

HILL END GOLD LIMITED
ACN 072 692 365

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2016

HILL END GOLD LIMITED DIRECTORS' REPORT

The Directors present their report together with the financial statements of Hill End Gold Limited and the consolidated entity for the six months ended 31 December 2016.

Directors

The Directors of Hill End Gold Limited during the financial period and up to the date of this report are:

Philip Francis Bruce (Chairman & Managing Director)
Graham Charles Reveleigh
William Condon

Principal Activities

The principal activities of the Consolidated Group during the financial period were the exploration for minerals and development of its tenements in New South Wales, its investment in Bassari Resources Limited which is developing gold mining properties in Senegal, West Africa, and in the review of further acquisitions and investments.

Review of Operations

Based on pre-development studies, HEG could develop staged open pit mines on both the BNH deposit near Hargraves and on the Red Hill deposit near Hill End, which are located approximately 30 kilometres apart by sealed road.

The initial production from the BNH deposit would recover 1.2 Mt with an average grade of 2.5 g/t gold from two open pits at a combined production of 300,000 tonnes per year.

Hargraves Gold Mine Development Proposal Summary Economics¹

- | |
|--|
| <ul style="list-style-type: none">• Initial production of ~100,000 ounces over four years at <A\$900/oz cash cost• Production rate 300,000 tonnes per year at 2.5g/t from two initial open pits• 11:1 waste to ore stripping ratio at a pit design gold price of A\$1,450/oz• Gold recovery of 95%• Pre-development cost of A\$2m and project capital of A\$13m• Net profit of ~A\$40m after full cost recovery / royalty payments at A\$1,600/oz• Proposed development of Red Hill deposit would add significant value |
|--|

¹ First announced 30.4.2013 and PFS report completed June 2014 with JORC Table 1 Section 4 material assumptions outlined in release dated 20.9.16. We are not aware of any new information or data that materially affects the information included in the relevant market announcements and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The Hargraves Gold Project can be developed at a relatively low capital cost, as liberation of gold from quartz veins requires only coarse grinding and can be recovered by low cost, simple gravity methods. The proposed gold recovery method is similar to that which was used at Hawkins Hill – Reward during trial mining. Metallurgical test work on samples from Red Hill also indicated similar rates of recovery using gravity processing.

Diamond drilling is proposed to increase and extend the BNH deposit resources by infill drilling more accurately along the line of mineralisation between the Central and Southern zones. The current holes are at a 50m spacing and were drilled in the initial program some years ago. The geology and structural controls for the mineralisation are now more fully understood.

The Red Hill resources, which were upgraded to JORC 2012 as 1.5 Mt at 1.7g/t gold (30.11.15), are to be subject to an economic feasibility study to determine the development outcome as a satellite source for a processing plant Hargraves and on a stand-alone basis.

Either development scenario for Red Hill includes approximately 30% Indicated Resource and may add significant value as a standalone project or to the Hargraves Gold Project.

The Reward Gold Mine has a near surface zone of about 500 metres strike length where pre-development studies have investigated the development of a new decline to access a wide Frenchmans-Stevens zone in the upper portion of the mineralised Mine Sequence. Underground and surface drill holes previously completed indicate a 3-8m thick mineralised zone grading 4-8 g/t gold at approximately 120m depth below surface, which would be accessible by a short decline.

The Mares Nest Prospect located approximately four kilometres to the south of the Reward Deposit has gold mineralisation within a zone that is four kilometres long and up to 150m wide. A drilling proposal to follow up the targets identified by mapping and geochemical XRF across the northern 1.7km portion of the prospect has been approved.

The Company has a 100% beneficial interest in its Hill End tenements, while a portion of the ground now encompassed by EL 5868, which includes Red Hill and excludes Mares Nest, is subject to a reduction to 85% if an 'economic feasibility study' is completed by the Company, and First Tiffany Resource Corporation, if it establishes that it continues to hold a right against the Company to do so, contributes at the 15% level.

Subsequent Events

On 23 January 2016 the Company announced it had appointed Patersons Corporate Finance as the Lead Manager to a placement of \$1.4 million through the issue of 700,000,000 ordinary shares at \$0.002 per share. In addition, for each new share issued one option exercisable at \$0.003 and expiring on 30 July 2020, will be granted.

The placement will be settled in two tranches. The first tranche of 374,000,000 shares (\$748,000) has settled utilising the Company's issuance capacity pursuant to ASX Listing Rule 7.1 and 7.1a. The second tranche of 326,000,000 shares (\$652,000) and all Placement Options will be issued subject to shareholder approval and / or following shareholder refresh of the Company placement capacity pursuant to ASX Listing Rule 7.1. A general meeting of shareholders has been called for 28 March 2017 to seek approval for settlement of the second tranche.

Significant Changes in the State of Affairs

During the half year to 31 December 2016 the Company raised \$382,506 through the issue of ordinary shares, net of costs.

There were no other significant changes in the state of affairs in the Company during the half year.

Rounding of Amounts to nearest Thousand Dollars.

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to the rounding off of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

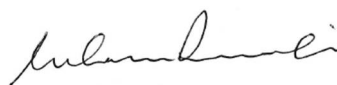
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The auditor's independence declaration is set out on page 3 for the half-year ended 31 December 2016.

This report is made in accordance with a resolution of the directors.



PHILIP BRUCE
Executive Chairman
Sydney
13 March 2017



GRAHAM REVELEIGH
Director

13 March 2017

The Board of Directors
Hill End Gold Limited
350 George Street
SYDNEY NSW 2000

Dear Board Members

HILL END GOLD LIMITED

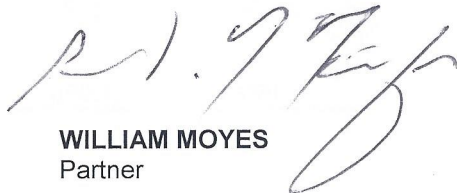
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Hill End Gold Limited.

As lead audit partner for the review of the half-year financial statements of Hill End Gold Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

MOYES YONG



WILLIAM MOYES
Partner

HILL END GOLD LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Notes	Half year Ended 31 Dec 16 \$'000	Half year Ended 31 Dec 15 \$'000
Revenue		-	-
Cost of Sales		-	-
Gross Profit		-	-
Other Income		-	144
Other expenses		(156)	(491)
Administrative costs		(432)	(482)
Operating loss		(588)	(829)
Finance revenue		2	4
Finance costs		(3)	(2)
Loss before income tax		(589)	(827)
Income tax expense		-	-
Loss for the period	2	(589)	(827)
Other comprehensive income			
Item that may be reclassified subsequently through profit and loss			
Gain on revaluation of available for sale financial assets, net of tax		33	(233)
Total comprehensive loss for the period attributable to members		(556)	(1,060)
Earnings per share from continuing operations:		Cents	Cents
Basic earnings per share		(0.04)	(0.07)
Diluted earnings per share		(0.04)	(0.07)

The accompanying notes form part of these financial statements.

HILL END GOLD LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		31 Dec 2016 \$'000	30 June 2016 \$'000
Current Assets			
Cash and cash equivalents		86	28
Trade and other receivables		6	7
Available-for-sale financial assets		100	67
Available-for-sale property	5	274	274
		<hr/> 466	<hr/> 376
Non-Current Assets			
Other financial assets		439	439
Mining property	3	2,500	2,500
Deferred Exploration & Development costs	4	13,822	13,807
Property Plant & Equipment	5	431	519
		<hr/> 17,192	<hr/> 17,265
Total Non-Current Assets		<hr/> 17,192	<hr/> 17,265
Total Assets		<hr/> 17,658	<hr/> 17,641
Current Liabilities			
Trade and other payables		589	411
Provisions		116	110
		<hr/> 705	<hr/> 521
Total Current Liabilities		<hr/> 705	<hr/> 521
Non-Current Liabilities			
Provision for Rehabilitation		185	178
		<hr/> 185	<hr/> 178
Total Non-Current Liabilities		<hr/> 185	<hr/> 178
Total Liabilities		<hr/> 890	<hr/> 699
Net Assets		<hr/> 16,768	<hr/> 16,942
Equity			
Issued capital	7	75,291	74,909
Reserves		168	135
Accumulated losses		(58,691)	(58,102)
		<hr/> 16,768	<hr/> 16,942
Total Equity		<hr/> 16,768	<hr/> 16,942

The accompanying notes form part of these financial statements.

HILL END GOLD LIMITED

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Share Capital Ordinary \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 1 July 2016	74,909	135	(58,102)	16,942
Profit (loss) attributable to equity shareholders	-	-	(589)	(589)
Total other comprehensive income	-	33	-	33
Share issues	382	-	-	382
Balance at 31 December 2016	75,291	168	(58,691)	16,768
 Balance at 1 July 2015	 74,433	 360	 (56,713)	 18,080
Profit (loss) attributable to equity shareholders	-	-	(827)	(827)
Total other comprehensive income	-	(233)	-	(233)
Share issues	306	-	-	306
Balance at 31 December 2015	74,739	127	(57,540)	17,326

The accompanying notes form part of these financial statements.

HILL END GOLD LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Half Year Ended 31 Dec 2016 \$'000	Half Year Ended 31 Dec 2015 \$'000
Cash Flows From Operating Activities		
Receipts from customers	-	8
Interest received	2	4
Payments to suppliers and employees	(294)	(267)
	<hr/>	<hr/>
Net cash inflows/(outflows) from operating activities	(292)	(255)
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Payment for exploration expenditure	(17)	(206)
Payment for mining properties	(15)	(36)
Proceeds from sale of equipment	-	17
Proceeds from sale of shares	-	146
Other	-	6
Refund of Security deposit	-	12
	<hr/>	<hr/>
Net cash outflows from investing activities	(32)	(61)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Issue of ordinary shares	382	306
	<hr/>	<hr/>
Net cash inflows from financing activities	382	306
	<hr/>	<hr/>
Net Increase/(Decrease) in cash held	58	(10)
Cash at the beginning of the financial year	28	56
	<hr/>	<hr/>
Cash at the End of the Financial Year	86	46
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

HILL END GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Hill End Gold Limited Group. As such, it does not include all of the notes normally included in the annual financial statements. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2016, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Adoption of New and Revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half yearly financial statements.

Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's financial report as at and for the year ended 30 June 2016.

Mining Property

Mining property represents mines that are being developed for future production or which are in the production phase, suspension or on care and maintenance. Where several mines are to be produced through common facilities or are within the same area of interest the individual mines are managed and reported as a single asset.

HILL END GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The costs of mines in production include past exploration and evaluation costs, pre-production development costs and the ongoing costs of continuing to develop reserves for production and to expand or replace plant and equipment and any associated land and buildings.

Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the mine, on a unit-of-production basis. Costs are amortised only once production begins and go on hold where production is suspended or the property is on care and maintenance. The mining property is assessed for impairment using a reasonable valuation methodology.

Changes in factors such as estimates of proved and probable reserves that affect unit-of – production calculations do not give rise to prior year financial period adjustments and are dealt with on a prospective basis.

Going Concern

The financial statements have been prepared on the going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business. This is notwithstanding an operating loss of \$589,000.

The Group has reported cash and cash equivalent assets of \$85,883 at 31 December 2016. The directors acknowledge that continued exploration and development of the Group's mineral exploration properties will necessitate further capital raisings and/or formation of joint ventures over these mineral exploration properties.

The Group remains dependent on its ability to raise capital. During the past 5 years the Group has successfully completed multiple capital raisings and the directors are confident of being able to raise further capital to fund continued operations. The Group has raised \$270,000 through share placements in the past six months. Since the end of December 2016 \$748,000 has been raised by placement, with a further \$652,000 placement being subject to shareholder approval. A General Meeting of shareholders is being convened on 28 March 2017 to approve the placement.

In consideration of the above, the directors have determined that it is foreseeable that the Group will continue to operate as a going concern and that it is appropriate that the financial statements be prepared on this basis.

In the event that the Group is unable to achieve the actions noted above, the Group may not be able to continue as a going concern, it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

HILL END GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Half year Ended 31 Dec 2016 \$'000	Half year Ended 31 Dec 2015 \$'000
2. PROFIT FOR THE PERIOD		
The following revenue and expense items are relevant in explaining the financial performance for the interim period		
Other revenue (sale of financial assets)	-	118
Impairment of mining properties	(24)	(45)
Exploration expenditure written off	(6)	(247)
	31 Dec 2016 \$'000	30 June 2016 \$'000
3. MINING PROPERTY		
Non-Current		
Mining Property – at cost	21,050	21,026
Amortisation	(3,547)	(3,547)
Asset impairment	(15,003)	(14,979)
	2,500	2,500
Reconciliation of the carrying amounts of mining property costs at the beginning and end of the current and previous financial years.		
Opening balance	2,500	6,000
Transfer from exploration and evaluation phase (Note 10)	-	-
Expenditure in the period	24	97
Amortisation	-	-
Asset impairment	(24)	(3,597)
	2,500	2,500
The carrying value of the mining property is based on an independent valuation undertaken by Minnelex Pty Ltd in April 2015 which indicated a value between a low of \$1.704 million and a high of \$2.938 million. The mining property is currently on care and maintenance.		
4. DEFERRED EXPLORATION & DEVELOPMENT		
Costs carried forward in respect of areas of interest in Exploration and evaluation phase – at cost	14,429	14,408
Expenditure written off	(607)	(601)
Impairment	-	-
	13,822	13,807

HILL END GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

4. DEFERRED EXPLORATION & DEVELOPMENT (continued)

	31 Dec 2016 \$'000	30 June 2016 \$'000
Reconciliation of the carrying amounts of deferred exploration, evaluation and development costs at the beginning and end of the current and previous financial years.		
Opening balance	13,807	13,840
Additions	21	225
Write-off relinquished or expired tenements	(6)	(258)
Impairment	-	-
Net book value	<u>13,822</u>	<u>13,807</u>

5. PROPERTY, PLANT AND EQUIPMENT

Current

Available-for-sale property at cost	274	274
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Non-current

Property at cost	<u>115</u>	<u>115</u>
Total Property – at cost	<u>389</u>	<u>389</u>
Plant and equipment - at cost	2,381	2,381
Less: Accumulated depreciation	<u>(2,079)</u>	<u>(1,994)</u>
	<u>302</u>	<u>387</u>
Motor vehicles - at cost	69	84
Less: Accumulated depreciation	<u>(55)</u>	<u>(67)</u>
	<u>14</u>	<u>17</u>
	<u>705</u>	<u>793</u>

Reconciliation

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are as follows:

	Real Property \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
Carrying value at start of period	389	387	17	793
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation		(85)	(3)	(88)
Carrying value at end of year	<u>389</u>	<u>302</u>	<u>14</u>	<u>705</u>

HILL END GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

6. SEGMENT INFORMATION

Business Segments

The Company operates in the mining industry. The operations comprise exploration and development directly, or through investments in listed entities. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

7. CAPITAL AND RESERVES

	31 Dec 2016 Number	30 June 2016 Number
Ordinary Shares		
Balance at 1 July	1,298,369,360	1,124,704,835
Shares issued	153,895,525	173,664,525
Balance at 31 December	1,497,264,885	1,298,369,360

Share Capital

The Company recorded the following amounts within shareholder equity

	31 Dec 2016 \$'000	30 June 2016 \$'000
Ordinary Shares		
Issuance of ordinary shares	397	521
Less cost of share issue	(15)	(44)

8. CONTINGENT LIABILITIES

During the 2007-08 year the Company acquired an interest in the Hargraves tenement. The acquisition cost included \$300,000 plus the issue of 2,000,000 ordinary fully paid shares and 2,000,000 listed options which expired on 12 September 2008. These amounts were recorded during the year ending 30 June 2008. The Company will issue the vendors an additional 2,000,000 ordinary shares in the event that the Company estimates 70,000 ozs of recoverable gold in Mineral Reserves on the tenements and a further 2,000,000 ordinary shares in the event that 70,000 ozs are produced from the tenement. There are no other contingent liability disclosures required.

9. COMMITMENTS

Operating Leases

Total operating lease expenditure contracted for at balance date but not provided for in the financial statements:

Due within one year	-	-
Due beyond one year and within five years	-	-
	<u>-</u>	<u>-</u>

HILL END GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

9. COMMITMENTS FOR EXPENDITURE *continued*

Commitments Relating to Tenements

As a condition of its tenements the Group has expenditure commitments. These commitments totalled \$643,000 as at 30 June 2016 (2015; \$380,000). This balance fluctuates based on the expiration and renewal of tenements.

10. EVENTS SUBSEQUENT TO REPORTING DATE

On 23 January 2016 the Company announced it had appointed Patersons Corporate Finance as the Lead Manager to a placement of \$1.4 million through the issue of 700,000,000 ordinary shares at \$0.002 per share. In addition, for each new share issued one option exercisable at \$0.003 and expiring on 30 July 2020, will be granted.

The placement will be settled in two tranches. The first tranche of 374,000,000 shares (\$748,000) has settled utilising the Company's issuance capacity pursuant to ASX Listing Rule 7.1 and 7.1a. The second tranche of 326,000,000 shares (\$652,000) and all Placement Options will be issued subject to shareholder approval and / or following shareholder refresh of the Company placement capacity pursuant to ASX Listing Rule 7.1. A general meeting of shareholders has been called for 28 March 2017 to seek approval for settlement of the second tranche.

There were no other significant events after the reporting date until the date of this report.

HILL END GOLD LIMITED
DIRECTORS' DECLARATION


The Directors of Hill End Gold Limited declare that:

1. The financial statements and notes as set out on pages 5 to 14 are in accordance with the *Corporations Act 2001*, the Corporations Regulations and other mandatory professional reporting requirements including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:



PHILIP BRUCE
Executive Chairman
Sydney
13 March 2017



GRAHAM REVELEIGH
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Hill End Gold Limited and its controlled entity

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Hill End Gold Limited and its controlled entity (the Group) which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the group's financial position as at 31 December 2016 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Hill End Gold Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to Electronic Publication of the Audited Financial Report

This review report relates to the financial report of the consolidated entity. We have reviewed the accompanying half-year financial report of Hill End Gold Limited and its controlled entity (the Group) for the half-year ended 31 December 2016 included on the website of Hill End Gold Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the subject matter described above.

Matters Relating to Electronic Publication of the Audited Financial Report (continued)

It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001.

Conclusion

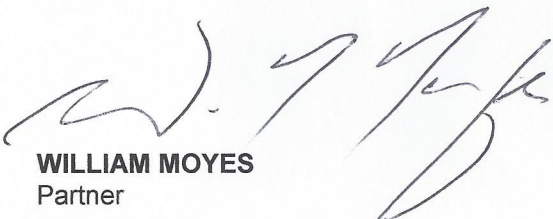
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hill End Gold Limited and its Controlled Entity is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter Regarding Going Concern

We draw attention to Note 1 of the consolidated financial report, which indicates that the Group incurred a loss before taxation of \$589,000 (2015: \$827,000) during the half year ended 31 December 2016. This condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MOYES YONG



WILLIAM MOYES
Partner

Dated this 13th day of March 2017

**HILL END GOLD LIMITED
CORPORATE DIRECTORY**

Directors

Philip Francis Bruce
Chairman & Managing Director

Graham Charles Reveleigh
Non Executive Director

William Condon
Non Executive Director

Auditor

Moyes Yong
Suite 1301, Level 13,
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Sydney NSW 2000

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Company Secretary

Kevin Martin Lynn

Australian Company Number

072 692 365

**Registered &
Principal Office**

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Email: Contact via website

Share Registry

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