HILL END GOLD LIMITED

ABN 74 072 692 365

ANNUAL REPORT

30 JUNE 2017

Contents

CORPORATE DIRECTORY

Directors
Philip Francis Bruce
Executive Chairman / Managing Director

Graham Charles Reveleigh
Non-Executive Director

William Joseph Condon
Non-Executive Director

David Leavy
Non-Executive Director

Company Secretary
Kevin Martin Lynn

Australian Business Number
74 072 692 365

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Sydney NSW 2000

Stock Exchange Listing
Hill End Gold Limited shares are listed on the Australian Securities Exchange (ASX code: HEG / HEGOC)

MANAGING DIRECTOR'S REPORT

OVERVIEW

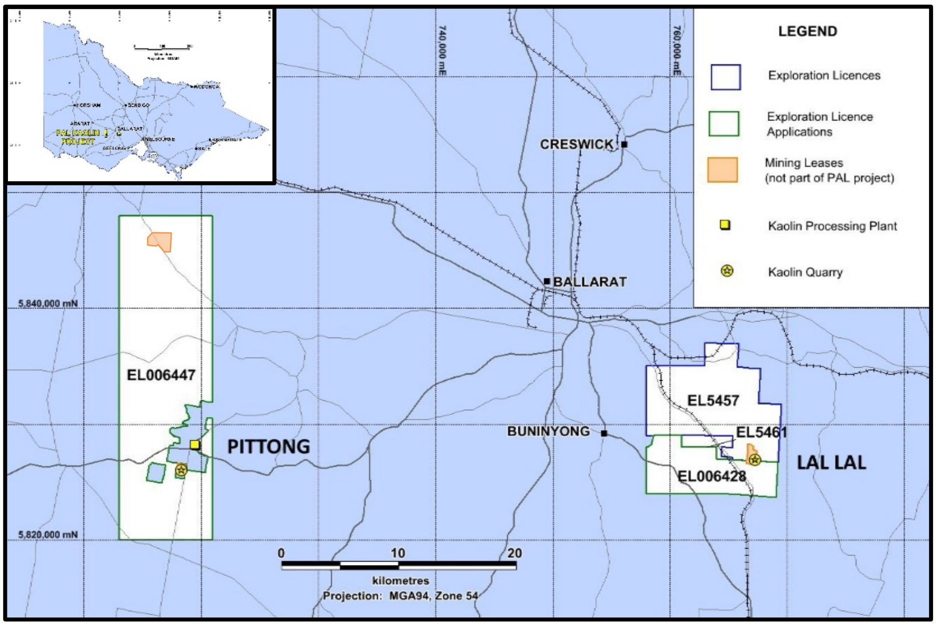
During this past year HEG Limited has worked on its advanced exploration gold projects in New South Wales and reviewed many opportunities to increase its asset base and the Company's share price.

Fundraising of $1.3M after costs underpinned due diligence work and early metallurgical test work and evaluation of the acquisition of a high purity alumina project at the end of the year.

HPA PROJECT

HEG has acquired an exciting project that can produce high purity alumina of 99.99% Al_2O_3 or higher (HPA) which is feedstock for synthetic sapphire used in the high growth sectors of LED lighting and lithium batteries. The HPA Project has kaolin deposits on tenements near Ballarat in Victoria, and includes the entire issued share capital of Pure Alumina Pty Ltd (ACN 618 881 137), a company associated with Tolga Kumova and Tom Eadie, who will remain associated with HEG and the project.

The market for HPA has strong growth prospects based on battery demand, environmentally friendly LED lights and increasing uses for synthetic sapphire in electronics and optical applications.



HPA Project tenement location near Ballarat, Victoria

HEG has completed drilling and sampling of the initial kaolin deposit on EL5461 which would be the feedstock for a proposed 10,000 tonne HPA facility. A Preliminary Feasibility Study is expected to be completed by early 2018 and early work has indicated that HEG could be in production by 2021.

The terms of the HPA Project Asset Sale Agreement are summarised as follows:

- HEG will be operator of the assets and will pay for all costs;
- HEG will issue 8M shares and pay $100,000 in cash to the vendors who have the right to appoint one director to the HEG board;
- On completion of a Preliminary Feasibility Study, HEG will issue 20M shares to the vendors and HEG will own the tenements, HPA information and related rights;
- Completion of a viable Definitive Feasibility Study (DFS) is expected to occur within 2 years and at such time HEG will issue $1.5M shares to the vendors at the lesser of 20c per share and 30 day VWAP, with a floor price of 10c per share;
- If viable DFS not achieved within two years then $100kpa payments, pro rata per month, until achieved or up to 31 December 2022; and
- Upon receipt of sales contract for 100% offtake arrangement for 1.5 time payback period, HEG will issue $0.5M shares to the vendors at the lesser of 20c per share and 30 day VWAP, with a floor price of 10c per share.

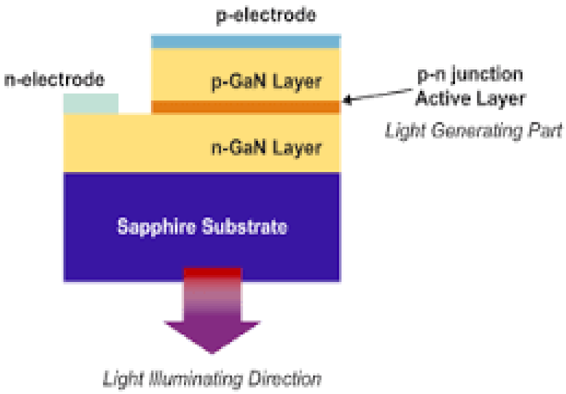
High purity alumina (HPA) is a product consisting of Al_2O_3 with a purity level that is 99.99% (4N) or more. Its largest use is in the established high-growth markets of LED lighting and high temperature / high resistance electronics, such as the insulation separator in lithium batteries.

HPA has unique properties of high hardness, excellent insulation and temperature resistance and is chemically inert and corrosion resistant, which make it attractive as feedstock for a wide and increasing range of synthetic sapphire applications and semi-conductor manufacturing. In particular, the unique chemical properties of HPA make it an important material in the development of high performance electronics.

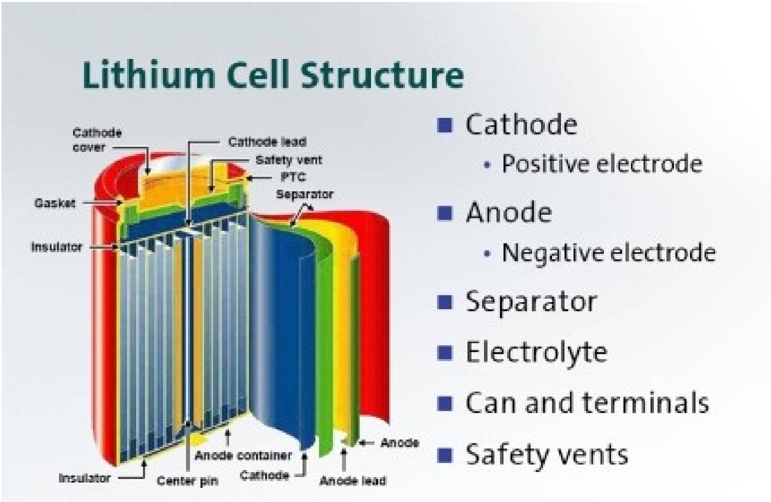
The main use for HPA is in the manufacture of synthetic sapphire for many high growth applications:

LED Lighting

Synthetic sapphire Substrate in high brightness LED chips has excellent heat resistance / electrical resistance and transparency for low energy, high power and long life span LED lighting.

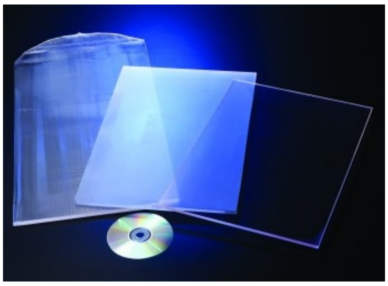


Lithium batteries



Synthetic sapphire coating of the lithium battery Separator ensures high insulation between the Anode and Cathode and excellent heat resistance: the larger the battery, higher the charge density and faster the charge rate, then the thicker the synthetic sapphire coating.

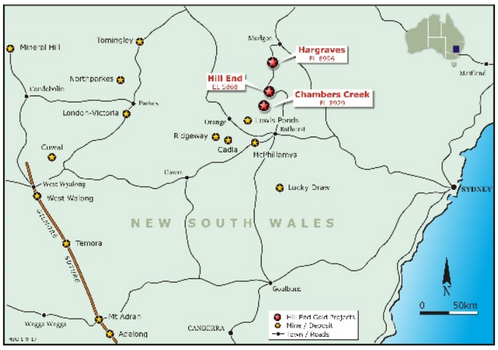
Optical applications



Synthetic sapphire is second in hardness to diamond and has excellent optical properties, making it ideal for smart phone screens and military transparent armour. It is inert and corrosion resistant for harsh environments and medical applications.

GOLD PROJECTS

HEG's gold projects have over 570,000 ounces of contained gold located near Hill End and Hargraves in central New South Wales and the open pit gold projects at Hargraves and Red Hill have up to 140,000 recoverable ounces.



Hill End Gold Project locations

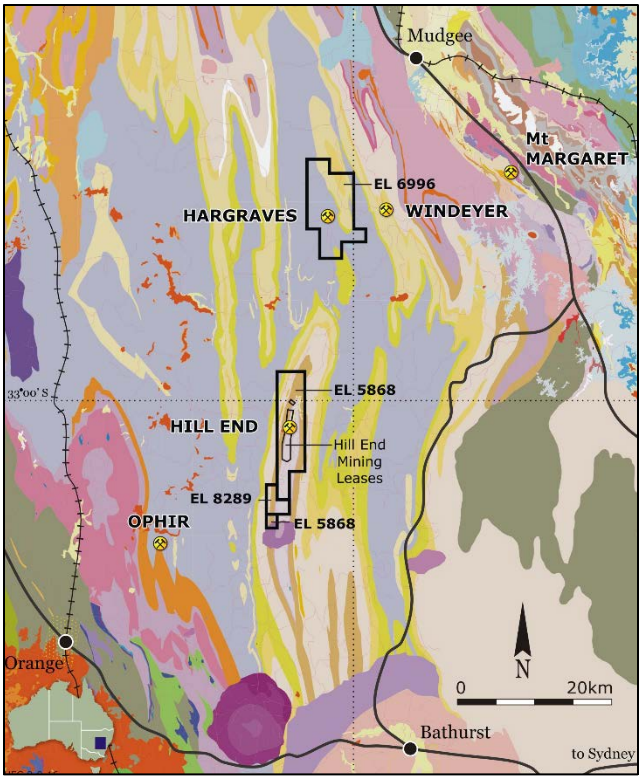
- The Hargraves project (100% owned) has a Pre-Feasibility Study completed in 2014 for a 100,000oz open pit and low impact processing project*.
- The Red Hill project (minimum 85%) is in preparation for a Pre-feasibility Study on an open pit project with an onsite processing plant or as a source of ore for an offsite plant.
- The Reward Gold Mine (minimum 85%) requires drilling of the near-surface Frenchmans - Stevens wide zone and modification of the mining permits.

HARGRAVES GOLD PROJECT

The Hargraves Gold Project is located on the wholly-owned EL 6996 and a pre-development study based on pit optimisation studies, metallurgical test work and project design estimates has indicated that an initial project of two open pits producing 1.2Mt of ore at 2.9g/t would generate ~25,000 ounces per year over four years at a cash cost of <$900/ounce.*

The project could be developed at a low capital cost of approximately $15M and produce a net profit of $40M after full cost recovery and payment of royalties at a gold price of $1,600/ounce. A simple low impact processing plant recovers ~95% of the gold at a relatively coarse grind size of P_{80}0.5mm. The proposed process is similar to the process used at the earlier Hill End project and capital cost savings would be realised using existing equipment.*

The Study is to be updated to include a more detailed pit design and recent estimates of operating and capital costs.



Hill End and Hargraves tenements

Hargraves Gold Project development proposal results*:

- Initial production of ~100,000 ounces over four years at <$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 $1,450/oz
- Gold recovery of ~95%
- Pre-development cost of $2m and project capital of A$13m
- Net profit of ~$40m after full cost recovery / royalty payments at $1,600/oz
- Potential for Hargraves development extensions at same production rate

* These project results were first announced 30.4.2013 and in a PFS report completed June 2014. We are not aware of any new information or data that materially affects the information included in the relevant market announcement and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

MANAGING DIRECTOR'S REPORT (continued)

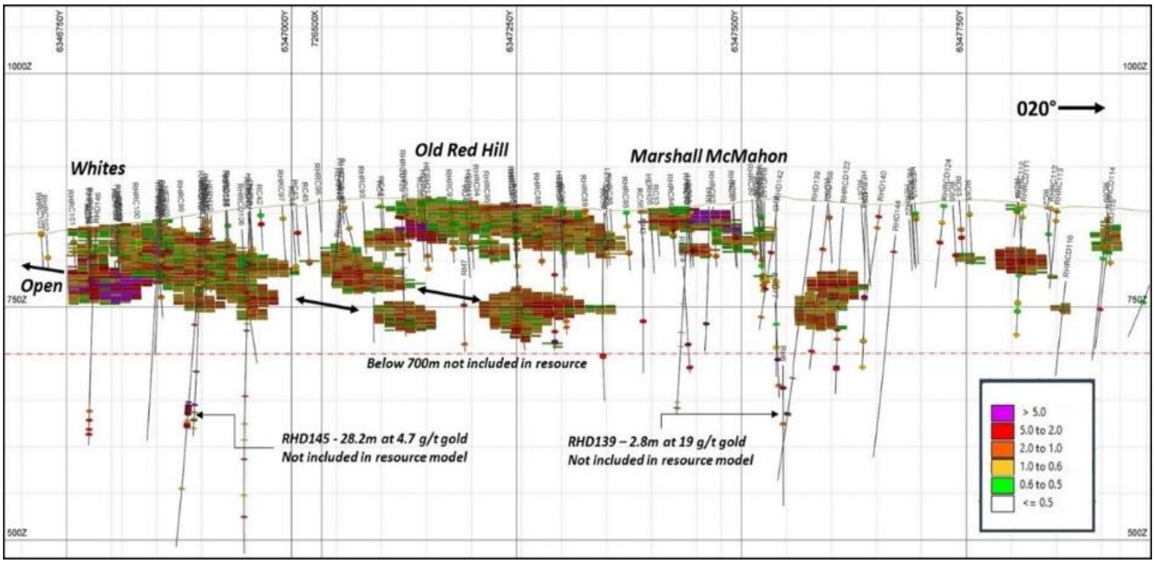
RED HILL GOLD PROJECT

The Red Hill deposit is located three kilometres north of Hill End on EL 5868 (minimum 85%). Preliminary studies suggest that Red Hill Gold Project development may be viable as a stand-alone project or could add significant value to any future development of the Hargraves Gold Project. Red Hill project design includes an open pit, gravity processing plant and infrastructure located at Red Hill, or for the Red Hill ore to be trucked to a planned processing plant near Hargraves approximately 30km to the north.

Either development scenario for Red Hill includes approximately 30% Indicated Resources and more detailed studies are required prior to a development decision. Pit optimisation studies have provided encouragement that up to 40,000 ounces may be recoverable based on the relatively shallow drilling to date (approximately 150m below surface). Deeper drilling indicates that the mineralisation may extend at depth and along strike beyond the current pit designs, which cover about one kilometre of outcropping mineralisation.

Metallurgical test work on oxide, transition and primary material from Red Hill has confirmed that a high gravity recovery of gold is achievable with simple processing at a coarse grind, which is similar processing performance to other Hill End and Hargraves deposits.

A Preliminary Feasibility Study for Red Hill is to be completed over the coming period.



Red Hill deposit long section showing blocks with grades >0.5 g/t

REWARD GOLD MINE

The Reward Gold Mine is located on the Hill End Mining Leases (minimum 85%) and between May 2008 and June 2010 a trial mining program completed 5,650 metres of underground development from the Amalgamated level, a 250m shaft was bored and equipped, 7,446 metres of underground diamond drilling completed and 35,446 tonnes of ore were mined and processed with a head grade of 11 g/t gold.

The mine is part of the rich Hill End Hawkins Hill deposit which was partially mined during the 19th and early 20th century with high grade gold production from numerous small scale shafts.

It is proposed to drill the upper portion of the Hawkins Hill – Reward deposit to delineate an economic resource for the Frenchmans - Stevens zone, which was encountered in the upper levels of the recent development during the trial mining program.

The project development may include a short decline with a portal adjacent to the Patriarch shaft and three initial levels at 24m spacing. Existing drilling and development intersections indicate the Frenchmans - Stevens zone is 3 - 8 metres wide.

The existing Amalgamated plant has a capacity of 35,000 tonnes per year and during the trial mining exercise an average gold recovery of 90.4% was achieved at a coarse grind of ~0.5mm. This plant can have its facilities upgraded to increase its capacity to over 100,000 tonnes per year. Its location and capacity for a bulk mining project based on the Reward Gold Mine would be determined following additional studies.

MARES NEST PROSPECT

The Mares Nest prospect is located on EL 5868 (100%) four kilometres south along the strike of Hill End regional zone of gold mineralisation of the Reward Gold Mine. The deposit has a main mineralised zone of near two kilometres strike length with workings over a width of up to 150m. A drilling program and land access approval have been obtained for Mares Nest.

TENEMENTS

The Company has a 100% beneficial interest in its Hill End tenements, while a portion of the ground (ex-EL 2037) now encompassed by EL 5868, and including the Hill End area Mining Leases, 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 to do so, contributes at the 15% level.

RESOURCE SUMMARY

Project	Resource	Tonnes	Gold g/t	Contained gold oz
Hargraves				
Big Nugget Hill	Indicated	1,262,000	3.5	143,000
	Inferred	1,594,000	2.0	102,000
	Sub-total	2,856,000	2.7	245,000
Hill End				
Hawkins Hill – Reward	Measured	77,400	11.3	28,100
	Indicated	180,400	6.5	37,700
	Inferred	642,200	8.8	181,000
	Sub-total	900,000	8.6	246,800
Red Hill	Indicated	413,000	1.4	18,600
	Inferred	1,063,000	1.8	61,400
	Sub-total	1,475,000	1.7	80,000
All Projects	**Total**	**5,231,000**	**3.4**	**571,800**

Cut off grades:
Big Nugget Hill : 0.5 g/t gold per block and inverse distance squared grade interpolation.
Reward : 2 g/t gold over minimum horizontal width of 1.1 metre and an inverse distance squared grade interpolation.
Red Hill : 0.5 g/t gold per block and Ordinary Kriging grade interpolation with included blocks to only ~160m below surface.

Relevant market announcements:
Big Nugget Hill : 10.10.2011, 30.4.2013; Hawkins Hill – Reward : 17.9.2009, 27&30.10.2009, 13.10.2010; Red Hill : 30.11.2015.

Numbers include insignificant rounding errors.

Competent Persons' Statement

The information in this report that relates to Reward Mineral Resources and Exploration Target is based on information reviewed by Philip Bruce, for Red Hill and for Hargraves Mineral Resources and Mineral Resources underpinning the Hargraves Gold Mine Production Target and for Exploration results is based on information reviewed by Stuart Munroe and Philip Bruce. Dr Munroe is a Member of the Australasian Institute of Mining and Metallurgy and Mr Bruce is a Fellow of the Australasian Institute of Mining and Metallurgy and Mr Bruce is a full-time employee of HEG. Dr Munroe and Mr Bruce have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The JORC Code). Dr Munroe and Mr Bruce consent to the inclusion of the matters based on their information in the form and context in which it appears.

Mineral Resource information referred to for Hawkins Hill – Reward and for Big Nugget Hill was prepared and first disclosed under the JORC Code 2004. Except for the Big Nugget Hill North estimate (30.4.2013) these estimates have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Similarly, for the other Mineral Resource estimates, there is no new information that materially affects the estimates and information provided in earlier referenced announcements.

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Hill End Gold Limited and the subsidiaries it controlled at the end of, or during, the year ended 30 June 2017.

Directors

The Directors of Hill End Gold Limited during the financial year and until the date of this report are:

Philip Francis Bruce (Executive Chairman / Managing Director)
Graham Charles Reveleigh (Non-Executive Director)
William Joseph Condon (Non-Executive Director)
David Leavy (Non-Executive Director) appointed 21 July 2017

Principal Activities

The principal activities of the Group during the financial year were exploration activities on its New South Wales tenements and the assessment of resources acquisition opportunities with significant potential.

There were no significant changes in the nature of the principal activities during the year.

Review of Operations

The Group incurred a pre-tax operating loss of $1,220,087 (2016: loss $1,389,381). This result includes:

- a loss of $241,395 at the Hill End site due to administration and depreciation of site plant and equipment
- exploration expensed and written off of $26,124, and
- impairment of development properties of $33,180.

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year (2016 – nil).

The net assets of the Group have increased by $477,612 being the net of:

- a net increase in capital and reserves of $1,697,699,
- the operating loss for the year of $1,220,087, and

The capital structure of the Group at signing date is:

- 103,153,901 fully paid ordinary shares;
- 31,200,000 listed options exercisable at 7.5 cents per share up to 30 July 2020;
- 1,500,000 unlisted director options exercisable at $1.25 per share up to 29 November 2017;
- 3,200,000 unlisted director options exercisable at 7.5 cents per share up to 30 July 2020.

Significant Changes in the State of Affairs

On 1 August 2016 the Company issued 45,000,000 ordinary shares at $0.002 per share under a placement which raised $90,000.

On 9 August 2016 the Company issued 45,000,000 ordinary shares at $0.002 per share under a placement which raised $90,000.

On 1 September 2016 the Company issued 63,895,525 ordinary shares to contractors at $0.002 per share which settled $127,791 outstanding liabilities.

On 14 September 2016 the Company issued 45,000,000 ordinary shares at $0.002 per share under a placement which raised $90,000.

On 31 January 2017 the Company issued 374,000,000 ordinary shares at $0.002 per share under a placement which raised $748,000.

On 29 March 2017 the Company issued 326,000,000 ordinary shares at $0.002 per share under a placement which raised $652,000 following shareholder approval. In addition 700,000,000 free options to subscribe for ordinary shares at $0.003 up to 30 July 2020 were issued to shareholders who subscribed for ordinary shares under the placements of 31 January 2017 and 29 March 2017.

On 29 March 2017 160,000,000 options to subscribe for ordinary shares at $0.003 per share up to 30 July 2020 were issued to directors, contractors and brokers to the placement.

On 29 March 2017 all of the Company's ordinary shares and options on issue were consolidated on a 1 for 25 basis.

On 9 May 2017 the Company executed a Heads of Agreement to acquire a high purity alumina project in Victoria.

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

Subsequent Events

On 17 July 2017 the Company announced it had signed a binding Asset Sale Agreement to acquire all the rights, title and interests in granted exploration licences, tenement applications and the entire issued capital of Pure Alumina Pty Ltd. On 28 August 2017 the Company issued 8,000,000 ordinary shares at $0.06 per share and paid $100,000 to the vendors under the terms of the Asset Sale Agreement.

On 10 August 2017 the Group announced it had appointed CPS Capital Group to lead manage a placement of 10 million ordinary shares at 6 cents per share to raise $600,000. For each new share one option will be issued exercisable at 7.5 cents per share and expiring 30 July 2020. On 28 August 2017 the Company issued 7,262,968 ordinary shares at $0.06 per share pursuant to the first tranche of the placement which raised $435,778. The Company will seek shareholder approval for the allotment of 2,737,032 shares and 10,000,000 options pursuant to the second tranche of the placement.

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature which, in the opinion of directors has or may significantly affect the operations of the Group, or the state of affairs of the Group, in future financial years.

Likely Developments and Results

The Group plans to continue exploration on its New South Wales tenements and to assess resource acquisition opportunities and any discussion deemed appropriate regarding likely developments and results is outlined in the Managing Director's Report.

Environmental Issues

The Group's New South Wales mineral tenements are issued by the Department of Primary Industry - Minerals (DPI) and the Group operates under environmental licences and conditions issued by the DPI and the Environmental Protection Authority. The conditions of these tenements and licences require the preparation of environmental reports, monitoring and ongoing rehabilitation for exploration and mining activities. The Group has statutory obligations to protect the environment in which it is exploring and operating. During the reporting period the Group met its obligations pursuant to any environmental legislation. Directors are not aware of any environmental law that is not being complied with.

Information on Directors

***Philip Francis Bruce**, B.E. (Mining) (Hons) FAusIMM.*
Executive Chairman / Managing Director. Appointed 10 October 2001

Mr Bruce has over thirty years mining industry experience across the resource sector in Australia, Africa, Indonesia and South America to senior corporate and board levels. In past senior roles he has worked with LionGold Corp, BHP Limited, Buka Minerals Limited, Ausmelt Limited, Triako Resources Limited, Plutonic Resources Limited and others. Mr Bruce was appointed Managing Director of the Company on 1 July 2004 and Executive Chairman on 20 January 2016.

Other public company directorships held during past 3 years:

Latrobe Magnesium Limited; Bassari Resources Limited; Brimstone Resources Limited.

***Graham Charles Reveleigh**, M.Sc., MAusIMM, CPMan, MCIMM,*
Non-Executive Director. Appointed 1 February 1996

Mr Reveleigh has wide experience in the mining industry, covering exploration, development, construction and mine operations including Mine Manager at Noble's Nob, where he ran the operations for seven years. He has worked as a consultant on numerous projects both in Australia and overseas such as at Hill End in New South Wales, Red Dome in Queensland and as Project Manager at the Moline Gold Mine in the Northern Territory, at Gold Ridge in the Solomon Islands and as part of the Kennecott team at Lihir and in other assignments in the Philippines, New Caledonia, Siberia and most States in Australia. He was the Site Manager for Nugget Resources Inc at Hill End NSW since the commencement of the project, and for four years was Managing Director of the Company.

Other public company directorships held during past 3 years:

Bounty Oil & Gas NL.

***William Joseph Condon**,*
Non-Executive Director. Appointed 6 July 2015

Mr Condon is the Chairman of The Multitude Foundation, a Director of the Ireland Fund of China and a resident of Hong Kong. His background includes media and advertising in Ireland, Great Britain and Hong Kong and events management and the establishment and management of not-for-profit and philanthropic entities based in Hong Kong. He was a founding Director of the Irish Chamber of Commerce in Hong Kong and an Executive Director of Singapore SGX-listed Sino Construction Limited, where he was responsible for transforming a mainland China construction and engineering operation into a minerals, oil and gas group.

Other public company directorships held during past 3 years:

Sino Construction Limited.

***David Leavy,** B.Ec., M. App. Fin.*
Non-Executive Director, Appointed 21 July 2017

Mr Leavy has over 25 years of experience in the banking and mining industries covering a wide range of commodities. He has significant experience in debt and equity markets, physical and derivative commodity markets, specifically in gold, bauxite, iron ore, base metals, oil and LNG.
Recent roles have included CFO of several mining companies undergoing project development, requiring implementation of appropriate business processes, government negotiations, team establishment, logistics etc. in Australia, Ghana, Guinea and Sierra Leone. Prior to this Mr Leavy held a number of roles at Westpac through financial markets (FX and commodity derivatives), project finance, relationship management, credit analysis and capital solutions. A significant focus for these roles was on the Mining and Oil & Gas sectors.

Other public company directorships held during past 3 years:

Mount Magnet South Ltd.

Company Secretary

Kevin Lynn B.Bus, FCA, FAIDC, MAppFin (Securities Institute)

Mr. Lynn is a Chartered Accountant. He was appointed as Company Secretary of the Group in October 2001.

Meetings of Directors

The following table sets out the number of meetings of the Directors during the year ended 30 June 2017 and the number of meetings attended by each Director.

	Board Meetings		Audit Committee		Remuneration Committee	
	Eligible	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
P.F. Bruce	4	4	-	-	-	-
G.C. Reveleigh	4	4	2	2	-	-
W.J. Condon	4	3	2	1	-	-

Remuneration Report

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration policy of Hill End Gold Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component, performance based component and share options.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract high calibre executives and reward them for performance that results in long term growth in shareholder wealth. Executives are also entitled to participate in the employee option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by law, which is currently 9.5%, and do not receive any other retirement benefits. All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $250,000). Fees for non-executive directors are not linked to the performance of the Group.

However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group and are eligible to participate in employee option plans, subject to prior shareholder approval.

Performance based remuneration

The Group currently has a performance based remuneration component built into the Managing Director's executive remuneration package through the employee share and option plan. There are no formal KPIs to be achieved.

Group performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy endeavours to align the interests of shareholders and directors and executives, which is facilitated with shareholder approval through the issue of options to directors and executives.

Service Agreements

An Executive Service Agreement was executed with Mr Philip Bruce on 21 September 2012. The base salary under the agreement was set at $298,163. The Board has reviewed the Managing Director's salary and revised the base salary to $250,000 from 1 January 2016. Contributions to a complying superannuation fund will be made at the prevailing Superannuation Guarantee levy rate times the base salary. The following termination provisions apply:

(a) the Company may terminate the agreement by giving twelve months' notice;
(b) Mr. Bruce may terminate the agreement by giving three months' notice;
(c) the Company may terminate the agreement without notice under certain specified circumstances as is usual in such service agreements;
(d) In the case of redundancy the National Employment Standards will apply. Any amount payable under a redundancy will be absorbed into any amount paid in lieu of notice.

There are no other service agreements.

Voting and comments made at the Group's 2016 Annual General Meeting ('AGM')

At the 2016 AGM, 87.85% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016 and there was no specific feedback regarding its remuneration practices.

Remuneration of directors and key management

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies applicable to Board members and senior officers of the Group. The Board's remuneration policy is to ensure the remuneration level properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Group has not employed any executive officers, other than directors, who were involved in, concerned in, or who took part in the management of the Group's affairs. Details of the nature and amount of the remuneration of each director of the Group are set out below:

	Short Term Benefits	**Post Employment**	**Long Term Benefits**	**Equity Settled Share Based Payments**	**Total**
Year ended 30 June 2017	*Salary Fees & Commissions*	*Superannuation*	*Long Service Leave*	*Options*	
	$	**$**		**$**	**$**
P.F. Bruce	250,000	23,750	-	28,513	302,263
G.C. Reveleigh	40,000	3,800	-	8,554	52,354
W.J. Condon	48,000	-	-	8,554	56,554

	Short Term Benefits	***Post Employment***	**Long Term Benefits**	***Equity Settled Share Based Payments***	**Total**
Year ended 30 June 2016	*Salary Fees & Commissions*	*Superannuation*	*Long Service Leave*	*Options*	
P.F. Bruce	273,082	25,292	-	-	298,374
G.C. Reveleigh	40,000	3,800	-	-	43,800
W.J. Condon [1]	24,000	-	-	-	24,000
D.E. Clarke [2]	25,000	2,375	-	-	27,375
S-Y Quah [3]	10,000	-	-	-	10,000

Note 1 Appointed 6 July 2015
2 Resigned 19 January 2016
3 Resigned 27 October 2015

All remuneration for 2017 and 2016 was fixed remuneration. There was zero at risk in regards to short term and long term incentives. No bonuses were paid or due to be paid.

Only the Company Secretary, Kevin Lynn is classified as a named executive for the current reporting period. Mr Philip Bruce is an executive director of the Group and is included in tables above.

	Short Term Benefits	**Post Employment**	**Equity Settled Share Based Payments**	**Total**
Year ended 30 June 2017	*Salary Fees & Commissions*	*Superannuation*	*Options*	
	$	**$**	**$**	**$**
K. M. Lynn	60,000	-	8,554	68,554
Year ended 30 June 2016				
K. M. Lynn	60,000	-	8,554	68,554

Performance Income as a proportion of total remuneration

No performance based bonuses have been paid to executive directors and executives during the financial year. No shares were issued to directors or key management personnel as part of their compensation during the year. During the year Mr P Bruce was issued 50,000,000 options to subscribe for ordinary shares expiring 30 July 2020 with an exercise price of $0.003. These options were subsequently consolidated on a 1 for 25 basis resulting in a final holding of 2,000,000 options with an exercise price of $0.075. Messrs Reveleigh, Condon and Lynn were each issued 15,000,000 options which were subsequently consolidated to 600,000 options each expiring 30 July 2020 with an exercise price of $0.075.

Directors' Share and Option Holdings

(a) Relevant Interests in Options and Ordinary Shares at 30 June 2017

On 29 March 2017 the capital of Hill End Gold Limited was consolidated on a 1 for 25 basis.

Employee Options	Balance 1 July 2016	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2017
Directors					
P Bruce	16,000,000	50,000,000	-	(63,360,000)	2,640,000
G Reveleigh	2,500,000	15,000,000	-	(16,800,000)	700,000
W Condon	2,500,000	15,000,000	-	(16,800,000)	700,000
Executives					
K M Lynn	-	15,000,000	-	(14,400,000)	600,000
Total	**21,000,000**	**95,000,000**	**-**	**(111,360,000)**	**4,640,000**

Ordinary Shares	Balance 1 July 2016	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2017
Directors					
P Bruce	7,642,043	-	-	(7,339,360)	302,683
G Reveleigh	8,463,072	-	-	(8,124,549)	338,523
W Condon	-	-	-	-	-
Executives					
K M Lynn	1,055,000	-	-	(1,012,800)	42,200
Total	**17,160,115**	**-**	**-**	**(16,476,709)**	**683,406**

(b) Relevant Interests in Options and Ordinary Shares at 30 June 2016

Employee Options	Balance 1 July 2015	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2016
Directors					
P Bruce	16,000,000	-	-	-	16,000,000
G Reveleigh	2,500,000	-	-	-	2,500,000
W Condon[1]	-	-	-	2,500,000	2,500,000
S-Y Quah [2]	2,500,000	-	-	-	2,500,000
D Clarke [3]	8,000,000	-	-	-	8,000,000
Executives					
K M Lynn	-	-	-	-	-
Total	**29,000,000**	**-**	**-**	**-**	**31,500,000**

Ordinary Shares	Balance 1 July 2015	Granted as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2016
Directors					
P Bruce	7,642,043	-	-	-	7,642,043
G Reveleigh	8,463,072	-	-	-	8,463,072
W Condon[1]	-	-	-	-	-
S-Y Quah [2]	-	-	-	-	-
D Clarke [3]	-	-	-	-	-
Executives					
K M Lynn	1,055,000	-	-	-	1,055,000
Total	**17,160,115**	**-**	**-**	**-**	**17,160,115**

This concludes the remuneration report which has been audited.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2017 are summarised below:

	2017 $'000	2016 $'000	2015 $'000	2014 $'000	2013 $'000
Sales revenue	-	-	-	-	-
EBITDA	(1,041,119)	(1,132,246)	(397,039)	(1,269,713)	(1,390,610)
EBIT	(1,216,735)	(1,383,005)	(4,179,040)	(3,590,543)	(5,711,179)
Loss after income tax	(1,220,087)	(1,389,381)	(4,183,995)	(3,571,251)	(5,635,642)

Share Options

Options issued in the current financial year

780,000,000 options exercisable at 0.3 cents each on or before 30 July 2020 were issued in association with a placement of ordinary shares. Subsequently these options were consolidated on a 1 for 25 basis reducing the number on issue to 31,200,000.

80,000,000 options exercisable at 0.3 cents each on or before 30 July 2020 were issued to directors and contractors. Subsequently these options were consolidated on a 1 for 25 basis reducing the number on issue to 3,200,000.

Total outstanding options at the date of this report

The following options are outstanding at the date of this report.

Director Options	Exercisable at $1.25 on or before 29 November 2017	1,500,000
	Exercisable at 7.5 cents on or before 30 July 2020	3,200,000
Listed Options	Exercisable at 7.5 cents on or before 30 July 2020	31,200,000
	Total options on issue	**35,900,000**

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors support and have adhered to the principles of corporate governance.

Non-Audit Services

The Group may choose to engage the services of its auditor, Moyes Yong, on other assignments in addition to their statutory audit duties where the firm's expertise and experience with the Group are beneficial.

The Board of Directors has considered the level and nature of non-audit services provided by the auditor during the year and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the nature and scope of each type of non-audit service provided by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below. No non-audit services were provided.

	2017 $	2016 $
Audit services:		
Remuneration for audit and review of financial reports under the Corporations Act 2001	27,500	27,500
Other assurance services:	-	-
Total auditor's remuneration	**27,500**	27,500

Directors' and Officers' Indemnification

During the financial year Hill End Gold Limited established a Directors and Officers insurance policy. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability as such disclosures are prohibited under the terms of the contract.

The Group has agreed to indemnify and keep indemnified the directors and officers of the Group against all liabilities incurred by the directors or officers as a director or officer of the Group and all legal expenses incurred by the directors or officers as a director or officer of the Group. The indemnity only applies to the extent and in the amount that the directors or officers are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Group, under the general law or otherwise.

The indemnity does not extend to any liability:

- to the Group or a related body corporate of the Group; or
- arising out of conduct of the directors or officers involving a lack of good faith; or
- which was incurred prior to 1 February 1996 and which is in respect of any negligence, default, breach of duty or breach of trust of which the directors or officers may be guilty in relation to the Group or related body corporate.

Indemnity and insurance of auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity

Proceedings On Behalf of Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 16 and forms part of the Directors' Report.

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

PHILIP BRUCE
Executive Chairman
4 September 2017

GRAHAM REVELEIGH
Director

moyes yong + co
my business solutions

Moyes Yong + Co Partnership
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AUDITOR'S INDEPENDENCE DECLARATION

As lead audit partner for the audit of Hill End Gold Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, that there have been:

(i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hill End Gold Limited and the entity it controlled during the period.

William M Moyes - Partner

Moyes Yong & Co Partnership

Dated this 4th day of September 2017

CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 $	2016 $
Revenues from continuing operations	4	**-**	203,653
Other expenses	5	**(267,520)**	(555,754)
Administrative costs		**(921,348)**	(984,849)
Impairment of mining property		**(33,180)**	(55,876)
Operating loss		**(1,222,048)**	(1,392,826)
Finance revenue		**5,313**	6,277
Finance costs		**(3,352)**	(2,832)
Loss before income tax from continuing activities		**(1,220,087)**	(1,389,391)
Income tax expense	6	**-**	-
Total Loss for the year after income tax from continuing operations		**(1,220,087)**	(1,389,381)
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		**(14,660)**	(224,324)
Total comprehensive loss for the year net of tax from continuing operations		**(1,234,747)**	(1,613,705)
Earnings per share for loss from continuing activities			
		Cents	Cents
Basic loss per share	26	**(179)**	(0.11)
Diluted loss per share	26	**(156)**	(0.11)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	**2017** $	2016 $
Current Assets			
Cash and cash equivalents	7	**631,574**	27,996
Trade & other receivables	8	**12,731**	6,561
Available-for-sale financial assets	9	**52,779**	67,440
Available-for-sale property	13	**-**	274,190
Total Current Assets		**697,084**	376,187
Non-Current Assets			
Other financial assets	10	**438,750**	438,750
Mining property	11	**2,500,000**	2,500,000
Deferred exploration & development costs	12	**13,864,544**	13,807,373
Property plant & equipment	13	**617,257**	518,683
Total Non-Current Assets		**17,420,551**	17,264,806
Total Assets		**18,117,635**	17,640,993
Current Liabilities			
Trade & other payables	14	**410,840**	411,365
Provisions	15	**98,991**	109,371
Total Current Liabilities		**509,831**	520,736
Non-Current Liabilities			
Other	16	**188,182**	178,247
Total Non-Current Liabilities		**188,182**	178,247
Total Liabilities		**698,013**	698,983
Net Assets		**17,419,622**	16,942,010
Equity			
Contributed equity	17	**76,530,051**	74,908,934
Reserves	18	**212,121**	135,539
Accumulated losses		**(59,322,550)**	(58,102,463)
Total Equity		**17,419,622**	16,942,010

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Ordinary Shares $	Reserves $	Accumulated Losses $	Total $
Balance at 30 June 2015		74,432,714	359,863	(56,713,082)	18,079,495
Loss attributable to members of the group		-	-	(1,389,381)	(1,389,381)
Other comprehensive income net of tax		-	-	-	-
Transfers		-	(224,324)	-	(224,324)
Total comprehensive income for the year		-	(224,324)	(1,389,381)	(1,613,705)
Transactions with owners in their capacity as owners					
Shares Issued during the year	17	476,220	-	-	476,220
Balance at 30 June 2016		**74,908,934**	**135,539**	**(58,102,463)**	**16,942,010**
Loss attributable to members of the group		-	-	(1,220,087)	(1,220,087)
Other comprehensive income net of tax		-	-	-	-
Transfers		-	(14,660)	-	(14,660)
Total comprehensive income for the year		-	(14,660)	(1,220,087)	(1,234,747)
Transactions with owners in their capacity as owners					
Shares Issued during the year	17	1,621,117	-	-	1,621,117
Options issued during the year	17		91,242		91,242
Balance at 30 June 2017		**76,530,051**	**212,121**	**(59,322,550)**	**17,419,622**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 $	2016 $
Cash Flows From Operating Activities			
Interest received		**5,313**	6,277
Other income		**-**	9,367
Payments to suppliers and employees		**(970,948)**	(990,322)
Net cash outflows from operating activities	24	**(965,635)**	(974,678)
Cash Flows From Investing Activities			
Proceeds from sale of shares		**-**	657,442
Refunds/(Payments) for exploration bonds		**-**	41,519
Proceeds from fixed asset disposal		**-**	60,600
Mining Property		**(23,246)**	(48,007)
Payments for exploration expenditure		**(57,171)**	(225,487)
Net cash outflows from investing activities		**(80,417)**	486,067
Cash Flows From Financing Activities			
Proceeds from issue of shares		**1,649,630**	460,220
Net cash inflows from financing activities		**1,649,630**	460,220
Net increase/(decrease) in Cash Held		**603,578**	(28,391)
Cash at the Beginning of the Financial Year		**27,996**	56,387
Cash at the End of the Financial Year	7	**631,574**	27,996

The accompanying notes form an integral part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Hill End Gold Limited is a public company domiciled in Australia. The financial report covers Hill End Gold Limited and its wholly owned subsidiary HEGL Investments Pty Ltd (the 'Group'). The Group is primarily involved in the exploration for minerals in Australia. The financial statements functional and presentation currency is Australian dollars. This is a for profit entity.

(b) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Hill End Gold Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Hill End Gold Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity or Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(d) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(e) Revenue

Sales revenue is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods, and the cessation of all involvement in those goods.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Revenue from consulting services is recognised when the right to receive the revenue has been established.

Other revenue is recognised when the right to receive the revenue has been established.

(f) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(g) Cash

For the purposes of the statement of cash flows, cash and cash equivalents included cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

(i) Inventory

Raw materials and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

(k) Financial Instruments

Recognition and Initial Measurement
Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Classification and Subsequent Measurement

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Financial liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(l) Mining Property

Mining property represents mines that are being developed for future production or which are in the production phase, suspension or 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.

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.

Where the mining property is in care and maintenance the amortisation is suspended. The mining property is assessed for impairment using a reasonable valuation methodology.

(m) 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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

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.

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 development and commercialisation or alternatively sale of the respective areas of interest.

(n) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

The depreciation rates used are as follows:

Plant and equipment	20-25% straight line
Office furniture and equipment	25-33⅓% straight line
Motor vehicles	33⅓% straight line

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash flows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the income statement.

(o) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(p) Trade creditors

A liability is recorded for goods and services prior to balance date, whether invoiced to the Group or not. Trade creditors are normally settled within 30 days.

(q) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Rehabilitation
Provisions are made for mine rehabilitation and restoration. The present value of restoration obligations is recognised at commencement of the mining operations where a legal and constructive obligation exists at that time. The provision is recognised as a non-current liability with a corresponding asset recognised in relation to the mine site. At each reporting date the rehabilitation liability is remeasured in line with changes in discount rates, and timing or amount of the costs to be incurred.

The provision recognised represents management's best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration and rehabilitation provisions. Those estimates and assumptions deal with uncertainties such as requirements of the relevant legal and regulatory restoration and rehabilitation activity.

These uncertainties may result in future actual expenditure differing from the amounts currently provided.

The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognised in the balance sheet by adjusting both the restoration and rehabilitation asset and provision. Such changes give rise to a change in future depreciation and financial charges.

(r) Employee Entitlements

Wages, salaries and annual leave
Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Long Service Leave
A provision for long service leave is taken up for all employees.

Equity-settled compensation
The Group operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or the options granted.

Employee option plan
The establishment of the Hill End Gold Limited Employee Share Option Plan (ESOP) was approved by shareholders at the annual general meeting held on 22 November 2007. The ESOP was designed to provide long term incentives for directors to deliver long term shareholder returns.

The fair value of options granted under the ESOP is recognised as an employee benefit expense with corresponding increase in equity. The fair value is measured at grant date. The fair value at grant date is measured using a Black-Scholes option pricing model that takes into consideration the exercise price, the term of the option, the impact of dilution, and the share price at grant date.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Upon the exercise of options, the exercise proceeds received are allocated to share capital and the balance of the share-based payments reserve relating to those options is transferred to share capital.

(s) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(t) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.
If the Group reacquires its own equity instruments (eg as the result of a share buy-back), those instruments are deducted from equity and the associated shares are cancelled.

No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(u) Earnings Per Share

Basic earnings per share
Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Group by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the Australian Taxation Office, are classified as operating cash flows.

(w) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(x) Critical Accounting Estimates and Judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that effect the application of policies and the reported amounts of assets, liabilities, revenue and expenses.

The estimates and judgments incorporated into the financial report are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the group. The estimates and judgements made assume a reasonable expectation of future events but actual results may differ from these estimates.

Key Estimates

Impairment
The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Calculations used to assess recoverable amounts incorporate a number of key estimates. Refer to Mining property note (m).

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Rehabilitation
The Group is required to estimate the rehabilitation costs of its operations in the accounting policy note in paragraph (s). The estimate is based on management's best estimate of the cost.

Estimates of reserve quantities
The estimated quantities of proved and probable reserves reported by the Group are integral to the calculation of amortisation expenses and to assessments of possible impairment of assets. Estimated reserve quantities are based on interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of the operations.

Key Judgments

Exploration and evaluation costs
The Group applies judgment in determining which exploration costs should be capitalised or expensed as per the accounting policy in paragraph (n).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(y) 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 $1,220,087 and net cash outflows from operating and investing activities of $1,046,052.

The Group has reported cash and cash equivalent assets of $631,574 and a working capital of $187,253 at 30 June 2017. The directors acknowledge that for ongoing administrative costs and 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 $435,778 from the issue of ordinary shares after year end and potentially a further $164,222 subject to shareholder approval at the Annual General meeting. The Group also holds 2,932,176 ordinary shares in ASX listed Bassari Resources Limited with a book value of $52,779 which are available for sale.

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.

(z) New Accounting Standards for Application in Current Period

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2015-1 Annual Improvements to Australian Accounting Standards 2012-14 Cycle
Clarifications to minor issues in AASB 5 Non-current Assets Held for Sale and Discontinued Operations. AASB 7 Financial Instruments disclosures. AASB 119 Employee Benefits and AASB 134 Interim Financial Reporting.

AASB 2015-2 Disclosure Initiative: Amendments to AASB 101. Clarifies the entities should not be disclosing immaterial information and that the presentation of information in notes can and should be tailored to provide investors and other users with the clearest story of an entity's financial performance and financial position.

2. FUTURE ACCOUNTING STANDARDS

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Management have not yet determined the impact of the new revenue standard, or the new Financial Instruments Standard. However they do not expect them to have a significant impact given minimal activity in these areas.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. This standard recognises right-of-use assets and liabilities arising from all leases with exceptions for low value and short term leases.

3. OPERATING SEGMENTS

Identification of reportable operating segments
The consolidated entity is organised into one operating segment, being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM review expenditure reports on exploration projects. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on at least a monthly basis.

Types of products and services
The principal products and services of this operating segment are the exploration operations predominately in Australia.

4. REVENUE

	2017 $	2016 $
Interest revenue – other entities	**5,313**	6,277
Surplus on sale of shares	**-**	194,286
Other	**-**	9,367
	-	203,653

5. OPERATING LOSS

	2017 $	2016 $
Operating loss is stated after (charging)/crediting:		
- Depreciation	**(175,616)**	(194,882)
- Site expenses	**(65,780)**	(86,376)
- Exploration written off	**-**	(281,703)
- Tenement expenses	**(26,124)**	(18,680)
- Profit/(Loss) on sale of asset	**-**	25,887
	(267,520)	(555,754)
Employee benefits (excl. Directors fees)	**250,000**	433,245
Superannuation	**23,750**	28,397

6. INCOME TAX

(a) Reconciliation of income tax expense to prima facie tax payable

	2017 $	2016 $
Operating loss before income tax	**(1,220,086)**	(1,389,381)
Prima facie income tax benefit at 30% on operating loss	**366,026**	416,814
Add tax effect of:		
Tax losses and temporary differences not recognised	**(387,670)**	(452,194)
Non temporary differences	**-**	-
Equity raising costs debited to equity	**21,644**	35,379
Income tax attributable to operating loss	-	-

Directors are of the view that there is insufficient probability that the Group and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses and temporary differences as deferred tax assets and deferred tax liabilities

6. INCOME TAX continued

	2017 $	2016 $
(b) There is no amount of tax benefit recognised in equity as the tax effect of temporary differences has not been booked		
(c) Tax Losses		
Unused tax losses for which no tax loss has been booked as a deferred tax asset adjusted for non temporary differences	**60,074,082**	58,381,578
Potential tax benefit at 30%	**18,022,225**	17,514,473
(d) Unrecognised temporary differences		
Non deductible amounts as temporary differences	**(628,273)**	(624,401)
Capital raising costs	**(203,292)**	(77,299)
Accelerated deductions for book compared to tax	**3,806,509**	3,782,518
Total	**2,974,944**	3,080,817
Potential effect on future tax expense	**892,483**	924,245

The Group has applied deferred tax losses as an equal proportion to deferred tax liabilities on the basis of probability.

7. CASH AND CASH EQUIVALENTS

	2017	2016
Cash at bank and on hand	**631,574**	27,996

The effective interest rates on term deposits were 1.95% (2014: 2.75%).
The Group's exposure to interest rate risk is discussed in note 28.

8. TRADE & OTHER RECEIVABLES

	2017	2016
Other Debtors	**12,731**	6,561
	12,731	6,561

(a) Impaired Trade Receivable
As at 30 June 2017 current trade receivables of the group were not impaired. Payment terms are 30 days. A provision for impairment is recognised when there is evidence that an individual receivable is impaired.

(b) Fair value and Credit Risk
Due to the short term nature of these receivables, their carrying amount is assumed to equal their fair value.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2017 $	2016 $
Investment in listed shares	**52,779**	67,440

	2017	2016
	$	$

9 AVAILABLE- FOR-SALE FINANCIAL ASSETS continued

Reconciliation

Reconciliation of the fair values at the beginning and end of the current financial year are set out below:

Opening fair value	**67,440**	754,919
Disposals	**-**	(719,733)
Revaluation increments/(decrements)	**(14,661)**	32,254
Closing fair value	**52,779**	67,440

10. OTHER FINANCIAL ASSETS

Non-Current

Performance guarantee bonds	**438,750**	438,750

Balances are returned when the tenements are not renewed and all liabilities are resolved.

11. MINING PROPERTY

Non-Current

Mining Property – at cost	**21,058,835**	21,025,654
Amortisation	**(3,546,700)**	(3,546,700)
Asset impairment	**(15,012,135)**	(14,978,954)
	2,500,000	2,500,000

Reconciliation of the carrying amounts of mining property costs at the beginning and end of the current and previous financial years.

Opening balance	**2,500,000**	2,500,000
Expenditure in the period	**33,181**	55,876
Amortisation	**-**	-
Asset impairment	**(33,181)**	(55,876)
	2,500,000	2,500,000

The carrying value of the mining property is based on an independent valuation undertaken by Minnelex Pty Ltd 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.

12. DEFERRED EXPLORATION & DEVELOPMENT

Costs carried forward in respect of areas of interest in Exploration and evaluation phase – at cost	**14,465,271**	14,408,100
Expenditure written off	**(600,727)**	(600,727)
Impairment	**-**	-
Classified as held for sale	**-**	-
	13,864,544	13,807,373

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	**13,807,373**	13,839,996
Additions	**57,171**	225,487
Amortisation	**-**	-
Write-off relinquished or expired tenements	**-**	(258,110)
Net book value	**13,864,544**	13,807,373

13. PROPERTY, PLANT AND EQUIPMENT

	2017 $	2016 $
Current		
Available-for-sale property at cost	**-**	274,190
Non-current		
Property at cost	**388,798**	114,608
Total Property – at cost	**388,798**	388,798
Plant and equipment - at cost	**2,381,028**	2,381,028
Less: Accumulated depreciation	**(2,163,507)**	(1,994,806)
	217,521	386,222
Motor vehicles - at cost	**69,146**	69,146
Less: Accumulated depreciation	**(58,208)**	(51,294)
	10,938	17,852
	617,257	792,872

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 year	388,798	386,222	17,852	792,872
Additions	-	-	-	-
Disposals	-	-	-	-
Scrapped	-	-	-	-
Depreciation		(168,701)	(6,914)	(175,615)
Carrying value at end of year	**388,798**	**217,521**	**10,938**	**617,257**

14. PAYABLES

	2017 $	2016 $
Current		
Trade creditors and accruals	**410,840**	411,365

15. PROVISIONS

Current		
Employee Entitlements	**98,991**	109,371
Non Current		
Employee Entitlements	**-**	-
	98,991	109,371

16. OTHER LIABILITIES

	2017 $	2016 $
Non Current		
Provision for minesite rehabilitation	**188,182**	178,247
Reconciliation		
Carrying amount at start of the year	**178,247**	170,378
Additional amounts recognised	**9,935**	7,869
Carrying amount at end of the year	**188,182**	178,247

Rehabilitation costs are expected to be incurred in between 2025 and 2026. The provision has been estimated for the mining operations where a legal or constructive obligation exists, and discounted using a discount rate of 8.7%.

17. CONTRIBUTED EQUITY

(a) Issued and paid up capital

87,890,933 fully paid ordinary shares after a 1 for 25 consolidation resulting in a reduction of 2,109,373,952 shares on issue (2016: 1,298,369,360)

	2017	2016
Balance at the beginning of the financial year	**74,908,934**	74,432,714
Issue of shares to raise capital	**1,621,117**	476,220
Transfers from reserves	**-**	-
	76,530,051	74,908,934

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$
30 June 2016	**Balance**	**1,298,369,360**		**74,908,934**
1 August 2016	Placement	45,000,000	0.002	90,000
9 August 2016	Placement	45,000,000	0.002	90,000
1 September 2016	Share based payments	63,895,525	0.002	127,791
14 September 2016	Placement	45,000,000	0.002	90,000
31 January 2017	Placement	374,000,000	0.002	748,000
29 March 2017	Placement	326,000,000	0.002	652,000
29 March 2017	1 for 25 consolidation	(2,109,373,952)		
	Cost of share issues			(176,674)
30 June 2017	**Balance**	**87,890,933**		**76,530,051**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of fully paid ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Share-based payments

On 1 September 2016 a total of 63,895,525 were issued to contractors and former employees in settlement of outstanding amounts owing by the Company. These shares were issued at the prevailing market price of $0.002 per share, a total value of $127,791.

(d) Options

The share placements which took place on 31 January 2017 and 29 March 2017 resulted in the issue 700 million ordinary shares. Each share was issued with a free option attached. These 700 million options were subsequently consolidated on a 1 for 25 basis to 28,000,000 options exercisable at $0.075 per share up to 30 July 2020. These options are listed on the ASX.

17. CONTRIBUTED EQUITY continued

(e) Capital Management

The Group's objectives when managing capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The main strategy is obtain additional capital to sustain the activities of the Group.

(f) There is no current on-market share buy-back.

18. RESERVES

	2017	2016
	$	$
Share based payments (a)	**182,799**	91,557
Available-for-sale reserve (b)	**29,322**	43,982
	212,121	135,539

Reconciliation of reserves at the beginning and end of the current and previous financial years.

	Share based Payment reserve	**Available for sale reserve**
	$	**$**
Carrying amount at start of the year	91,557	43,982
Transfer to/(from) reserve	91,242	(14,660)
	182,799	29,322

(a) Share-based payments

On 29 November 2012 shareholders approved the issue of 35,000,000 options to directors exercisable at $0.05 expiring 29 November 2017. A further 2,500,000 options were issued to Mr William Condon upon approval at the 2015 annual general meeting. Following the 1 for 25 consolidation of share capital these options were converted into 1,500,000 options exercisable at $1.25 per share. These options are not listed on any securities exchange.

On 29 March 2017 shareholders approved the issue of 110,000,000 options to directors and officers of the Company and 50,000,000 options as part of the cost of the placement of 700 million shares which took place on 31 January 2017 and 29 March 2017. These options are exercisable at $0.003 expiring 30 July 2020.

Following the 1 for 25 consolidation of share capital these options were converted into 6,400,000 options exercisable at $0.075 per share. The 2,000,000 options issued as part of the cost of the share placements are listed on the ASX. Options issued to directors and officers are unlisted.

The estimated fair value of the 110,000,000 options issued to directors and contractors was $62,729 and recognised as an expense in the 2017 income statement. The estimated fair value of the 50,000,000 options issued as part of the cost of the share placement was $28,313.

These valuations were based on a Black-Scholes options pricing model. The inputs to the model are listed below.

- Number of shares granted 160,000,000
- Issue Date 28 March 2017
- Dividend yield 0%
- Share price at date of grant $0.002
- Exercise price $0.003

18. RESERVES continued

- Volatility 50%
- Risk free interest rate 5.75%
- Expiration period 3.34 years
- Expiry date 20 July 2020
- Black & Scholes valuation $0.0006

Set out below are summaries of options granted under the plan:

Date	Details	Number of options	Exercise price - $	$
30 June 2015	Balance	35,000,000	0.05	91,557
30 November 2015	Issue to director	2,500,000	0.05	-
30 June 2016	Balance	37,500,000	0.05	91,557
29 March 2017	1 for 25 consolidation	(36,000,000)		
		1,500,000	1.25	91,577
29 March 2017	Issue to directors and officers	4,400,000	7.5	62,729
29 March 2017	Cost of share placement	2,000,000	7.5	28,513
		6,400,000	7.5	91,242
30 June 2017	Balance	7,900,000		182,799

The employee share option plan was approved by shareholders at the 2007 annual general meeting and is designed to provide long-term incentives to executive directors and employees to deliver long-term shareholder return.

(b) Available-For-Sale Reserve

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

19. AUDITOR'S REMUNERATION

	2017 $	2016 $
Remuneration for audit or review of the financial reports of the Group:		
Current auditors of the Group:		
Audit and review of the financial statements	**25,000**	25,000
Other services	**-**	-
	25,000	25,000

20. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) **Names of directors and key management personnel and positions held at any time during the year:**

P Bruce	Executive Chairman / Managing Director
G Reveleigh	Director – Non-Executive
W Condon	Director – Non-Executive
K Lynn	Company Secretary

20. KEY MANAGEMENT PERSONNEL COMPENSATION continued

(b) Individual directors’ and executives' compensation disclosures

The Group has not employed any executive officers, other than directors, who were involved in, concerned in, or who took part in the management of the Group’s affairs. Details of the nature and amount of the remuneration of each director and executive of the Group and some equity instrument disclosures as permitted by Corporations Regulations are provided in the Remuneration Report section of the Directors’ Report.

Key management personnel compensation for the year included $250,000 in salaries and $23,750 in superannuation.

21. RELATED PARTY TRANSACTIONS

(a) Parent Entity

Hill End Gold Limited is the parent entity of the Group.

(b) Subsidiaries

Interests in subsidiaries are set out in note 27.

(c) Directors and Key Management personnel

Disclosures relating to directors and key management personnel are set out in Remuneration Report and note 23(b). At year end $318,600 was accrued relating to remuneration unpaid at 30 June 2017 (30 June 2016: $188,775).

(d) Shares held by parties related to directors

Ordinary Shares Directors	Balance 1 July 2016	Options Exercised	Net Change Other	Balance 30 June 2017
P Bruce	193,571	-	(185,826)	7,745
Total	**193,571**	**-**	**(185,826)**	**7,745**

(e) Other Transactions with Director Related Entities

Payment/provision of the following payments was made for rental of office space with related entities of the following directors:

	2017 **$**	2016 $
G C Reveleigh	**23,166**	23,166
P F Bruce	**30,000**	32,500
	55,666	55,666

(f) Outstanding payables to Directors

At 30 June 2017 outstanding payables were $7,500 (2016: $42,121). All transactions were on normal commercial terms.

22. CONTINGENT LIABILITY

(a) During the 2007-08 year the Group 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 Group will issue the vendors an additional 2,000,000 ordinary shares in the event that the Group 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.

(b) First Tiffany

On 1 April 2014 the Group announced that it had received a summons filed by Tiffany in the Supreme Court of New South Wales claiming an order that the Group pay Tiffany 15% of the value of minerals extracted by HEG from certain mining tenements encompassed by a portion of EL 5868 in the Hill End locality of New South Wales (plus interest and costs).

The Group applied successfully to the court for Tiffany to provide security of costs. Tiffany failed to provide security and the Company successfully applied to the court to have the claim dismissed. The Company was awarded costs and Tiffany is barred from commencing fresh proceedings until it has paid the Group's costs as ordered. Costs are yet to be determined.

23. COMMITMENTS FOR EXPENDITURE

	2017	2016
	$	$
Operating Leases		
Total operating lease expenditure contracted for at balance date but not provided for in the financial statements:		
Due within one year	**2,500**	30,000
Due beyond one year and within five years	**-**	2,500
	2,500	32,500

Commitments Relating to Tenements

As a condition of its tenements the Group has minimum expenditure commitments. These minimum commitments totalled $579,000 as at 30 June 2017 (2016; $380,000). This balance fluctuates based on the expiration and renewal of tenements.

24. RECONCILIATION OF OPERATING LOSS AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2017	2016
Operating loss after income tax	**(1,220,087)**	(1,389,381)
Adjustment for non-cash items:		
Depreciation	**175,616**	194,882
Asset impairment	**33,180**	55,876
Exploration Expenditure written off	**-**	281,704
Share based payments	**62,731**	-
Loss on sale of asset	**-**	34,713
(Gain) on sale of asset	**-**	(60,600)
Gain on sale of shares	**-**	(194,287)
	(948,560)	(1,077,093)
(Increase)/Decrease in Receivables	**(6,170)**	16,038
(Increase)/Decrease in Inventory	**-**	599
(Decrease) /increase in Payables	**(525)**	176,234
(Decrease) /increase in Employee Provisions	**(10,380)**	(90,456)
Net cash outflows from operating activities	**(965,635)**	(974,678)

25. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the managing director under policies approved by the Board of Directors. The managing director identifies and evaluates the risks in close cooperation with the Group's management and Board.

(a) Market Risk

(i) Price Risk

The Group has exposure to risk related to its investment in Bassari Resources Limited as it is listed on the Australian Stock Exchange.

(ii) Interest rate risk

The Group has exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and the financial liabilities.

The Group policy is to ensure that the best interest rate is received for the short-term deposits. The Group uses a number of banking institutions, with a mixture of fixed and variable interest rates. Interest rates are reviewed prior to deposits maturing and re-invested at the best rate.

The interest rate risk sensitivity at present is insignificant. There has been no change to the Group's exposure to interest rate risk or the manner in which it manages and measures the risk from the previous year.

(iii) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows matching maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

The Group at trading date had deposits which mature within three months and cash at bank. Due to the cash available to the Group there is no use of any credit facilities at balance date.

The Group's exposure to interest rate risk and liquidity risk is as follows:

(iv) Contractual Maturity and interest rate risk

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing		Non-interest Bearing	Total
			Within 1 year	Over 1 year		
	%	$	$	$	$	$
2017						
FINANCIAL ASSETS						
Cash assets	3.09	631,574	-	-	-	631,574
Performance bonds	-	-	-	-	438,750	438,750
Trade and other receivables	-	-	-	-	12,732	12,732
		631,574	-	-	451,482	1,083,056
FINANCIAL LIABILITIES						
Trade and other payables	-	-	-	-	(410,841)	(410,841)
NET FINANCIAL ASSETS (LIABILITIES)		**631,574**	**-**	**-**	**40,641**	**672,215**

25 FINANCIAL RISK MANAGEMENT continued

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing		Non-interest Bearing	Total
			Within 1 year	Over 1 year		
	%	$	$	$	$	$
2016						
FINANCIAL ASSETS						
Cash assets	2.01	27,996	-	-	-	27,996
Performance guarantee bonds	-	-	-	-	438,750	438,750
Trade and other receivables	-	-	-	-	6,561	6,561
		27,996	-	-	445,311	473,307
FINANCIAL LIABILITIES						
Trade and other payables	-	-	-	-	(411,365)	(411,365)
NET FINANCIAL ASSETS (LIABILITIES)		**27,996**	**-**	**-**	**33,946**	**61,942**

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security in respect of recognised financial assets, is the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

(c) Net Fair Values

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The net fair values of the financial assets and financial liabilities approximate their carrying values. The Group holds ordinary shares in Bassari Resources Limited which are traded on the Australian Stock Exchange.

No other financial assets or liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Ordinary shares available-for-sale	52,779	-	-	52,779
Total assets	52,779	-	-	52,779
Total liabilities	-	-	-	-

26. EARNINGS PER SHARE

	2017 Cents	2016 Cents
Basic earnings per share	**(179)**	(0.11)
Diluted earnings per share	**(156)**	(0.11)
	2017 $	2016 $
(a) Earnings used in calculating basic earnings per share	**(1,220,086)**	(1,389,381)
(b) Earnings used in calculating diluted earnings per share	**(1,220,086)**	(1,389,381)
	Number	Number
(c) Weighted average number of ordinary shares used in calculating basic earnings per share	**68,190,142**	1,238,400,585
(d) Weighted average number of options outstanding	**10,264,932**	36,454,918
(d) Weighted average number of convertible notes outstanding	**-**	-
(e) Weighted average number of ordinary shares used in calculating diluted earnings per share	**78,455,074**	1,274,855,503

Granted options are considered to be potential ordinary shares however have been included in the determination of diluted earnings per share because they are anti-dilutive. The options have not been included in the determination of basic earnings per share.

27. SUBSIDIARIES & PARENT ENTITY INFORMATION

On 31 January 2007 the Group acquired 100% of the issued share capital of Hill End Asia Pty Ltd, a company incorporated in Australia on the same day. The purchase consideration was $1. On 8 August 2013 Hill End Asia Pty Ltd changed its name to HEGL Investments Pty Ltd.

On 28 August 2017 the Group acquired 100% of the issued share capital Pure Alumina Pty Ltd.

28. EVENTS AFTER THE BALANCE SHEET DATE

On 17 July 2017 the Company announced it had signed a binding Asset Sale Agreement to acquire all the rights, title and interests in granted exploration licences, tenement applications and the entire issued capital of Pure Alumina Pty Ltd. On 28 August 2017 the Company issued 8,000,000 ordinary shares at $0.06 per share and paid $100,000 to the vendors under the terms of the Asset Sale Agreement.

On 10 August 2017 the Group announced it had appointed CPS Capital Group to lead manage a placement of 10 million ordinary shares at 6 cents per share to raise $600,000. For each new share one option will be issued exercisable at 7.5 cents per share and expiring 30 July 2020. On 28 August 2017 the Company issued 7,262,968 ordinary shares at $0.06 per share pursuant to the first tranche of the placement which raised $435,778. The Company will seek shareholder approval for the allotment of 2,737,032 shares and 10,000,000 options pursuant to the second tranche of the placement.

29. PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 30 June 2017 the parent entity of the Group was Hill End Gold Limited.

	2017 **$**	2016 $
Result of parent entity		
Loss for the year	**(1,219,837)**	(1,579,458)
Other comprehensive income/(loss)	**-**	-
Total comprehensive (loss)	**(1,219,837)**	(1,579,458)
Financial position of parent entity at year end		
Current assets	**644,306**	34,557
Total assets	**17,529,153**	17,037,600
Current liabilities	**509,832**	520,736
Total liabilities	**698,014**	698,983
Total equity of parent entity comprising		
Contributed equity	**76,530,051**	74,908,934
Reserves	**182,799**	91,557
Accumulated losses	**(59,881,711)**	(58,661,874)
Total equity	**16,831,139**	16,338,617

30. COMPANY DETAILS

The registered office of the Company is:-

Hill End Gold Limited
Suite 111, 350 George Street
Sydney NSW 2000
Australia

HILL END GOLD LIMITED

DIRECTORS' DECLARATION

The directors declare that:

1 the financial statements and notes, as set out on pages 16 to 42 are in accordance with the *Corporations Act 2001* and:

(a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) comply with the Australian equivalents to International Financial Reporting Standards as described in Note1; and

(c) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the Group;

also

2 the Executive Chairman / Managing Director and Chief Finance Officer have each declared that:

(a) the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

(b) the financial statements and notes for the financial year comply with the Australian equivalents to International Financial Reporting Standards as described in Note1;

(c) the financial statements and notes for the financial year give a true and fair view; and

(d) any other matters that are proscribed by the regulations for the purposes of this paragraph in relation to the financial statements for the financial year are satisfied;

3 in the director's opinion there are reasonable grounds to believe that the Group 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 / Managing Director**	**Graham Reveleigh** **Director**

4 September 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Hill End Gold Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Hill End Gold Limited (the Company) and its subsidiary (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of the Group as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 (y) in the financial statements, which indicated that the Group incurred a net operating loss of $1,220,087 and net cash outflows from operating and investment activities of $1,046,052 for the year ended 30 June 2017. As at 30 June 2017 the Group had a cash balance of $631,574 and working capital $187,253. As stated in Note 1 (y), these events or conditions, along with other matters as set forth in Note 1 (y), 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

1. Valuation of mining property and deferred exploration & development at year end

At 30 June 2017 the carrying value of mining property of $2,500,000 was determined by management based on an independent valuation undertaken by Minnelex Pty Ltd in past financial years which indicated a value between a low of $1.704 million and a high of $2.938 million. Disclosure can be found under Note 11. The deferred exploration & development costs, valued at year end at $13,864,544, consists of capitalisation of costs in previous and current financial years in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources.* Disclosure can be found under Note 12.

One of the focal points of our audit, which involved the majority of time and communication with those charged with governance, was the Group's assessment of their carrying due to the following:

1) They represent the most significant assets of the Group and their valuation may impact heavily on the users' understanding of its financial positon; and
2) Their valuation depends on the Group's assessment of its ability and intention to continue with the activities of mining and/or exploration.

Therefore, our audit procedures were designed to address the risk that the valuation of mining property and the capitalised expenditure might not satisfy the criteria prescribed in the standards. As a result we considered necessary to assess whether those values were recoverable and whether there was a need for impairment.

How our audit addressed the key audit matter:

Our audit procedures were mainly but not limited to the following:

Mining property: We evaluated the Group's assessment of the carrying value of the mining property taking into consideration the independent valuation by Minnelex and assessed the application of its assumptions to the current financial year with consideration to past and current movements in the gold price.

As the mining property is on care and maintenance, we have enquired of management of their intention to continue investing in those activities, we have assessed the ability of the Group to meet its present and future commitments, the availability of funds to perform those activities, the Group's right to tenure, future developments and information that may suggest that the carrying value of this asset is unlikely to be recovered through development, farm in or sale, as well as the need for any additional impairment.

Deferred exploration and development costs: We have obtained an understanding of management's assessment and determination of the carrying values of the most representative items. In the case of the deferred exploration and development costs we have assessed the application of prior years' valuation methodology taking into consideration the price of gold.

We have assessed the currency of all the Group's tenement licences including obtaining and assessing external documentation such as information published by NSW Resources and Energy.

We have enquired with management and their consultants, reviewed other sources of information including circular resolutions and minutes of Directors' meetings, ASX announcements and other publicly available information to ascertain whether the Group might be planning to discontinue any mining or exploration activities as well as the likelihood of the forecasted funding, expected future commitments and the consequential impact on their right to tenure. Concomitantly we have assessed the Group's cash-flows and have discussed with management the appropriateness of the forecast assumptions including the post balance date capital raisings and other possible sources of funding.

We have reviewed the disclosures in the financial report.

2. Post Balance event - Acquisition of High Purity Alumina project

On 17 July 2017 the Company announced it had signed a binding Asset Sale Agreement to acquire all the rights, title and interests in granted exploration licences, tenement applications and the entire issued capital of Pure Alumina Pty Ltd. On 28 August 2017 the Company issued 8,000,000 ordinary shares at $0.06 per share and paid $100,000 to the vendors under the terms of the Asset Sale Agreement.

This acquisition was assessed as a key audit matter due to the possible impact on the Group's cash position and the Group's going concern assumption. Although no estimates have been included in the financial report there have been other aspects of the transaction that have been assessed in order to determine there has been proper disclosure.

How our audit addressed the key audit matter:

Our procedures included reviewing and assessing the effect of the transaction on contingencies, on the going concern assumption and proper disclosure. We have also reviewed and assessed the agreements and other documentation relating to the transaction to determine the existence of any additional inherent risk arising as a direct consequence of the transaction.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report.

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, the matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at: www.auasb.gov.au/auditors_files/ar2.pdf . This description forms part of our audit report.

Report on the audit of the remuneration report

Opinion on the remuneration report

We have audited the remuneration report included on pages 9 to 12 of the Directors' Report for the year ended 30 June 2017. In our opinion, the remuneration report of Hill End Gold for the year ended 30 June 2017 complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

William M Moyes - Partner

Moyes Yong & Co Partnership

Dated this 4th day of September 2017

Approach to Corporate Governance

Hill End Gold Limited (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the ASX Corporate Governance Council Principles and Recommendations 2nd edition (**Principles & Recommendations**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at *http://www.hillendgold.com.au/aboutus/corporate-governance*, under the section marked “About Us”, "Corporate Governance":

Charters
Board
Audit Committee
Nomination Committee
Remuneration Committee

Policies and Procedures
Policy and Procedure for Selection and (Re) Appointment of Directors
Process for Performance Evaluations
Policy on Assessing the Independence of Directors
Diversity Policy (summary)
Code of Conduct
Whistleblower Policy
Policy on Continuous Disclosure
Compliance Procedures (summary)
Procedure for the Selection, Appointment and Rotation of External Auditor
Shareholder Communication Policy
Risk Management Policy

The Company reports below on whether it has followed each of the recommendations during the 2016/2017 financial year (**Reporting Period**). The information in this statement is current at 4 September 2017.

Board

Roles and responsibilities of the Board and Senior Executives
(Recommendations: 1.1, 1.3)

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter, which is disclosed on the Company’s website.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chair or the lead independent director, as appropriate.

Skills, experience, expertise and period of office of each Director
(Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report on page 8. The mix of skills and diversity for which the Board is looking to achieve in membership of the Board is represented by the Board's current composition. The mix of skills, qualifications and experience of the existing Board is geological; mining engineering, legal, investment; public company experience; and financial experience. The Board considers that this composition is appropriate for the effective execution of the Board's responsibilities and the size and operations of the Company as an exploration and mining company.

Director independence
(Recommendations: 2.1, 2.2, 2.3, 2.6)

The Board has a majority of Directors who are independent. The Board considers that the current size and composition of the Board is appropriate for the execution of the Board's responsibilities and the size and operations of the Company as an exploration and mining company. The Board periodically monitors the need to appoint additional independent directors.

The Board considers the independence of directors having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The Board has agreed on the following guidelines, as set out in the Company's Board Charter for assessing the materiality of matters:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

The independent Directors of the Company during the Reporting Period were Graham Reveleigh and William Condon. These Directors are independent as they are non-executive Directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

The non-independent Director of the Company is Philip Bruce, who is Executive Chairman of the Board and the Managing Director.

Independent professional advice
(Recommendation: 2.6)

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

Selection and (Re) Appointment of Directors
(Recommendation: 2.6)

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. An election of directors is held each year. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

The Company’s Policy and Procedure for the Selection and Re (Appointment) of Directors is disclosed on the Company’s website.

Board committees

Nomination Committee
(Recommendations: 2.4, 2.6)

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company’s Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

As noted above, the full Board carries out the role of the Nomination Committee. The full Board did not officially convene in its capacity as a Nomination Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee.

The Company’s Nomination Committee Charter is disclosed on the Company’s website.

Audit Committee
(Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has established a separate Audit Committee.

The Audit Committee held two (2) meetings during the Reporting Period. Details of the Directors' attendance at Audit Committee meetings are set out in the Directors' Report. Graham Reveleigh chairs the Audit Committee. The Company has adopted an Audit Committee Charter which describes its role, composition, functions and responsibilities of the Audit Committee.

Details of each of the Director's qualifications are set out in the Directors' Report. All members of the Board consider themselves to be financially literate and have industry knowledge.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent).Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

The Company's Audit Committee Charter and the Company's Procedure for Selection, Appointment and Rotation of External Auditor are available on the Company's website.

The Audit Committee, held (2) two meetings during the Reporting Period. Details of the Directors and their attendance at the Audit Committee meetings are set out in the following table:

Name	No. of meetings attended
Graham Reveleigh (Independent, non-executive)	2
William Condon (Independent, non-executive)	2

Remuneration Committee
(Recommendations: 8.1, 8.2, 8.3, 8.4)

The Company has established a separate Remuneration Committee.

Graham Reveleigh is Chairman of the Remuneration Committee and William Condon is the other member of the Committee.

Given the current size and composition of the Board, the Board believed that there were no efficiencies to be gained by conducting separate Remuneration Committee Meetings. Accordingly, the Board performed the role of the Remuneration Committee. Items that are usually required to be discussed by the Remuneration Committee were separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

As noted above, the full Board carries out the role of the Remuneration Committee. The full Board did not officially convene in its capacity as a Remuneration Committee during the Reporting Period, however nomination-related discussions occurred from time to time during the year as required.

The Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Remuneration Committee.

The Company's Remuneration Committee Charter is disclosed on the Company's website.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report. Non-executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive Directors is not linked to individual performance. Given the Company is at its early stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to non-executive Directors, subject to obtaining the relevant approvals. This policy is subject to annual review. Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

There are no termination or retirement benefits for non-executive Directors (other than for superannuation).

The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity-based remuneration schemes.

The Company's Remuneration Committee Charter is available on the Company's website.

Performance evaluation

Senior executives
(Recommendations: 1.2, 1.3)

The Managing Director in consultation with the Board reviews the performance of the Senior Executives. The current size and structure of the Company allows the Managing Director to conduct informal evaluation of the Company's senior executives regularly. Open and regular communication with senior executives allows the Managing Director to ensure that senior executives meet their responsibilities as outlined in their contracts with the Company, and to provide feedback and guidance, particularly where any performance issues are evident. Annually, individual performance may be more formally assessed in conjunction with a remuneration review.

During the Reporting Period no evaluation of senior executives took place in accordance with the process disclosed.

Board, its committees and individual directors
(Recommendations: 2.5, 2.6)

The Chair is responsible for evaluation of the Board and, when appropriate, Board committees and individual directors. The full Board, in its capacity as the Nomination Committee, is responsible for evaluating the Managing Director.

The Board of Directors undertakes an annual self-assessment of its collective performance and seeks specific feedback from the senior management team on particular aspects of its performance.

The performance of the non-executive Directors is appraised at least annually, through a formal performance appraisal process conducted by the Board. The Chairperson's performance is reviewed by the Board.

In addition, each Board committee undertakes an annual self-assessment on the performance of the committee and achievement of committee objectives.

The Board acting in it capacity as Nomination Committee did not officially conduct an evaluation of the Board, its committees, and individual Directors during the Reporting Period. Evaluation of the Board, its committees, and individual Directors-related discussions occurred from time to time during the year as required.

Given the current size and structure of the Company, the performance of the Managing Director is evaluated informally through open and regular communication with the Board during which feedback, guidance and support is provided. Annually, the Managing Director's performance may be more formally assessed in conjunction with a remuneration review.

The Company's Process for Performance Evaluation is disclosed on the Company's website.

Ethical and responsible decision making

Code of Conduct
(Recommendations: 3.1, 3.5)

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company has also established a Whistleblower Policy. The aim of the policy is to ensure that directors, officers and employees comply with their obligations under the Code of Conduct. It also encourages reporting of violations (or suspected violations) and provides effective protection from victimisation or dismissal to those reporting by implementing systems for confidentiality and report handling.

The Company's Code of Conduct and Whistleblower Policy are disclosed on the Company's website.

Diversity
(Recommendations: 3.2, 3.3, 3.4, 3.5)

The Company has not established a Diversity Policy, which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress towards achieving them.

The Board does not intend to set measurable objectives for achieving gender diversity at this stage. The Board considers that due to the Company's current operations, size and number of employees it is not in a position to set meaningful objectives. The Board will review this position as the Company's circumstances change.

The proportion of women employees in the whole organisation, women in senior executive positions and women on the Board as at 30 June 2017 are set out in the following table:

	Proportion of women
Employees in whole organisation	0 out of 1 (0%)
Senior executive positions	0 out of 1 (0%)
Board	0 out of 3 (0%)

The Company's Diversity Policy and a summary of the Company's Diversity Policy is disclosed on the Company's website.

Continuous Disclosure
(Recommendations: 5.1, 5.2)

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

A summary of the Company's Policy on Continuous Disclosure and Compliance Procedures are disclosed on the Company's website.

Shareholder Communication

(Recommendations: 6.1, 6.2)

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

The Company's Shareholder Communication Policy is disclosed on the Company's website.

Risk Management

Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director**,** who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

Given the current size and structure of the Company, the Board take an active role in risk management, with all matter before the Company, discussed during Board meeting.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Company's system for managing its material business risks includes the use of a risk matrix which identifies the Company's material business risks and risk management strategies for these risks. The Managing Director reviews the risk matrix annually, or as required, and presents the risk matrix and any updates to the Board at regular Board meeting.

The categories of risk reported on or referred to as part of the Company's systems and processes for managing material business risk are: protection of assets; financial reporting; and operational risks.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the Reporting Period.

The Managing Director and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. A summary of the Company's Risk Management Policy is disclosed on the Company's website.

ASX Corporate Governance Council recommendations checklist

The following table sets out the Company's position with regard to adoption of the Principles & Recommendations as at the date of this statement:

Recommendation		Comply
Principle 1:	**Lay solid foundations for management and oversight**	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	☑
1.2	Companies should disclose the process for evaluating the performance of senior executives.	☑
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1:	☑
Principle 2:	**Structure the board to add value**	
2.1	A majority of the board should be independent directors.	☑
2.2	The chair should be an independent director.	☑
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	☑
2.4	The board should establish a nomination committee.	☒
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	☑
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2:	☑
Principle 3:	**Promote ethical and responsible decision-making**	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	☑
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	☒
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	☒
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	☑
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3:	☑
Principle 4:	**Safeguard integrity in financial reporting**	
4.1	The board should establish an audit committee.	☑
4.2	The audit committee should be structured so that it: consists only of non-executive directors; consists of a majority of independent directors; is chaired by an independent chair, who is not chair of the board; and has at least three members.	☑
4.3	The audit committee should have a formal charter.	☑
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4:	☑
Principle 5:	**Make timely and balanced disclosure**	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	☑
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5:	☑
Principle 6:	**Respect the rights of shareholders**	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of the policy.	☑
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6:	☑
Principle 7:	**Recognise and manage risk**	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	☑
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	☑
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks..	☑
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7:	☑
Principle 8:	**Remunerate fairly and responsibly**	
8.1	The board should establish a remuneration committee.	☑
8.2	The remuneration committee should be structured so that it: consists of a majority of independent directors; is chaired by an independent chair; and has at least three members.	☑
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	☑
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8:	☑

SHAREHOLDER INFORMATION

ASX Additional Information

Additional information is required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 29 August 2017.

1. Distribution of Shareholders - Analysis of number of shareholders by size of holding:

Holdings Ranges	Holders	Total Units	%
1-1,000	1,286	514,483	0.499
1,001-5,000	652	1,564,190	1.516
5,001-10,000	197	1,482,984	1.438
10,001-100,000	374	13,154,913	12.753
100,001-9,999,999,999	125	86,437,331	83.795
Total	**2,634**	**103,153,901**	**100.00**

(a) There are 2,021 Shareholders with less than a marketable parcel of ordinary shares.

(b) There are no substantial shareholders in the Company's Register of Substantial Shareholders as at 29 August 2017.

2. Twenty Largest Shareholders

The names of the twenty largest holders of ordinary shares are listed below:

Rank	Shareholder	Number	%
1	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	4,593,832	4.453%
2	SANGREAL INVESTMENTS PTY LTD	4,200,000	4.072%
3	TELL CORPORATION PTY LTD	4,000,000	3.878%
4	SISU INTERNATIONAL PTY LTD	3,250,000	3.151%
5	ELSTREE CAPITAL PTY LTD	3,000,000	2.908%
6	THEA MANAGEMENT PTY LTD	2,400,000	2.327%
7	KITARA INVESTMENTS PTY LTD <KUMOVA FAMILY A/C>	2,400,000	2.327%
8	CITICORP NOMINEES PTY LIMITED	2,368,147	2.296%
9	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,257,596	2.189%
10	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	2,060,000	1.997%
11	WYMOND INVESTMENTS PTY LTD <DEE WHY SALES P/L S/F A/C>	2,000,000	1.939%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,757,750	1.704%
13	RICHSHAM NOMINEES PTY LTD	1,755,000	1.701%
14	MR DAVID CHARLES NEESHAM & MRS PAMELA CHRISTINE NEESHAM <DC & PC NEESHAM SUPER A/C>	1,690,000	1.638%
15	MR ZHONGLI LI	1,672,000	1.621%
16	MALCORA PTY LTD <C & C CENIVIVA A/C>	1,649,378	1.599%
17	LIGHTSTORM PTY LTD <HOTSPICE A/C>	1,600,000	1.551%
18	RIMOYNE PTY LTD	1,559,552	1.512%
19	CLAIRAULT INVESTMENTS PTY LIMITED	1,550,000	1.503%
20	KONKERA PTY LTD <KONKERA FAMILY A/C>	1,500,000	1.454%
	Total Securities of Top 20 Holdings	**47,263,255**	**45.818%**
	Total Shares	**103,153,901**	**100.000%**

3. Distribution of Shareholders - Analysis of number of shareholders by size of holding:

Holdings Ranges	Holders	Total Units	%
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	0	0	0.000
10,001-100,000	9	570,000	1.827
100,001-9,999,999,999	36	30,630,000	98.173
Totals	**45**	**31,200,000**	**100.000**

4. Twenty Listed Option holdings

The names of the twenty largest holders of Listed Options are listed below:

Rank	Shareholder	Number	%
1	SANGREAL INVESTMENTS PTY LTD	2,720,000	8.718%
2	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	2,600,000	8.333%
3	ELSTREE CAPITAL PTY LTD	2,440,000	7.821%
4	XCEL CAPITAL PTY LTD	2,000,000	6.410%
5	MALCORA PTY LTD	1,950,000	6.250%
6	LIGHTSTORM PTY LTD <HOTSPICE A/C>	1,600,000	5.128%
7	MR SAUL ZAIDMAN	1,500,000	4.808%
8	SREJCA PTY LTD	1,500,000	4.808%
9	RIMOYNE PTY LTD	1,300,000	4.167%
10	MR MICHAEL GEOFFREY BARRETT & MRS ELIZABETH ANNE BARRETT <FIVEBEES SUPER FUND A/C>	1,080,000	3.462%
11	MALCORA PTY LTD <C & C CENIVIVA A/C>	1,000,000	3.205%
12	FINNIAN GROUP PTY LTD	1,000,000	3.205%
12	MR DAVID JAMES WALL <THE RESERVE A/C>	800,000	2.564%
14	MR DAVID CHARLES NEESHAM & MRS PAMELA CHRISTINE NEESHAM <DC & PC NEESHAM SUPER A/C>	700,000	2.244%
15	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	700,000	2.244%
16	SISU INTERNATIONAL PTY LTD	700,000	2.244%
17	KONKERA PTY LTD <KONKERA FAMILY A/C>	700,000	2.244%
18	GLOBAL CONSORTIUM HOLDINGS PTY LTD <FTW HOLDINGS A/C>	640,000	2.051%
19	CACTUS CORP PTY LTD	600,000	1.923%
20	STRATEGIC INVESTMENT DEVELOPMENT LIMITED	600,000	1.923%
	Total Top 20 Holdings	**26,130,000**	**83.750%**
	Total Options	**31,200,000**	**100.000%**

5. Unlisted Option holders

Unlisted Options - $0.05 expiring 29 November 2017

Rank	Option Holder	Number	%
1	DIAZILL PTY LTD	640,000	42.667
2	LINDGLADE ENTERPRISES PTY LTD <CLARKE SUPER FUND ACCOUNT>	320,000	21.333
3	DAYMOND & ASSOCIATES PTY LTD	140,000	9.333
4	G E REVELEIGH & CO PTY LTD <THE ARFAMO A/C>	100,000	6.667
5	WILLIAM CONDON	100,000	6.667
6	LEET INVESTMENTS PTY LIMITED <SUPERANNUATION FUND A/C>	100,000	6.667
7	MS SU-YIN QUAH	100,000	6.667
	Total Top 20	**1,500,000**	**100.00**

6. Unlisted Options - $0.075 expiring 30 July 2020

Rank	Option Holder	Number	%
1	DIAZILL PTY LTD	2,000,000	62.5
2	G E REVELEIGH & CO PTY LTD <THE ARFAMO A/C>	600,000	18.75
3	WILLIAM CONDON	600,000	18.75
	Total Top 20	**3,200,000**	**100.00**

Voting rights

Ordinary shares carry one vote per share. There are no voting rights attached to the options in the Company.

Business objectives

This annual report of the Company and pursuant to the ASX listing rules the Company confirms that it has used its cash and assets that it had at the time of its admission consistent with its business objectives.

Stock Exchange

The Company is listed on the Australian Securities Exchange. The “Home Exchange” is Sydney.

Other information

Hill End Gold Limited, is incorporated and domiciled in Australia, and is a publicly listed company limited by shares.

On-market buy-back

There is no current on-market buy-back

MINING TENEMENTS

Project	Tenement	Registered Holder	Grant / Application Date	Expiry Date	Status	Area	Surface Exception	Depth Restriction	Notes
Hill End	Exploration Licence No 5868 (1992)	Hill End Gold Limited	18/06/2001	18/06/2019	Current	16 units	Nil	Nil	1, 2, 3, 4
Hill End	Gold Lease No 5846 (1906)	Hill End Gold Limited	15/02/1968	7/12/2019	Current	2.044 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 1116 (1973)	Hill End Gold Limited	28/03/1984	16/10/2024	Current	15.71 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 1541 (1992)	Hill End Gold Limited	17/10/2003	16/10/2024	Current	279.20 hectares	Part (Various)	Nil	1
Hill End	Mining Lease No 315 (1973)	Hill End Gold Limited	8/12/1976	7/12/2019	Current	6.671 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 316 (1973)	Hill End Gold Limited	8/12/1976	7/12/2019	Current	8.846 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 317 (1973)	Hill End Gold Limited	8/12/1976	7/12/2019	Current	7.00 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 49 (1973)	Hill End Gold Limited	30/07/1975	7/12/2019	Current	1.618 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 50 (1973)	Hill End Gold Limited	30/07/1975	7/12/2019	Current	3.02 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 913 (1973)	Hill End Gold Limited	20/01/1981	19/01/2023	Current	22.00 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 914 (1973)	Hill End Gold Limited	20/01/1981	19/01/2023	Current	21.69 hectares	Nil	Nil	2, 3, 4
Hill End	Mining Lease No 915 (1973)	Hill End Gold Limited	4/02/1981	3/02/2023	Current	13.27 hectares	Nil	Nil	2, 3, 4
Hargraves	Exploration Licence No 6996 (1992)	Hill End Gold Limited	21/12/2007	21/12/2017	Granted	24 units	Nil	Nil	
Chambers Creek	Exploration Licence No 8289 (1992)	Hill End Gold Limited	24/3/2014	20/08/2017	Renewal pending	3 Units	Nil	Nil	5

[1] Hill End Historic Site excluded. Mining Lease No 1541 (1992) applies below historic site.
[2] Agreement between Big Nugget Partnership and Silver Orchid Pty Ltd dated 25 June 1993.
[3] Transfer of beneficial interest from Nugget Resources Inc to Nugget Resources Australia Pty Ltd (now Hill End Gold Limited) dated 16 March 1999.
[4] Deed of Transfer from Nugget Resources Inc to Nugget Resources Australia Pty Ltd (now Hill End Gold Limited) dated 26 June 2001 to assign legal interest (see Footnote 2).
[5] The renewal application and supporting documentation has been submitted to the Department