

# **HILL END GOLD LIMITED**

## **ACN 072 692 365**

### **PROSPECTUS**

#### **NON-RENOUNCEABLE ISSUE OF FREE BONUS SHARE OPTIONS**

Prospectus for a pro rata non-renounceable issue of approximately 118,949,632 bonus share options on the basis of One (1) free bonus share option for every two (2) fully paid ordinary shares held;

Each New Option allows the holder to subscribe for one fully paid share upon payment of 15 cents no later than 12 September 2008.

Providing all the bonus share options issued are exercised, the Offer will raise approximately \$17.8 million (before costs and expenses).

#### **AS A SHAREHOLDER YOU DO NOT NEED TO TAKE ANY ACTION IN RELATION TO THIS OFFER**

The New Options will be automatically issued to you based on your entitlements on the Record Date (14 June 2007).

#### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If you do not understand its contents, you should consult your stockbroker or professional adviser.

The securities offered by this Prospectus should be considered as speculative.

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## CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

I am pleased to report that the Hill End Gold Project situated in Hill End, New South Wales continues to make substantial progress.

In January this year following completion of an infill drilling program the Company announced a high grade resource estimate in the Reward area. The ultra high grade Paxton's Zone has an inferred resource of 23,000 tonnes at 47.8g/t of gold in a total Reward resource of 124,400 tonnes at 19 g/t of gold. Test mining and processing of the Paxton's Zone will commence later this year. Access development is planned to start during June 2007.

An initial estimate of the potential of the exploration target in the Reward area, additional to the resource estimate is 2 – 2.5Mt at 10 - 20g/tAu containing a mid range of approximately one million ounces.

In Laos, a 2,000 square kilometre area on the Truongson Belt, which hosts the \$17 billion Sepon deposit, has been applied for in joint venture with Mekong Resources Pty Ltd. The Lak Sao Project area has numerous precious and base metal prospects identified by previous explorers, though as yet it is undrilled. The Laos representatives of Mekong Resources Pty Ltd are well regarded and highly qualified to provide support for the project. Initial field reconnaissance has been completed and local consultants have been appointed.

On behalf of the Board, I am pleased to announce that the Company intends to make a free issue of bonus share options to ordinary shareholders. The purpose of the issue is to reward the Company's existing shareholders for their continued support of the Company.

The share options will be issued free on the basis of One (1) free bonus share option for every two (2) fully paid ordinary shares held on the Record Date (14 June 2007). Each share option allows the holder to subscribe for one fully paid share upon payment of 15 cents no later than 12 September 2008.

The bonus share options will be issued free to shareholders and you do not need to do anything to receive the bonus share options.

The following prospectus contains details of the bonus share option issue. I encourage you to read the document carefully and if necessary obtain independent professional advice.

Alfred Paton, Chairman  
1 June 2007

## 1 IMPORTANT INFORMATION

This Prospectus is dated 1 June 2007. A copy of this Prospectus was lodged with ASIC on 1 June 2007. ASIC and the ASX do not take any responsibility for the contents of this Prospectus.

No New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus, being the expiry date of the Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The Company is admitted to the Official List of the ASX and its Shares are continuously quoted securities of the Company in the terms of section 713 of the *Corporations Act. 2001*

Application will be made for the New Options to be granted Official Quotation by the ASX. The fact that ASX may grant Official Quotation of the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options.

In the event of exercise of the New Options, the Company will apply for Official Quotation of the Shares issued within 3 Business Days of allotment of the Shares.

In preparing this Prospectus the Company has taken such precautions and made such enquires as are reasonable in order for it to have complied with the provisions of the *Corporations Act 2001* and the Listing Rules in force at the date of this Prospectus.

No person is authorised to give any information or to make any representation concerning the Offer. Any information or representation concerning the Offer which is not contained in this Prospectus should not be relied upon as having been authorised by the Company or its Directors. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law and then only to the extent so required.

Words and phrases used in the Prospectus and defined in Section 8 (Glossary of Defined Terms) of this Prospectus have the meanings ascribed to them in that section.

### THIS IS AN IMPORTANT DOCUMENT

It is important that you carefully read this Prospectus in its entirety and, in particular, that you consider the risk factors that could affect the financial performance of the Company. In addition to the general risks applicable to all investments in listed companies, there are specific risks associated with an investment in the Company. These risks are discussed in Section 4 of this Prospectus. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

### ELIGIBLE SHAREHOLDERS

This Prospectus contains an Offer only to persons (including individuals and corporate entities) who are Shareholders on the Record Date with registered addresses in Australia or New Zealand.

This Offer is not extended to, and no New Options are offered or will be issued to, Shareholders with registered addresses outside of Australia or New Zealand. The Company considers it unreasonable to extend the Offer to Shareholders with registered addresses in jurisdictions outside Australia and New Zealand having regard to the small number and value of the New Options that would be offered in such jurisdictions and the cost of complying with the legal and regulatory requirements in those jurisdictions. The New Options being offered under this Prospectus are offered in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## IMPORTANT DATES

The following dates are indicative only and the Company reserves the right to make any changes without notice (in consultation with the ASX if necessary). In particular, the Company reserves the right, subject to the *Corporations Act 2001* and the ASX Listing Rules to withdraw the Offer without prior notice.

Announcement of bonus issue and Advise existing Options holders of the Offer	16 March 2007
Application for quotation (Appendix 3B)	1 June 2007
Lodgement of Prospectus with ASIC and ASX	1 June 2007
Despatch of Prospectus	7 June 2007
Shares quoted on an "ex" basis by the ASX and Bonus Options quoted on a deferred settlement basis	7 June 2007
Record Date for determining entitlements	14 June 2007
Despatch of holding statements for New Options	18 June 2007

## APPLICATION FOR NEW SHARES

You do not need to take any action in relation to the Offer. The New Options will be automatically issued to you based on your entitlements on the Record Date.

## PRIVACY DISCLOSURE

Unless otherwise notified to the Company, each qualifying Shareholder agrees that the Company may use the information provided previously by that qualifying Shareholder for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's share registry, related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and other regulatory authorities.

The *Corporations Act 2001* requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. The information contained in the Company's public registers must remain there even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

A qualifying Shareholder has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## 2 DETAILS OF THE OFFER

### THE OFFER

The Company is to make a pro-rata non-renounceable free issue of approximately 118,949,632 bonus share options to Eligible Shareholders on a one (1) for two (2) basis for fully paid ordinary shares held on the Record Date (14 June 2007). Each bonus share option issued allows the holder to subscribe for a fully paid share upon payment of 15 cents no later than 12 September 2008.

### PURPOSE OF THE OFFER

The purpose of the free issue is to reward the Company's existing shareholders for their continued support of the Company. Subject to the exercise of the New Options, funds raised will be directed to the Company's gold exploration and development activities particularly at Hill End and on-going working capital of the Company.

### ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

You do not need to take any action to receive the New Options

This Prospectus is issued without the requirement for an application form under an exemption provided under Class Order CO00/ 1092.

The New Options will be issued to you based on your entitlement as at the Record Date. The number of New Options issued to you will be set out in a holding statement that will be dispatched no later than on 17 June 2007. Fractional entitlements will be rounded up to the next whole number.

The issue is non-renounceable which means that you may not sell or transfer any part of your entitlement on the ASX or otherwise.

#### **TOTAL NUMBER OF NEW OPTIONS TO BE ISSUED**

The total number of New Options to be issued pursuant to this Offer will be approximately 118,949,632. Providing all New Options are exercised, the Offer will raise approximately \$17.8 million (before costs and expenses). The costs and expenses of the Offer are expected to be approximately \$30,000.

#### **RIGHTS ATTACHING TO NEW OPTIONS**

The rights, privileges and restrictions attaching to New Options are set forth in Section 6 of this Prospectus.

#### **OFFICIAL QUOTATION BY THE ASX**

Application for Official Quotation by the ASX of New Options will be made. If the ASX does not grant Official Quotation of the New Options within 3 months after the date of this Prospectus, the Company will not issue any New Options. The fact that the ASX may grant Official Quotation of the New Options pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company and the New Options.

#### **OFFER NON-RENOUNCEABLE**

This Offer is non-renounceable which means that you may not sell or transfer any part of your entitlement on the ASX or otherwise.

#### **ELIGIBLE SHAREHOLDERS**

This Prospectus contains an Offer to Shareholders with a registered address in Australia or New Zealand. Shareholders with a registered address in Australia or New Zealand who hold Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up the New Options under the Offer does not breach securities law in the relevant overseas jurisdictions.

#### **TAXATION**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of the Offer under this Prospectus. Neither the Company nor any of its officers accepts any liability or responsibility arising from this Offer. Shareholders should therefore consult their own tax adviser in connection with the taxation implications of the Offer.

#### **CHESS**

The Company participates in the Clearing House Electronic Sub-register System known as CHES. ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of the ASX, operates CHES in accordance with the Listing Rules and Securities Clearing House Business Rules. Under CHES, Eligible Shareholders will not receive a certificate but will receive a holding statement for the New Options.

#### **ALLOTMENT**

New Options will be issued and holding statements will be despatched no later than 17 June 2007 to allottees at the address appearing in the Register or such other address as may be advised by the allottee.

#### **ENQUIRIES**

Enquiries concerning this Prospectus should be directed to Registries Limited, Telephone +61 2 9290 9600.

### 3 EFFECT OF THE OFFER ON THE COMPANY

#### CAPITAL STRUCTURE

The capital structure of the Company as at the date of this Prospectus is as follows:

Shares	Number
Ordinary Fully Paid <sup>(1)</sup>	237,899,265
<b>Share Options</b>	
Unlisted <sup>(2)</sup>	5,000,000
Unlisted <sup>(3)</sup>	800,000

- (1) Includes up to 33.3 million shares which may be issued to the underwriter of the HEGOA.AU Hill End Gold Options which expired on 31 May 2007. The underwritten shares are intended to allot on 12 June 2007. It is assumed that all HEGOA.AU options not underwritten are exercised.
- (2) Unlisted employee options expiring 30 June 2009.
- (3) Unlisted employee options expiring to 1 December 2010.

#### CALCULATION OF NEW OPTIONS GRANTED UNDER THIS ISSUE

	Number	Conversion Ratio	New Options
Shares on issue	237,899,265	1 for 2	118,949,632

If all of the New Options shown above are exercised, the Company will receive approximately \$17.8 million (before costs and expenses). The ability of the Company to raise this additional capital through the exercise of the New Options is dependent on the Company's Share price prior to the expiry date of the New Options. Moneys raised from the exercise of New Options will be directed to the Company's gold exploration and development activities particularly at Hill End, New South Wales.

### 4 RISK FACTORS

Shareholders should read this section carefully to understand the material risk factors which the Directors consider could impact on Shareholders' investments.

#### GENERAL RISK FACTORS ECONOMIC CONDITIONS

The performance of the Company may be significantly affected by changes in economic conditions, and particularly conditions which affect the mining and resources industry. Profitability of the business may be affected by factors such as market conditions, interest rates, inflation and consumer demand.

#### GEO-POLITICAL FACTORS

The Company may be affected by the impact that geo-political factors have on the various world economies or the Australian economy or on financial markets and investments generally or specifically.

#### AUSTRALIAN AND FOREIGN GOVERNMENT POLICIES AND LEGISLATION

The Company may be affected by changes to government policies and legislation, including those relating to the mining and resources industry, property, the environment, taxation and the regulation of trade practices and competition, government grants and incentive schemes.

#### MARKET RISK

As the Company's shares are listed on the ASX its share price is subject to unforeseen and unpredictable circumstances including numerous influences which may reflect broad trends in the share market and in turn, affect the share prices of individual companies.

## **MARKET CONDITIONS**

The ability of the Company to benefit from the production of minerals, the acquisition or divestment of mineral properties, and investments in or mergers with resource companies will depend, to some extent, on market factors. World market prices for gold and metals are subject to many variables and may fluctuate substantially.

## **OTHER RISKS**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

## **SPECIFIC RISK FACTORS EXPLORATION AND MINING RISKS**

Mineral exploration is a highly speculative activity. There are also risks involved in the development of orebodies and the production of minerals. Factors such as sample representivity, continuity of mineralisation, evaluation techniques utilised for the estimation of mineral resources and ore reserves will necessarily impact on the accuracy of the estimation and on production forecasts and costs. Production levels and costs can also be adversely affected by factors beyond the control of management.

## **NATIVE TITLE**

It is possible that there may exist on tenements in which the Company has an interest or may acquire an interest a form of native title which could result in exploration/mining restrictions and/or claims for compensation.

## **FINANCIAL RISKS**

The ability of the Company to implement its business strategy may depend in part on its ability to continue to raise additional funds and/ or to secure appropriate partnering or out-licensing arrangements. No assurances can be given that such funding will be available, or that it will be available on terms attractive to the Company.

## **KEY EMPLOYEE RISKS**

The future success of the Company may depend in part on its continued access to highly qualified scientific, technical and managerial personnel. Competition for such staff is intense. Further, much of the intellectual property and developed know-how resides in the Company's staff or those under contract. The loss of key staff could have a material adverse effect on the Company. While the Company seeks to ensure that the services of key personnel are retained, no assurances can be given that the Company will continue to retain and attract key staff as required by the business.

## **5 CONTINUOUSLY QUOTED SECURITIES DISCLOSURE**

### **DISCLOSING ENTITY**

The Company is a disclosing entity for the purposes of the *Corporations Act 2001* and, as such, is subject to regular reporting and disclosure obligations. These obligations include compliance with the requirements of the ASX Listing Rules and the *Corporations Act 2001* concerning notification of information to the ASX. Copies of documents lodged at the ASIC in relation to the Company may be obtained from, or inspected at, an office of the ASIC. Copies of announcements made to the ASX may be viewed at the ASX's website at [www.asx.com.au](http://www.asx.com.au)

### **CONTINUOUS DISCLOSURE PROSPECTUS**

This Prospectus adopts the special prospectus content rules for continuously quoted securities as set out in section 713 of the *Corporations Act 2001*. This section enables disclosing entities to issue a special prospectus in relation to securities (and options for those securities) in a class of securities that have been quoted by the ASX at all times in the 12 months before the issue of the Prospectus.

Apart from formal matters, a 'continuous disclosure' prospectus need only contain information relating to the terms and conditions of the offer, the effect of the offer on the Company, and the rights and liabilities attaching to the New Options. Other general information is not required to be included



by a disclosing entity as the periodic reporting and continuous disclosure requirements applicable to disclosing entities mean that all this information should have previously been released to the market.

## AVAILABILITY OF DOCUMENTS

The Company will provide free of charge a copy of each document described below to a person who asks for it prior to 30 June 2007.

- (i) the Company's half yearly financial report for the six months ended 31 December 2006
- (ii) the Company's annual financial report most recently lodged with ASIC, being its report for the year ended 30 June 2006.
- (iii) any continuous disclosure notices given by the Company after the lodgement of the Company's half yearly financial report for the year ended 31 December 2006 and before lodgement of this Prospectus with ASIC.

Set out below is a description of all continuous disclosures notices lodged by the Company with ASIC and/or the ASX and used to notify ASIC and/or the ASX of information relating to the Company as referred above.

### List of ASX Announcements – 30 November 2006 to 1 June 2007

DATE	DESCRIPTION
31/05/2007	Appointment of General Manager – Hill End
28/05/2007	Appendix 3B
25/05/2007	Change of Director's Interest Notice x2
24/05/2007	Appendix 3B
23/05/2007	Appendix 3B
22/05/2007	Underwriting Agreement & Bonus Options Record Date
22/05/2007	Change in substantial holding
16/05/2007	Appendix 3B
14/05/2007	Appendix 3B
14/05/2007	Change of Director's Interest Notice
9/05/2007	Appendix 3B
4/05/2007	Becoming a substantial holder
3/05/2007	Expiry of 31 May 2007 Options
3/05/2007	Appendix 3B
3/05/2007	Change of Director's Interest Notice x 2
2/05/2007	Appendix 3B
14/03/2007	Third Quarter Activities Report
9/03/2007	Excellent results from Reward & Red Hill
1/03/2007	Oxiana's Sepon Deposit Contains A\$17bn in-ground value
28/02/2007	Laos Project along strike from Sepon
27/02/2007	Presentation to Investment Community
26/02/2007	Mining to target high grade Reward area
15/02/2007	Acquires Laos project
15/02/2007	Company's request for Trading Halt
15/02/2007	Trading Halt
31/01/2007	Second Quarter Activities Report
31/01/2007	Second Quarter Cashflow Report
29/01/2007	Change in substantial holding
23/01/2007	Drilling resumes at Red Hill with broad mineralisation
12/01/2007	Exhibition high grade gold zone extended at Hill End
27/12/2006	Change of Director's Interest Notice x 2
27/12/2006	Change of Director's Interest Notice
22/12/2006	Appendix 3B
22/12/2006	Completion of Placement/Section 708A Notice
18/12/2006	Change of Director's Interest Notice
14/12/2006	Change of Director's Interest Notice x2
13/12/2006	Change of Director's Interest Notice x 2
12/12/2006	Becoming a substantial holder
11/12/2006	High grade Paxton's intersection at Exhibition

5/12/2006	Change of Director's Interest Notice
5/12/2006	Appendix 3B
5/12/2006	Placement
30/11/2006	High grade Paxton's vein extended to south

## 6 ADDITIONAL STATUTORY AND OTHER INFORMATION

### RIGHTS AND LIABILITIES ATTACHING TO NEW OPTIONS

- (i) The New Options will expire on 12 September 2008.
- (ii) There is no obligation to exercise the New Options.
- (iii) The exercise price or number of New Options issued may be changed in accordance with Listing Rule 6.22 or any amendment of that Rule from time to time.
- (iv) In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the New Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (v) A New Option has no right to participate in a new issue of shares unless that option has been exercised.
- (vi) To exercise a New Option, the holder must complete and execute a Notice of Exercise of Option in the form that will be forwarded to all New Option holders following allotment, and must lodge the completed notice and payment of the exercise price with the Company Secretary at the Company's registered office at any time prior to the expiry date.
- (vii) The exercise price of each New Option will be 15 cents.
- (viii) Shares issued on exercise of the New Options will rank equally in all respect with all other Shares on issue. The rights and liabilities attaching to the Shares issued upon exercise of the New Options are set out in below.
- (ix) The Company will apply for Official Quotation by the ASX of the Shares issued upon exercise of the New Options within 3 Business Days of allotment of the Shares.

### RIGHTS AND LIABILITIES ATTACHING TO SHARES

A summary of the rights which relate to Shares is out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of the Company's shareholders. Full details of the rights attaching to the shares are set out in the Constitution of the Company, a copy of which can be inspected at the Company's registered office during normal business hours.

- (i) Subject to any special rights or restrictions for the time being attached to any class or classes of Shares in the Company (at present there are none), at a general meeting every Shareholder present in person or by proxy, representative or attorney will have a vote on a show of hands and, on a poll, one vote for each share held.
- (ii) Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution or the Corporations Act.
- (iii) Subject to any special rights of the holders of any Shares as to a dividend (at present there are none), all must be apportioned and paid proportionately to the amounts paid on the shares during any portion or portion of periods in respect of which the dividend is paid but if any share is issued on terms providing that it ranks for dividends as from a particular date, that share ranks for dividends accordingly.
- (iv) Subject to the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets that are to be legally distributed among holders of Shares will be distributed so that, to the greatest extent possible, the amount distributed is in proportion to the Shares held by Shareholders respectively, irrespective of the amounts paid up or credited as paid up in respect of the Shares. At the commencement of the winding up, Shares classified by the ASX as restricted shares shall rank on a return of capital after all other Shares; and subject to the Constitution, the Corporations Act, and any other laws and the ASX Listing Rules, Shares are freely transferable. Shares will rank pari passu with Shares currently on issue.
- (v) Future increases in Capital. The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors, or their associates, the ASX Listing Rules, the Constitution of the Company, and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

- (vi) Variation of rights. Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class) whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.
- (vii) Transfer of Shares. As the Company participates in CHES, the SCH Business Rules govern the transfer of shares including market settlement and securities transfer and registration.
- (viii) Constitution: The Constitution of the Company can only be amended by a special resolution passed by at least three quarters of the votes of Shareholders present and voting at a general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## INTEREST OF DIRECTORS

Other than set out below, no Director of the Company nor any firm in which such a Director is a partner, has or has had during the 2 years before the lodgement of this Prospectus with the ASIC any interest in:

- a. the formation or promotion of the Company;
- b. any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer, or
- c. the Offer.

Except as disclosed in this Prospectus, no amounts have been paid or agreed to be paid, in cash or Shares or otherwise, to any Director or to any firm in which any such Director is a partner, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her or by the firm in connection with the promotion or formation of the Company or the Offer.

## DIRECTORS' FEES

The total amount that may be paid to Non-Executive Directors for their services is determined by ordinary resolution of Shareholders. Moneys paid to Executive Directors are in accordance with his service agreement.

### Director remuneration for the year ended 30 June 2006

<b>Table 1: Director remuneration for the year ended 30 June 2006</b>							
	Salary & Fees	Non Monetary	Super-annuation	Retirement benefits	Equity Options	Other Bonuses	Total
Alfred Lampard Paton							
2006	25,000						25,000
2005	25,000						25,000
Philip Francis Bruce							
2006	183,486		16,514				200,000
2005	183,486	16,514			4,000		204,000
Graham Francis Reveleigh							
2006	70,000		6,300				76,300
2005	70,000		6,300				76,300
Ian Noel Stuart Sloan							
2006	15,000		1,350				16,350
2005	15,000		1,350				16,350
Bruce Geoffrey Thomas							
2006	15,000		1,350				16,350
2005	5,000		450				5,450

## **DIRECTOR'S INTERESTS IN SECURITIES**

As at the date of this Prospectus, the Directors have an interest in the following ordinary shares and Options in the Company:

	<b>Ordinary shares</b>	<b>Employee Options</b>
Alfred Lampard Paton	898,182	200,000
Philip Francis Bruce	4,875,671	5,200,000
Graham Francis Reveleigh	4,432,163	200,000
Ian Noel Stuart Sloan	971,673	200,000
Bruce Geoffrey Thomas	3,786,694	-

## **LITIGATION**

The Company is not currently involved in any litigation or arbitration considered to be material in the context of this Prospectus and is not aware of any threatened litigation or pending arbitration against it considered to be material in the context of this Prospectus.

## **EXPENSES OF THE OFFER**

The Company has paid or agreed to pay the following amounts to the following persons in connection with the Offer:

Various: suppliers Fees for other services provided namely ASX fees, printing and mailing, share registry, and ASIC fees, of approximately \$30,000.

## **GOVERNING LAW**

This Prospectus is governed by the law applicable in the State of New South Wales, Australia and each applicant submits to the non-exclusive jurisdiction of the courts of the State of New South Wales, Australia.

## **7 DIRECTORS' AUTHORISATION**

### **CONSENTS TO LODGEMENT**

Each Director of the Company has given, and has not withdrawn, his consent to the lodgement of this Prospectus with the ASIC.

### **DIRECTORS' CONSENT**

This Prospectus is signed on 1 June 2007 by A. L. Paton on behalf of the Directors, each of whom has consented to the signature, lodgement and issue of this Prospectus.

Signed in accordance with a resolution of the Board of Directors

A L Paton Chairman  
Sydney 1 June 2007

## **8. GLOSSARY OF DEFINED TERMS**

In this Prospectus the following terms and abbreviations have the following meanings, unless the context otherwise require:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Bonus Share Option Issue means the free issue of bonus share options to Eligible Shareholders of one New Option for every 2 fully paid ordinary shares held.

Business Day means a day on which the ASX is open for the transaction of business in NSW.

Company means Hill End Gold Limited ACN 072 692 365

Directors mean the directors of the Company at the date of this Prospectus.

Eligible Shareholders means a person registered in the Company's share register as the holder of fully paid ordinary shares and/or partly paid ordinary shares on the Record Date and who has a registered address in Australia or New Zealand.

Listing Rules means the official listing rules of the ASX.

New Options means free share options issued pursuant to this Prospectus and which may be exercised on a one for two basis into fully paid ordinary shares on payment of 15 cents no later than 5 pm Easter Standard Time, 12 September 2008.

Offer means the offer of free bonus share options to Eligible Shareholders pursuant to this Prospectus.

Official List means the Official List of the ASX. Official

Quotation means official quotation of shares and options by the ASX in accordance with the Listing Rules.

Option means an option to acquire one Share.

Prospectus means the Prospectus of which this section forms a part.

Record Date means, subject to section 2 of this Prospectus, 14 June 2007.

Share means a fully paid ordinary share in the capital of the Company

Shareholder means a holder of fully paid ordinary shares and/or partly paid ordinary shares in the capital of the Company.

References in this Prospectus to currency are, unless stated otherwise, to the currency of Australia.

## 9 CORPORATE DIRECTORY

### Directors

Alfred Lampard Paton  
Non Executive Chairman

Philip Francis Bruce  
Managing Director

Graham Charles Reveleigh  
Executive Director

Ian Noel Stuart Sloan  
Non Executive Director

Bruce Geoffrey Thomas  
Non Executive Director

### Company Secretary

Kevin Martin Lynn

### Australian Company Number

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### Registered Office

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