

HILL END GOLD LIMITED  
ACN 072 692 365

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2015

## **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 2015.

### **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 (appointed 6 July 2015)  
Denis Edmund Clarke (resigned 19 January 2016)

### **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. The Red Hill resources, which were upgraded to JORC 2012 as 1.5 Mt at 1.7g/t gold, 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 approximately \$20m net profit to the Company's estimated \$40m net profit for the Hargraves Gold Project after total cost recovery and royalty payments at A\$1,600/oz.

#### **Hargraves Gold Mine Development Proposal Summary Economics**

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

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.

## **DIRECTORS REPORT Continued**

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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.

### **Significant Changes in the State of Affairs**

During the half year to 31 December 2015 the Company raised \$306,584 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 2015.

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



**PHILIP BRUCE**  
Chairman, Managing Director  
Sydney  
14 March 2016



**GRAHAM REVELEIGH**  
Director

14 March 2016

The Board of Directors  
Hill End Gold Limited  
3 Spring Street  
SYDNEY NSW 2000

Moyes Yong + Co Partnership  
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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 financial statements of Hill End Gold Limited for the half-year ended 31 December 2015, 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



**William M Moyes - Partner**  
**Moyes Yong & Co Partnership**

Dated this 14<sup>th</sup> day of March 2016

**HILL END GOLD LIMITED**

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

**FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

|  | Notes | Half year<br>Ended<br>31 Dec 15<br>\$'000 | Half year<br>Ended<br>31 Dec 14<br>\$'000 |
|--|-------|---|---|
| Revenue  |       | -   | 15  |
| Cost of Sales  |       | -   | (12)                                      |
| <b>Gross Profit</b>  |       | <u>-</u>                                  | <u>3</u>                                  |
| Other Income   |       | 144                                       | 299                                       |
| Other expenses   |       | (491)                                     | (311)                                     |
| Administrative costs   |       | (482)                                     | (366)                                     |
| <b>Operating loss</b>  |       | <u>(829)</u>                              | <u>(375)</u>                              |
| Finance revenue  |       | 4   | 3   |
| Finance costs  |       | (2)                                       | (2)                                       |
| <b>Loss before income tax</b>  |       | <u>(827)</u>                              | <u>(374)</u>                              |
| Income tax expense   |       | -   | -   |
| <b>Loss for the period</b>   | 2     | <u>(827)</u>                              | <u>(374)</u>                              |
| Other comprehensive income   |       | -   | -   |
| <b>Total comprehensive loss for the period<br/>attributable to members</b> |       | <u><u>(827)</u></u>                       | <u><u>(374)</u></u>                       |
|  |       |   |   |
| Earnings per share from continuing operations:                             |       | Cents                                     | Cents                                     |
| Basic earnings per share   |       | (0.07)                                    | (0.4)                                     |
| Diluted earnings per share   |       | (0.07)                                    | (0.4)                                     |

*The accompanying notes form part of these financial statements.*

**HILL END GOLD LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

|  |   | 31 Dec 2015<br>\$'000 | 30 June 2015<br>\$'000 |
|--|---|-----------------------|------------------------|
| <b>Current Assets</b>                    |   |                       |                        |
| Cash and cash equivalents                |   | 46                    | 56                     |
| Trade and other receivables              |   | 18                    | 23                     |
| Inventory                                |   | -                     | 1                      |
|  |   | <u>64</u>             | <u>80</u>              |
| Available-for-sale financial assets      |   | 179                   | 755                    |
|  |   | <u>243</u>            | <u>755</u>             |
| <b>Non-Current Assets</b>                |   |                       |                        |
| Other financial assets                   |   | 469                   | 504                    |
| Mining property                          |   | 2,500                 | 2,500                  |
| Deferred Exploration & Development costs |   | 13,799                | 13,840                 |
| Property Plant & Equipment               |   | 920                   | 1,022                  |
|  |   | <u>17,688</u>         | <u>18,621</u>          |
| <b>Total Non-Current Assets</b>          |   | <u>17,688</u>         | <u>18,621</u>          |
| <b>Total Assets</b>                      |   | <u>17,931</u>         | <u>18,701</u>          |
| <b>Current Liabilities</b>               |   |                       |                        |
| Trade and other payables                 |   | 216                   | 235                    |
| Provisions                               |   | 188                   | 186                    |
| Other                                    | 3 | 22                    | 16                     |
|  |   | <u>426</u>            | <u>437</u>             |
| <b>Total Current Liabilities</b>         |   | <u>426</u>            | <u>437</u>             |
| <b>Non-Current Liabilities</b>           |   |                       |                        |
| Provisions                               |   | -                     | 14                     |
| Other                                    |   | 179                   | 170                    |
|  |   | <u>179</u>            | <u>184</u>             |
| <b>Total Non-Current Liabilities</b>     |   | <u>179</u>            | <u>184</u>             |
| <b>Total Liabilities</b>                 |   | <u>605</u>            | <u>621</u>             |
| <b>Net Assets</b>                        |   | <u>17,326</u>         | <u>18,080</u>          |
| <b>Equity</b>                            |   |                       |                        |
| Issued capital                           | 5 | 74,739                | 74,433                 |
| Reserves                                 |   | 127                   | 360                    |
| Accumulated losses                       |   | <u>(57,540)</u>       | <u>(56,713)</u>        |
| <b>Total Equity</b>                      |   | <u>17,326</u>         | <u>18,080</u>          |

*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 2015**

|   | Share Capital<br>Ordinary<br>\$'000 | Reserves<br>\$'000 | Accumulated<br>Losses<br>\$'000 | Total<br>Equity<br>\$'000 |
|---|-------------------------------------|--------------------|---------------------------------|---------------------------|
| <b>Balance at 1 July 2015</b>                     | 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                       |
| <b>Balance at 31 December 2015</b>                | <b>74,739</b>                       | <b>127</b>         | <b>(57,540)</b>                 | <b>17,326</b>             |
| <br><b>Balance at 1 July 2014</b>                 | <br>74,174                          | <br>666            | <br>(52,529)                    | <br>22,311                |
| Profit (loss) attributable to equity shareholders | -                                   | -                  | (374)                           | (374)                     |
| Total other comprehensive income                  | -                                   | -                  | -                               | -                         |
| <b>Balance at 31 December 2014</b>                | <b>74,174</b>                       | <b>666</b>         | <b>(52,903)</b>                 | <b>21,937</b>             |

*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 2015**

|   | Half Year<br>Ended<br>31 Dec 2015<br>\$'000 | Half Year<br>Ended<br>31 Dec 2014<br>\$'000 |
|---|---|---|
| <b>Cash Flows From Operating Activities</b>           |   |   |
| Receipts from customers                               | 8   | 519   |
| Interest received                                     | 4   | 3   |
| Payments to suppliers and employees                   | (267)                                       | (336)                                       |
|   | <hr/>                                       | <hr/>                                       |
| Net cash inflows/(outflows) from operating activities | (255)                                       | 186   |
| <b>Cash Flows From Investing Activities</b>           |   |   |
| Payment for exploration expenditure                   | (206)                                       | (213)                                       |
| Payment for mining properties                         | (36)  | (46)  |
| Purchases of property plant & equipment               | -   | -   |
| Proceeds from sale of equipment                       | 17  | 3   |
| Investment in listed shares                           | -   | -   |
| Proceeds from sale of shares                          | 146   | -   |
| Other   | 6   | -   |
| Refund of Security deposit                            | 12  | 10  |
|   | <hr/>                                       | <hr/>                                       |
| Net cash outflows from investing activities           | (61)  | (246)                                       |
| <b>Cash Flows From Financing Activities</b>           |   |   |
| Issue of convertible note                             | -   | 50  |
| Issue of ordinary shares                              | 306   | -   |
| Cost of issue of shares                               | -   | -   |
|   | <hr/>                                       | <hr/>                                       |
| Net cash inflows from financing activities            | 306   | 50  |
| <b>Net Increase/(Decrease) in cash held</b>           | <b>(10)</b>                                 | <b>(10)</b>                                 |
| Cash at the beginning of the financial year           | <hr/> 56                                    | <hr/> 54                                    |
| <b>Cash at the End of the Financial Year</b>          | <hr/> <b>46</b>                             | <hr/> <b>44</b>                             |

*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 2015**

#### **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 2015 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 2015, 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 2015.

## **HILL END GOLD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

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

##### **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.

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.

##### **Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profits in the year which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from where exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology and discounted by the company's cost of capital to the present value.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**HILL END GOLD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

Exploration and evaluation assets are tested for impairment each year. When the facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the carrying amount is written down to its likely recoverable amount.

The recoverability of the carrying amount is dependent on successful developments and commercialisation or alternatively sale of the respective areas of interest.

**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 \$827,000.

The Group has reported cash and cash equivalent assets of \$45,624 at 31 December 2015. 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 \$306,584 net of expenses through a Share Purchase Plan in the past six months and at 31 December 2015 had a non-renounceable rights issue current.

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.

| <b>Half year<br/>Ended<br/>31 Dec 2015<br/>\$'000</b> | <b>Half year<br/>Ended<br/>31 Dec 2014<br/>\$'000</b> |
|---|---|
|---|---|

**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) | <b>118</b>   | 299  |
| Impairment of mining properties          | <b>(45)</b>  | (67) |
| Exploration expenditure written off      | <b>(247)</b> | (18) |

# HILL END GOLD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

### 3. OTHER

On 1 December 2015 the Company announced a 1 for 2 non-renounceable rights issue at 0.3 cents per share. At 31 December 2015 an amount of \$21,827 had been received but no shares had been allotted.

### 4. 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.

### 5. CAPITAL AND RESERVES

|                        | 31 Dec 2015<br>Number | 31 Dec 2014<br>Number |
|------------------------|-----------------------|-----------------------|
| <b>Ordinary Shares</b> |                       |                       |
| Balance at 1 July      | 1,124,704,835         | 1,064,704,835         |
| Shares issued          | 96,000,062            | -                     |
| Balance at 31 December | 1,220,704,897         | 1,064,704,835         |

#### Share Capital

The Company recorded the following amounts within shareholder equity

|                             | 31 Dec 2015<br>\$'000 | 31 Dec 2014<br>\$'000 |
|-----------------------------|-----------------------|-----------------------|
| <b>Ordinary Shares</b>      |                       |                       |
| Issuance of ordinary shares | 336                   | -                     |
| Less cost of share issue    | (29)                  | -                     |

## **HILL END GOLD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

#### **6. 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.

#### **7. EVENTS SUBSEQUENT TO REPORTING DATE**

HEGL Investments Pty Ltd has sold 14,000,000 ordinary shares in Bassari Resources Limited ('BSR') yielding net proceeds of \$135,972. In addition a further 30,977,726 BSR shares have been transferred to creditors in settlement of outstanding liabilities of \$325,469.

On 12 February 2016 the Company's full-time exploration employees were terminated along with employees based at Hill End in an effort to reduce the cash operating costs of the Group.

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 4 to 12 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 2015 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**  
Chairman, Managing Director  
Sydney  
14 March 2016



**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

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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 2015, 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 2015 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 2015 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 2015 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*

Without modifying our opinion, we draw attention to Note 1 which indicates that additional funding from capital raisings and or formation of joint ventures may be required over mineral exploration properties to ensure that the group can continue its activities and continue to operate as a going concern. There is uncertainty as to whether these circumstances will arise.



**William M Moyes - Partner**

**Moyes Yong & Co Partnership**

Dated this 14<sup>th</sup> day of March 2016



**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 & Co  
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**Company Secretary**

Kevin Martin Lynn

**Australian Company Number**

072 692 365

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Principal Office**

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