	2.00	0.06	13.05	
						15.58	15.70	0.12	2.01	vg
Hawkins Hill Surface										
HHD35	725279	6340692	-59	279	275.1	204.61	204.74	0.13	1.68	
						226.58	226.71	0.13	6.21	

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)	Visible Gold
						230.69	230.94	0.25	2.05	
						231.24	231.49	0.25	1.54	
						234.96	235.09	0.13	21.03	
						234.40	234.55	0.15	1.11	
						240.53	240.58	0.05	48.87	
HH36	725280	6340691	-70	279	332.1	270.00	270.20	0.20	1.38	
						271.63	271.73	0.10	25.36	
						303.83	303.92	0.09	1.42	
Hawkins Hill Underground										
HHUG03	725306	6341429	+25	90	65.2	6.70	6.85	0.15	55.40	vg
						11.64	11.73	0.09	1.16	
						14.70	14.95	0.25	5.55	
						31.70	31.80	0.10	1.02	
HHUG04	725306	6341429	-25	90	71.4	5.86	5.93	0.07	7.29	vg
						10.37	10.71	0.34	8.50	
						12.25	12.30	0.05	2.97	
						12.45	12.50	0.05	2.87	
						14.64	14.81	0.17	1.24	
						17.68	17.90	0.22	1.07	
						17.96	18.00	0.04	115.22	vg
						18.21	18.33	0.12	1.12	
						24.53	24.62	0.09	1.92	
						42.19	42.29	0.10	6.93	
						43.00	43.09	0.09	1.34	
						50.10	50.22	0.12	1.78	
HHUG05	725301	6341428	-20	270	94.1	25.80	25.98	0.18	40.77	vg
						26.09	26.20	0.11	1.13	
HHUG07	725348	6341499	+40	270	65.0	18.45	18.50	0.05	3.80	vg
						18.72	18.80	0.08	3.67	
						24.81	24.89	0.08	2.53	
						25.19	25.29	0.10	44.73	
						25.73	25.81	0.08	16.88	
HHUG09	725278	6341429	+35	90	89.2	24.33	24.53	0.20	284.70	vg
						25.95	26.00	0.05	4.69	
						27.93	27.98	0.05	27.52	
						29.24	29.40	0.16	5.49	
						30.57	30.90	0.33	1.33	
						31.60	31.80	0.20	15.25	
						32.06	32.15	0.09	4.87	

Hole Number	MGA Easting	MGA Northing	Dip (°)	Azimuth MGA	Total Depth (m)	From (m)	To (m)	Interval (m)	Assay (g/t gold)	Visible Gold
						38.83	38.96	0.13	5.88	vg
						41.52	41.60	0.08	82.25	vg
HHUG10	725278	6341249	-30	90	87.0	15.01	15.05	0.04	3.17	
						22.80	23.10	0.30	1.23	
										vg
HHUG11	725272	6341248	-25	270	26.8	22.00	22.25	0.25	67.98	
HHUG13	725284	6341304	-30	90	83.6	12.70	13.00	0.30	5.87	
						27.19	27.36	0.17	2.14	vg
						31.75	32.00	0.25	544.90	vg

Most Samples are taken from half HQ3 diamond core. Samples from Hawkins Hill Underground have been taken from LTK60 diamond core.

Gold content estimation by Accelerated Cyanide Leach Technique (Leachwell) by SGS Townsville, Queensland, Australia.

Only assay values above 1 g/tAu have been shown (vg – visible gold).

HILL END PROJECT - RESOURCE SUMMARY STATEMENT

All resource estimates are based on unfactored drilling results only.

REWARD AREA INFERRED GOLD RESOURCE (5g/t gold cut off grade; diluted to 0.8m minimum)

SOURCE	Tonnes ¹	g/t gold ²	In situ ounces ¹
Frenchman's	9,500	8.6	2,650
Steven's Hangingwall	8,050	11.3	2,900
Steven's	24,350	10.1	7,900
Paxton's	23,000	47.8	35,350
SOP	7,500	12.5	3,000
Mica 1	20,600	18.0	11,900
Mica 2 (M2)	28,200	11.7	10,650
Mica 3	3,200	15.3	1,550
Pre-mining 2007 Inferred Mineral Resource	124,400	19.0	75,900
Removed by mining from M2	-1,764	10.2	-576
Removed by mining from Paxton's	-447	21.4	-308
Added by underground drilling	36,314	9.6	11,229
TOTAL	158,503	16.9	86,245

- 1) 2007 resource tonnage and ounces rounded to the nearest 50.
- 2) Diluted grade figure is rounded to the nearest 0.1g/t gold.

RED HILL AREA PROVISIONAL INFERRED GOLD RESOURCE (1g/t gold over 1m horizontal width cut off grade; diluted to 0.8m minimum; additional drillhole results awaited)

SOURCE	Tonnes	g/t gold	In situ ounces
Whites 1	178,555	2.10	12,027
Whites 5	58,935	2.96	5,608
Whites 6	79,632	3.11	7,963
Whites 7	13,158	2.34	989
Whites 9	6,253	4.53	910
Red Hill Deeps 1	1,639	60.40	3,183
Red Hill Deeps 2	65,955	3.96	8,387
Red Hill Deeps 3	1,272	3.25	133
Old Red Hill	285,843	1.98	18,155
Marshall McMahon	83,780	5.26	14,166
Valentines 3	24,988	4.00	3,217
Frasers	49,303	9.12	14,462
TOTAL	849,312	3.27	89,199

HARGRAVES BNH EXPLORATION POTENTIAL*

ZONE	Area (m ²)	Area Factor	Confidence Factor (%)	Tonnes	In situ ounces
BNH South	38250	1.31	80.00%	140,263	34,826
BNH South Middle	25500	0.87	60.00%	70,131	17,413
BNH South Lower	25500	0.87	20.00%	23,377	5,804
BNH Shaft	44788	1.53	80.00%	164,237	40,779
BNH Shaft Middle	29500	1.01	60.00%	81,132	20,145
BNH Shaft Lower	29500	1.01	40.00%	54,088	13,430
BNH	29250	1	100.00%	134,075	33,290
BNH Middle	19500	0.67	80.00%	71,506	17,755
BNH Lower	19500	0.67	60.00%	53,630	13,316
BNH North	55500	1.90	80.00%	203,518	50,532
BNH North Middle	37000	1.26	60.00%	101,759	25,266
BNH North Lower	37000	1.26	20.00%	33,920	8,422
TOTAL		at midpoint	7.7g/t	1,131,637	280,977
		at -20%	6g/t	905,310	224,782
		at +20%	9g/t	1,357,965	337,172

*It must be noted of the statement Exploration Potential, according to The JORC Code 2004 Edition, clause 18, that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Drilling data for the BNH deposit Exploration Potential estimate at Hargraves is concentrated on the BNH zone which is 200 metres long and 150 metres deep, however existing data indicates that grade and gold abundance does not appear to diminish along strike or with depth. The Exploration Potential estimate for the area of data concentration is projected into the other designated blocks in the 1,000 metres by 400 metres block of known mineralisation according to the following confidence factors:

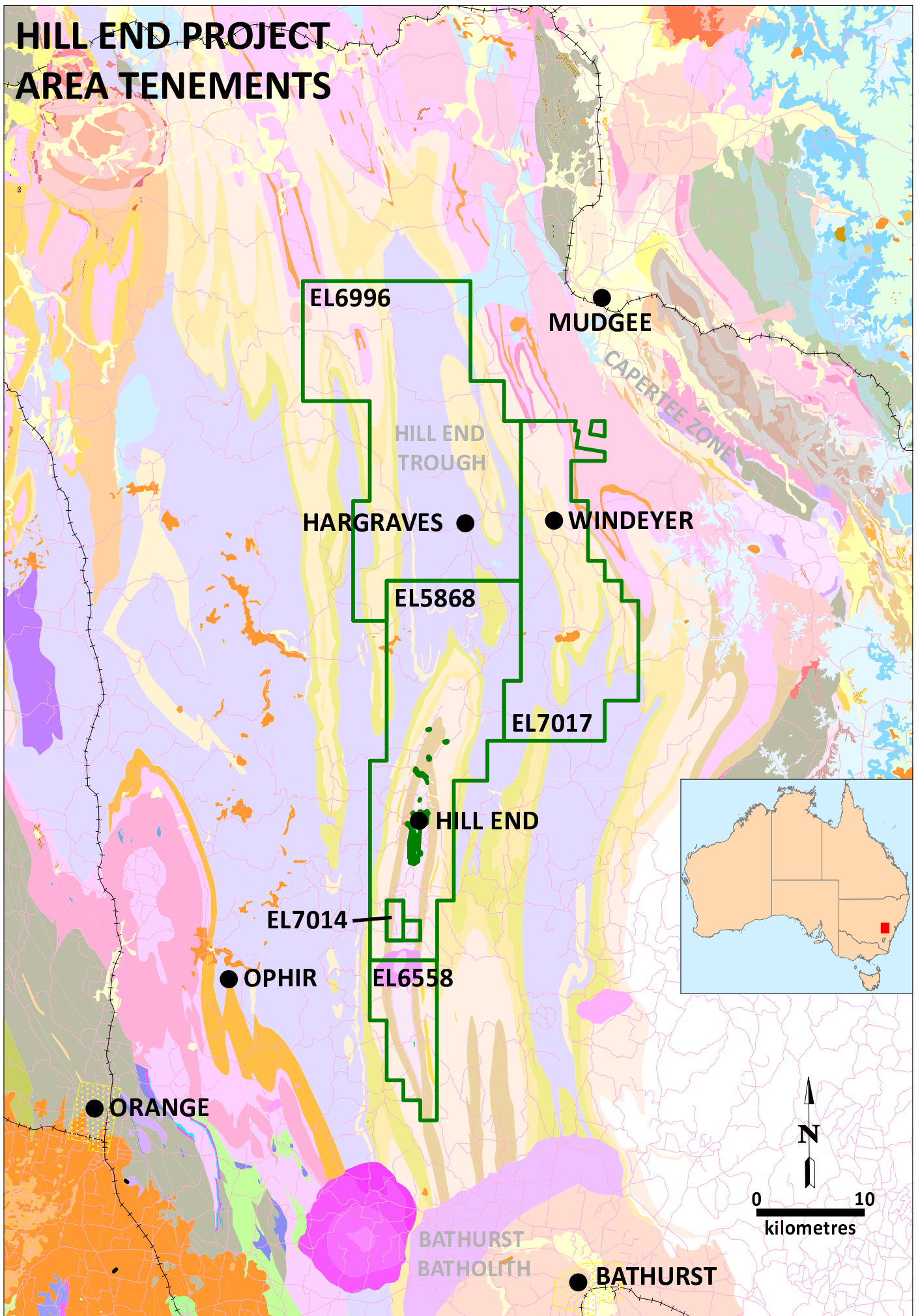
Big Nugget Hill Exploration Potential Blocks with % Confidence Factor

BNH South - 80%	BNH Shaft - 80%	BNH - 100%	BNH North - 80%
BNH South Middle - 60%	BNH Shaft Middle - 60%	BNH Middle - 80%	BNH North Middle - 60%
BNH South Lower - 20%	BNH Shaft Lower - 40%	BNH Lower - 60%	BNH North Lower - 20%

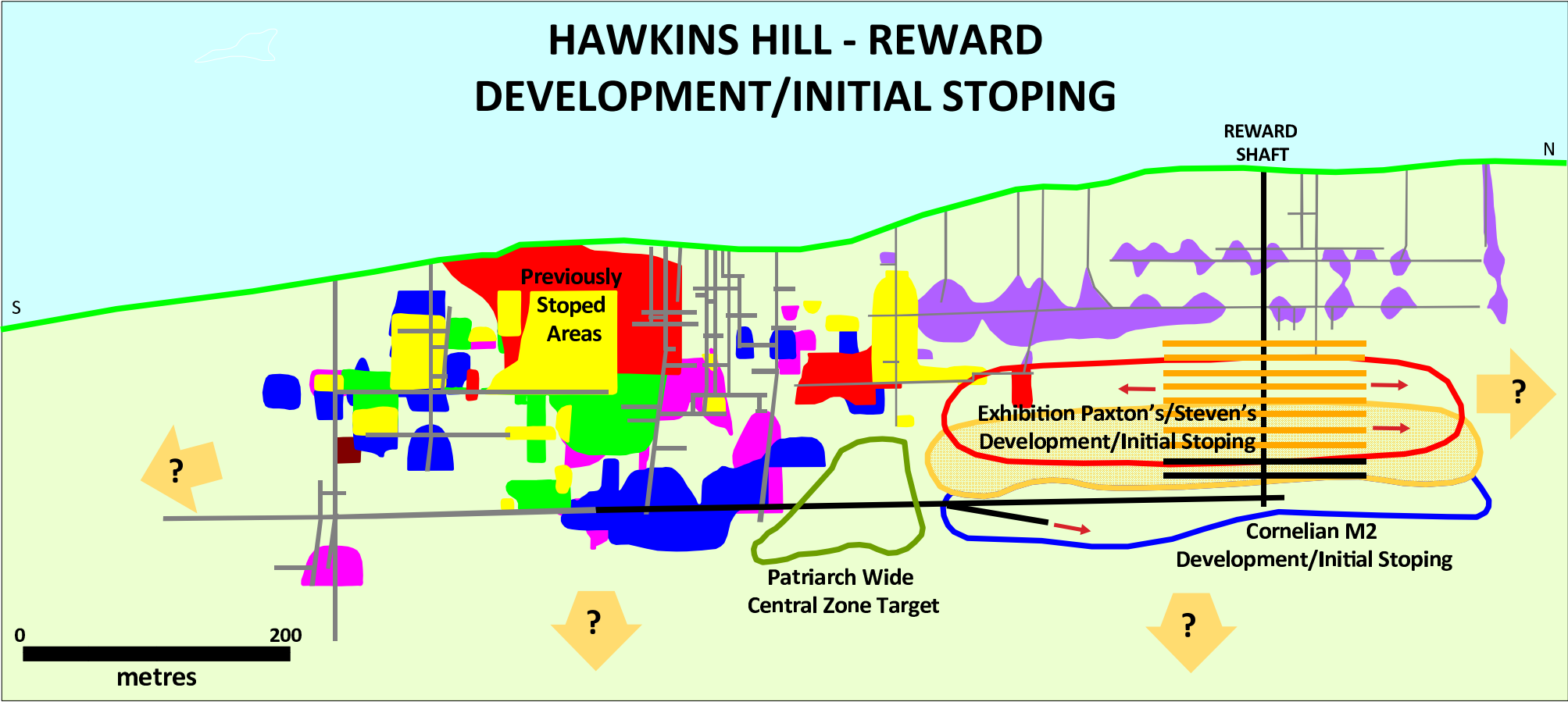
HILL END PROJECT SUMMARY

SOURCE	Tonnes	g/t gold	In situ ounces
Reward Inferred Resource	158,503	16.9	86,245
Red Hill Inferred Resource	849,312	3.27	89,199
TOTAL INFERRED RESOURCE	1,007,815	5.41	175,444
Reward midpoint Exploration Potential	2,250,000	12.5	1,000,000
Hargraves BNH midpoint Exploration Potential	1,131,637	7.7	280,977
TOTAL midpoint EXPLORATION POTENTIAL	3,381,637	11.78	1,280,977

HILL END PROJECT AREA TENEMENTS



HAWKINS HILL - REWARD DEVELOPMENT/INITIAL STOPING



AMALGAMATED 640 LEVEL DEVELOPMENT



M2 Veinset

**Reward
Shaft**

**Paxton's
Veinset**

**Initial
M2 Stope**

**New
Amalgamated
Zone**

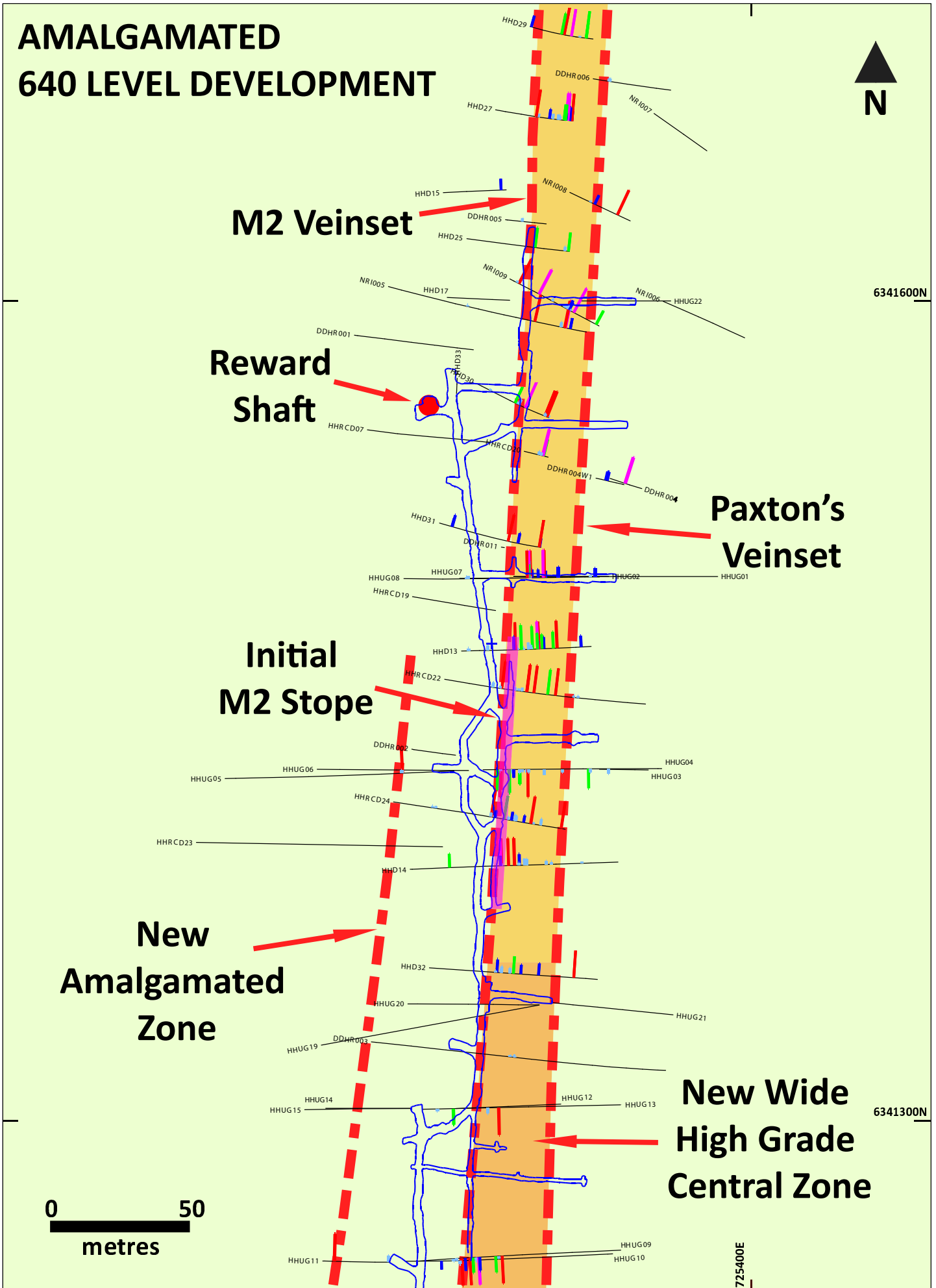
**New Wide
High Grade
Central Zone**

6341600N

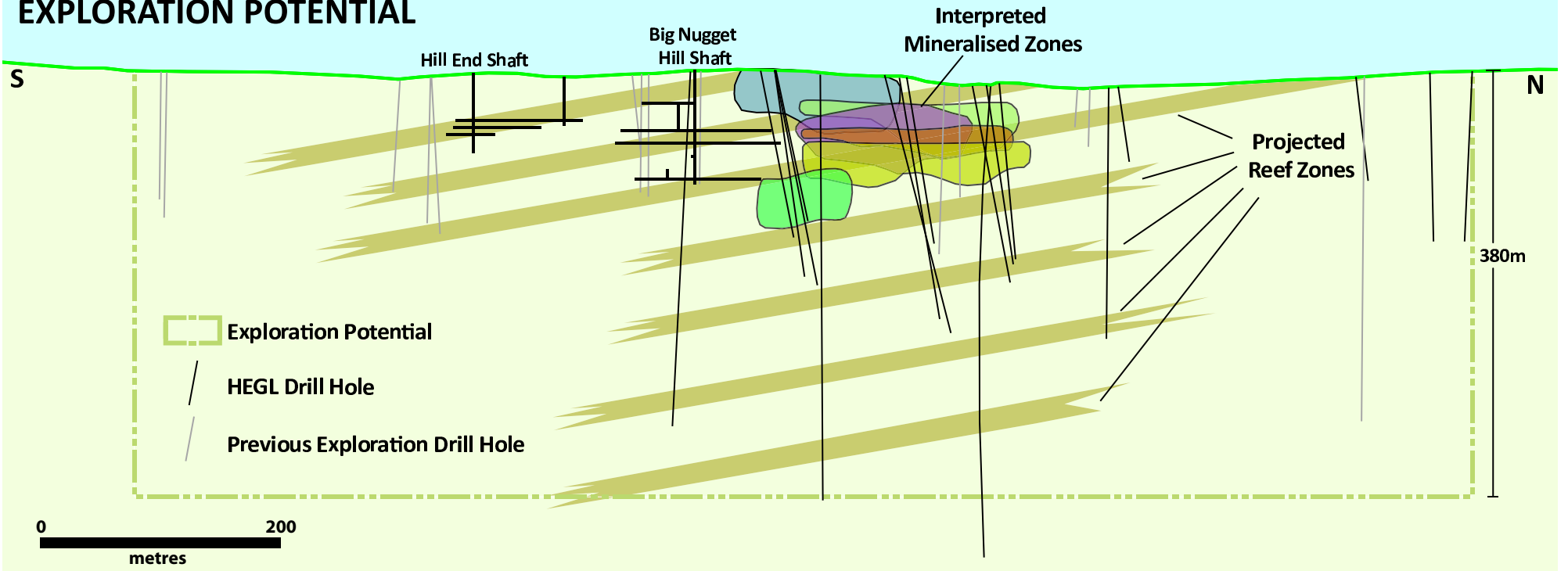
6341300N

0 50
metres

725400E



BIG NUGGET HILL PROJECT - HARGRAVES EXPLORATION POTENTIAL



BIG NUGGET HILL PROJECT - HARGRAVES CROSS SECTION (9800N)

