

19 October 2018

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Annual Report

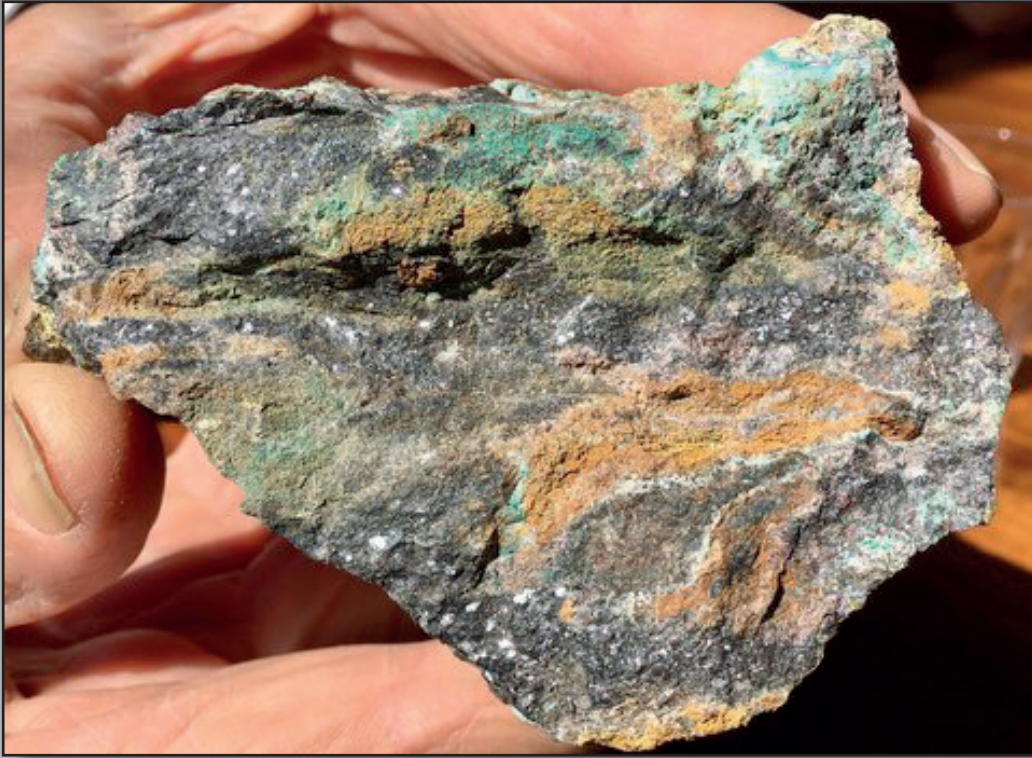
Attached is the 2018 Annual Report for Hampton Hill Mining NL.

Peter Ruttledge
Company Secretary



HAMPTON HILL
Mining NL

ABN 60 060 628 524



Annual Report **2018**

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CORPORATE DIRECTORY

Directors

Joshua Pitt
Executive Chairman

Neil Tomkinson
Non-executive Director

Wilson Forte
Non-executive Director

Company Secretary

Peter Rutledge

Registered and Business Office

Level 2
9 Havelock Street
West Perth WA 6005
Telephone: 08 9481 8444
Email: info@hamptonhill.com.au

Auditor

HLB Mann Judd (WA Partnership)
Level 4
130 Stirling Street
Perth WA 6000

Home Exchange

Australian Securities Exchange (ASX)

ASX Code

HHM

Share Registry

Security Transfer Australia
770 Canning Highway
Applecross WA 6153
Telephone: 1300 992 916
Facsimile: 08 9315 2233
Email: registrar@securitytransfer.com.au

Webpage

www.hamptonhill.com.au

Corporate Governance Statement

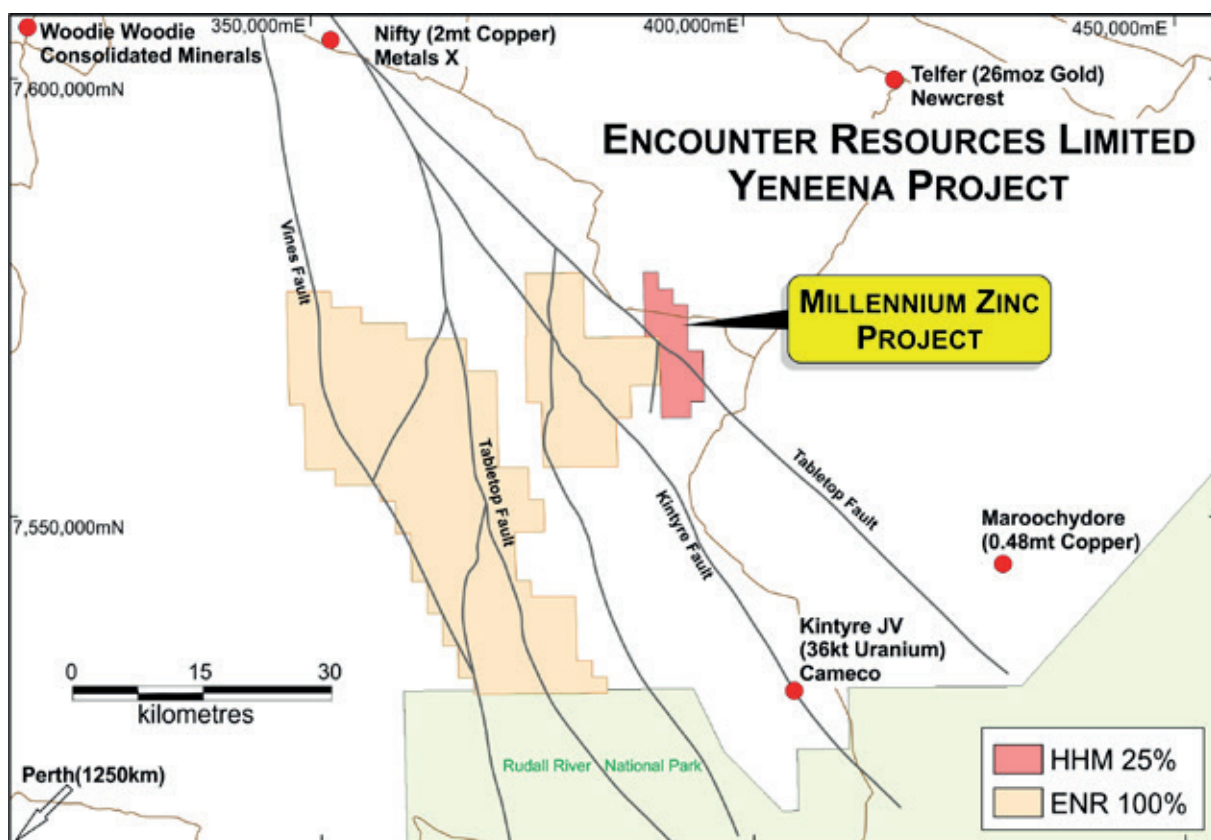
<http://www.hamptonhill.com.au/CorpGov.htm>

Hampton Hill Mining NL (ABN 60 060 628 524) is a public listed company incorporated and domiciled in Australia

CHAIRMAN'S LETTER

Hampton Hill Mining NL (Hampton Hill or the Company) limited its exploration activities to further drilling at the Millennium Zinc Project during the year. It completed its earn-in requirement in this project earning a 25% interest in joint venture with the manager, Encounter Resources Limited. At Millennium, a deep diamond drill hole was completed near the northern extent of the gossanous zinc target zone and a reverse circulation hole was undertaken to test the southern structural zone. This concluded the testing of the initial zinc target that sits astride the eastern bounding fault to the sedimentary basin that the joint venture believes is prospective for Century style zinc dominant base metal mineralisation.

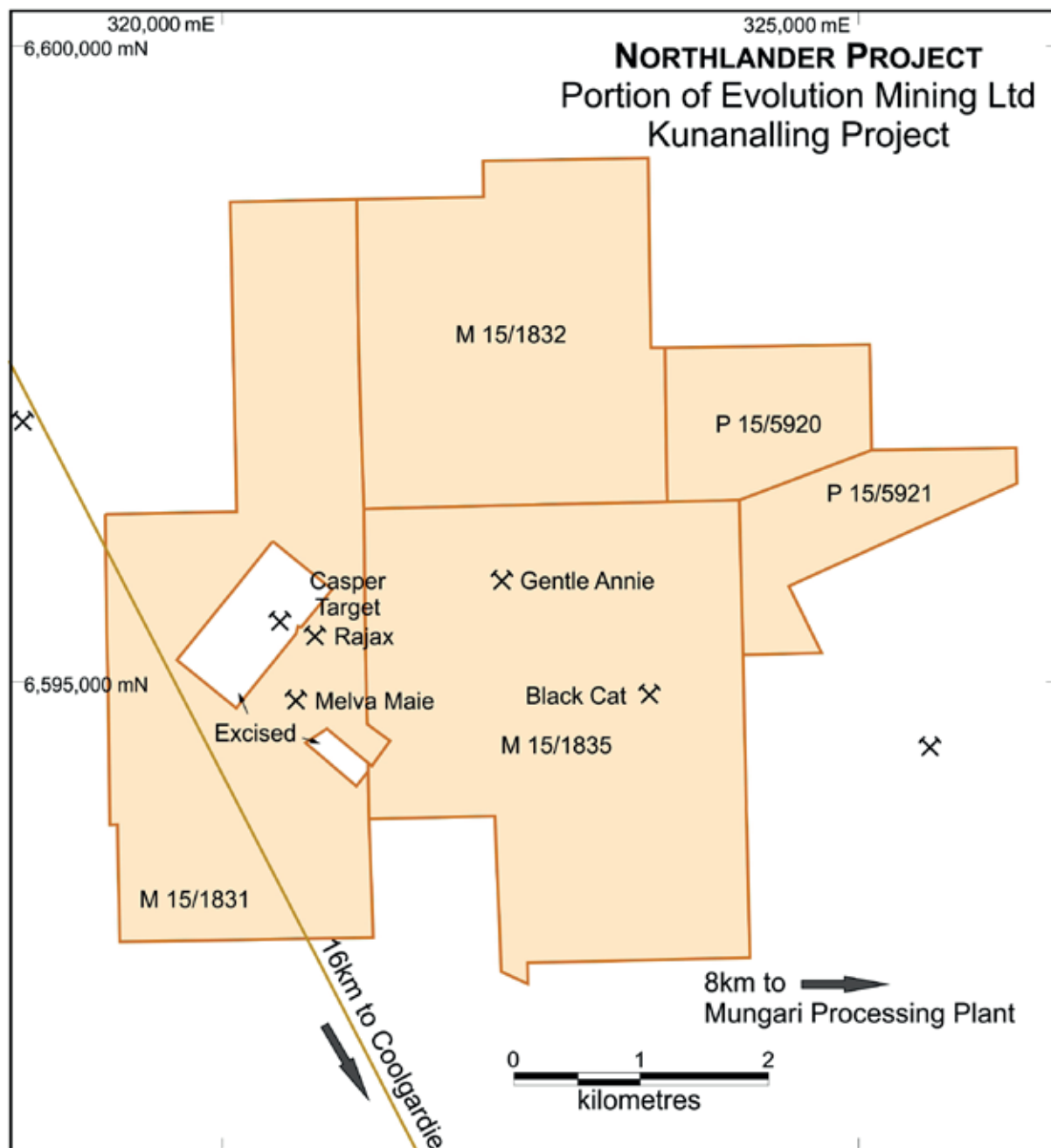
The joint venture will now turn its attention to the more central portions of the sedimentary basin where earlier drill programs revealed broad intercepts of anomalous zinc values. The funding for this new focus may be derived from third parties subject to current negotiations.



Hampton Hill holds 10.3 million fully paid shares in Peel Mining Limited (Peel). Peel is actively exploring a very large package of tenements within the Cobar Mineral Field of New South Wales. Peel has announced a series of exciting base metal discoveries in recent years which include the Mallee Bull, Wagga Tank and Southern Nights prospects. Your board considers that these shares are presently undervalued by the market and that they could appreciate in value as the Peel Cobar tenement appraisal work advances.

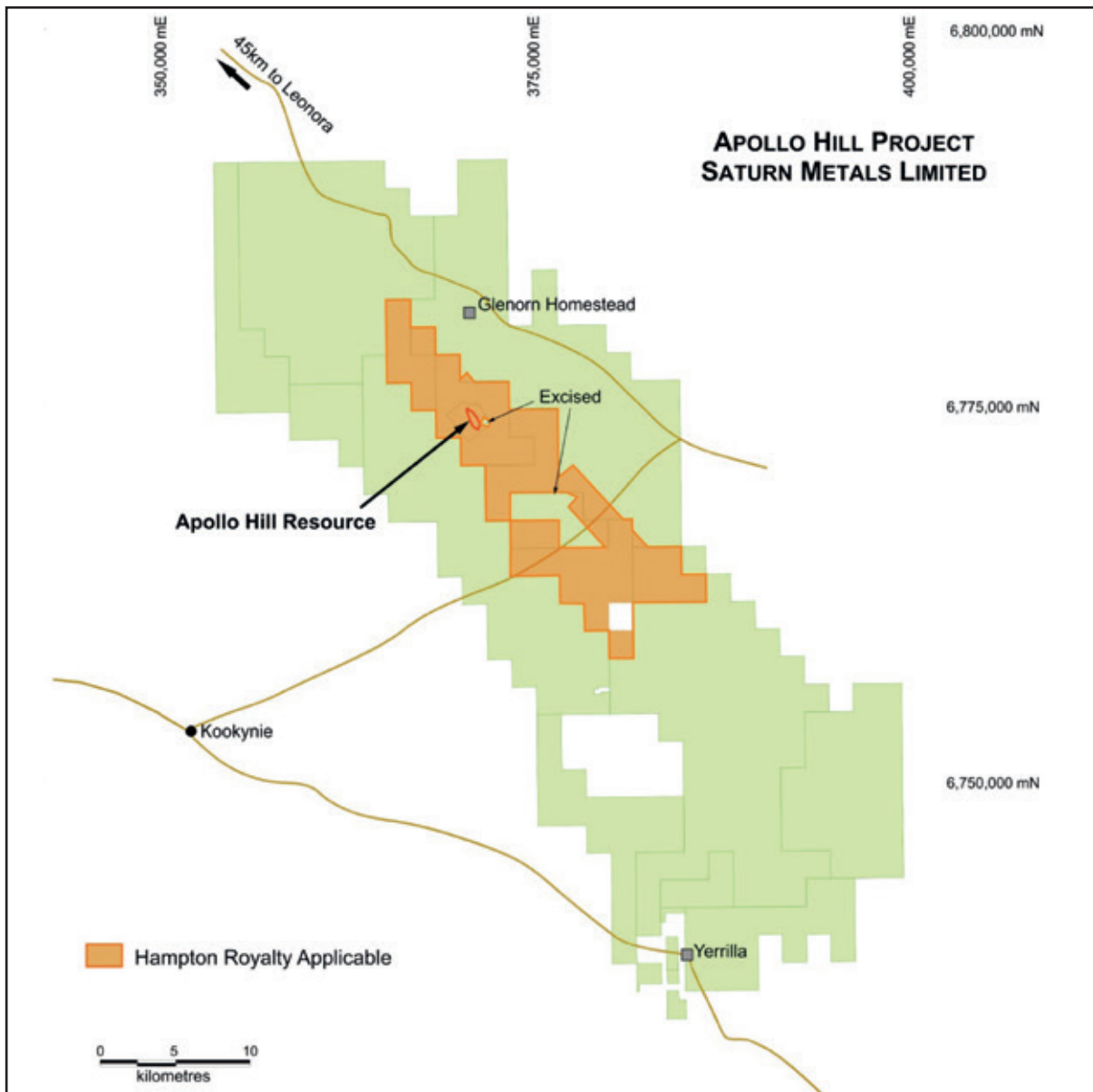
CHAIRMAN'S LETTER

The Company holds a 0.98% net smelter return gold royalty and certain claw-back rights over the Northlander group of tenements that form a minor portion of Evolution Mining Limited's Kunanalling Project and are situated some 8 kilometres west of their Mungari Processing Plant.



CHAIRMAN'S LETTER

Hampton Hill holds a 5% gross overriding royalty on all gold mined in excess of one million ounces from the Apollo Hill central leases located some 60 kilometres southeast of Leonora, Western Australia. The owner of the project, Saturn Metals Limited (Saturn), has been carrying out an aggressive diamond and RC drilling campaign at Apollo Hill since listing on the ASX in March 2018. Their aim is to upgrade the Mineral Resources to Indicated status while increasing the tonnage and hopefully enhancing the grade. The Inferred Resources were previously estimated to contain JORC 2012 compliant 17.2 million tonnes at a grade of 0.9 grams per tonne (Saturn Metals Limited Initial Public Offering Prospectus - ASX announcement 7 March 2018). Hampton Hill also holds an investment of 1.25 million fully paid shares in Saturn acquired at the time of Saturn's Initial Public Offering.



Other exploration opportunities are being sought by the Company but as yet no additional project interests have been secured.

Joshua Pitt
 Chairman
 October 2018

DIRECTORS' REPORT

Hampton Hill Mining NL (Hampton Hill or the Company) is an Australian company listed on the Australian Securities Exchange (ASX). The registered office and principal place of business of the Company is Level 2, 9 Havelock Street, West Perth, Western Australia.

The directors of the Company present their report on the Company for the year ended 30 June 2018.

DIRECTORS

The names of the directors of the Company during the financial year and up to the date of this report are:

Joshua Pitt

Neil Tomkinson

Wilson Forte

PRINCIPAL ACTIVITIES

The principal activity of the Company consisted of base metal exploration. There has been no significant change in the Company's activities during the financial year.

DIVIDENDS

No dividends were paid during the year and the directors do not recommend the payment of a dividend.

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

At the Millennium Zinc Project, early in the year Hampton Hill completed its earn-in requirement in the project earning a 25% interest in joint venture with the manager, Encounter Resources Limited.

During the year a deep diamond drill hole was completed near the northern extent of the gossanous zinc target zone and a reverse circulation hole was undertaken to test the southern structural zone. The results were disappointing with no economically significant base metal mineralization intersected. This concluded the first pass drill test over the length of the 3 kilometre long gossanous zinc target.

There remain other significant targets in the quest for a Century style zinc deposit on the project tenements and the joint venture is currently negotiating with a third party to fund the next stage of exploration following up the exploration leads.

Hampton Hill holds a 5% gross overriding royalty on all gold mined in excess of one million ounces from the Apollo Hill central leases located some 60 kilometres southeast of Leonora, Western Australia. The owner of the project, Saturn Metals Limited (Saturn), has been carrying out an aggressive diamond and RC drilling campaign at Apollo Hill since listing on the ASX in March 2018. Their aim is to upgrade the Mineral Resources to Indicated status while increasing the tonnage and hopefully enhancing the grade. The Inferred Resources were previously estimated to contain JORC 2012 compliant 17.2 million tonnes at a grade of 0.9 grams per tonne (Saturn Metals Limited Initial Public Offering Prospectus - ASX announcement 7 March 2018). Hampton Hill also holds an investment of 1.25 million fully paid shares in Saturn acquired at the time of Saturn's Initial Public Offering.

DIRECTORS' REPORT

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (continued)

The Company holds a 0.98% net smelter return gold royalty and certain claw-back rights over the Northlander group of tenements that form a minor portion of Evolution Mining Limited's Kunanalling Project and are situated some 8 kilometres west of their Mungari Processing Plant.

Hampton Hill holds 10.3 million fully paid shares in Peel Mining Limited (Peel). Peel is actively exploring a very large package of tenements within the Cobar Mineral Field of New South Wales. Peel has announced a series of exciting base metal discoveries in recent years which include the Mallee Bull, Wagga Tank and Southern Nights prospects. Your board considers that these shares are presently undervalued by the market and that they could appreciate in value as the Peel Cobar tenement appraisal work advances.

Other exploration opportunities are being sought by the Company but as yet no additional project interests have been secured.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the operating results and the issue of new shares, there were no significant changes in the state of affairs of the Company during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to balance date, the repayment date of the related party loans was extended from 30 April 2019 to 30 April 2020.

To the best of the directors' knowledge and belief, there has been no other matters or circumstances that have arisen after balance date that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

ENVIRONMENTAL REGULATIONS

The mining leases, exploration licences and prospecting licences granted to the Company pursuant to the Mining Act (1978) (WA) are granted subject to various conditions which include standard environmental requirements. The Company adheres to these conditions and the directors are not aware of any contraventions of these requirements. The directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the period 1 July 2017 to 30 June 2018 the directors have assessed that there are no current reporting requirements, but that the Company may be required to report in the future.

DIRECTORS' REPORT

INFORMATION RELATING TO THE DIRECTORS

Executive Chairman

Joshua Pitt BSc, MAusIMM, MAIG

Mr Pitt is a geologist with extensive exploration experience who has, for more than thirty five years, been a director of exploration and mining companies in Australia. Mr Pitt is involved in private mineral exploration and also in substantial resource investments. He is a non-executive director of Red Hill Iron Limited (appointed June 2005), Traka Resources Limited (appointed July 2003) and Red Metal Limited (appointed July 2003). Mr Pitt has held no other directorships of ASX listed companies during the last three years.

Non-executive Directors

Neil Tomkinson LLB Hons

Mr Tomkinson has extensive experience extending over the last thirty five years in the administration of and investment in exploration and mining companies, and is an investor in private mineral exploration and in resources in general in Australia. He is the executive chairman of Red Hill Iron Limited (appointed chairman April 2008) and non-executive chairman of Traka Resources Limited (appointed September 2003). Mr Tomkinson has held no other directorships of ASX listed companies during the last three years.

Wilson Forte BSc Hons (UWA), MAusIMM, MAIG

Mr Forte is a Western Australian geologist with more than thirty years' experience in mineral exploration in Australia, Southern Africa and Iran. For the past thirty years he has mainly worked on the evaluation of gold and base metal projects in Western Australia. Mr Forte has held no other directorships of ASX listed companies during the last three years.

INFORMATION RELATING TO THE COMPANY SECRETARY

Peter Rutledge BSc, CA, FFin

Mr Rutledge is a Chartered Accountant and a Fellow of the Financial Services Institute of Australasia and has over thirty years' experience as company secretary of a number of listed mining and exploration companies.

DIRECTORS' INTERESTS IN SHARES IN THE COMPANY

The number of shares in the Company held directly and indirectly by the directors as at the date of this report is set out below:

Director	Ordinary shares fully paid	Ordinary shares partly paid to 0.1 cents
J N Pitt	97,190,055	-
N Tomkinson	14,955,942	-
W S Forte	3,867,241	1,900,000

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 112,145,997 shares.

The directors do not hold any unlisted options.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of directors held during the year ended 30 June 2018 and the number of meetings attended by each director:

Director	Meetings of directors whilst a director	Number of meetings attended
J N Pitt	10	10
N Tomkinson	10	10
W S Forte	10	10

The Company does not have any committees.

AUDITED REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporation Act 2001.

(a) Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration policy for directors and other key management personnel is to ensure that:

- remuneration packages properly reflect the duties and responsibilities of the persons concerned, and
- remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The remuneration framework has regard to shareholders' interests by:

- focusing on sustained growth in share price, as well as focusing the executives on key non-financial drivers of value, and
- attracting and retaining high calibre executives.

The remuneration framework has regard to executives' interests by:

- rewarding capability and experience,
- providing a clear structure for earning rewards, and
- providing recognition for contribution.

The remuneration policy is not linked to the Company's performance and is linked to shareholder wealth only in so far as partly paid shares or options have been included in remuneration.

Remuneration is reviewed by the board on an annual basis having regard to performance and market competitiveness.

The remuneration of executive personnel is determined by the non-executive directors and comprises a base salary or fee and may include, by way of an incentive, the opportunity to take up partly paid shares or options in the Company and thereby participate in the future success of the Company.

All remuneration paid to key management personnel is valued at the cost to the Company and either capitalised as exploration and evaluation expenditure or expensed.

The Executives' remuneration is reviewed annually with regard to competitiveness and performance.

There are no guaranteed salary increases fixed in any senior executives' contracts.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT (continued)

Company performance and its consequences on shareholder wealth

It is not possible at this time to evaluate the Company's financial performance using generally accepted measures such as profitability and total shareholder return as the Company is an exploration company with no significant revenue stream. This assessment will be developed if and when the Company moves from explorer to producer.

The table below shows key company performance indicators for the last five years for the Company (2014 to 2018):

		2018	2017	2016	2015	2014
Revenue and other income	\$	115,934	246,295	240,987	118,848	245,779
Net profit/(loss)	\$	545,516	(90,962)	(483,489)	284,056	(1,019,936)
Profit/(Loss) per share	cents	0.2	(0.04)	(0.2)	0.2	(0.7)
Share price at year end	cents	3.1	1.4	2.5	5.1	2.3

No dividends have been declared during these periods.

(b) Details of remuneration

The key management personnel of the Company are the directors.

The remuneration of key management personnel and other specified executives for the year is summarised below:

	Year	Short term benefits Salary & fees \$	Post-employment benefits Superannuation \$	Total \$	Performance related %
Executive Director					
J N Pitt (Chairman)	2018	-	-	-	-
	2017	-	-	-	-
Non-executive Directors					
N Tomkinson	2018	-	-	-	-
	2017	-	-	-	-
W S Forte	2018	20,000	1,900	21,900	-
	2017	20,000	1,900	21,900	-

With the exception of a non-executive director's fee paid to Mr W S Forte, no other directors' fees are paid. Non-executive directors may be paid all travelling and other expenses properly incurred by them in the business of the Company. The executive chairman has elected not to receive a remuneration package.

No part of the remuneration of directors and other specified executives is contingent upon the performance of the Company.

(c) Service agreements

Non-executive director

Commencing 1 May 2012, Mr Forte took on a non-executive director role in the Company. As from 1 July 2012 Mr Forte has been paid a director's fee of \$20,000 per annum plus statutory superannuation. No fixed terms or notice period applies and there is no provision for termination benefits.

No other service agreements are in place for directors.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT (continued)

(d) Share-based compensation

No options have been issued to, or exercised by, directors or any other key management personnel during the year. No options are held by key management personnel and currently the board does not anticipate that any share-based compensation will be issued to directors.

(e) Shares held by key management personnel

The numbers of shares held during the year by key management personnel, including those held by their personally related entities are set out below:

	Balance at 1 July 2017	Net changes	Balance at 30 June 2018
Fully paid shares			
Directors			
J N Pitt	77,752,045	19,438,010	97,190,055
N Tomkinson	11,982,954	2,972,988	14,955,942
W S Forte	3,406,419	460,822	3,867,241
	93,141,418	22,871,820	116,013,238
Partly paid shares			
Directors			
W S Forte			
Issued for 10 cents paid to 0.1 cent	200,000	-	200,000
Issued for 20 cents paid to 0.1 cent	1,200,000	-	1,200,000
Issued for 25 cents paid to 0.1 cent	500,000	-	500,000
	1,900,000	-	1,900,000

Net changes relate to shares purchased or sold during the financial year.

There were no shares, either fully or partly paid, granted as compensation to key management personnel during the reporting period.

There were no shares granted on the exercise of options by key management personnel during the reporting period.

No other key management personnel hold partly paid shares. No partly paid shares were paid up or forfeited during the year.

None of the shares are held nominally.

No key management personnel hold unlisted options.

(f) Transactions with key management personnel

Income from related parties

During the financial year the Company received \$80,189 (2017: \$82,111) from Red Hill Iron Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for rental of office space and provision of administration services supplied by the Company on normal commercial terms and conditions determined on an arms-length basis between the companies.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT (continued)

During the financial year the Company received a reimbursement of \$277 (2017: \$1,205) from Traka Resources Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for expenditure incurred by the Company on Traka Resources Limited's behalf.

Borrowings from directors

During the financial year, the loan facility provided by companies associated with directors Mr Pitt and Mr Tomkinson was increased from \$750,000 to \$1,000,000, comprising two loans of \$500,000 each. The Company fully drew down on this facility and then repaid \$500,000 following the Company's successful capital raising leaving \$500,000 drawn down at year end - \$250,000 on each loan. The loans are unsecured and otherwise on normal commercial terms and conditions, bearing interest at a rate of 3.5% per annum, paid quarterly in arrears. The total interest paid on the loans for the financial year was \$21,638 (2017: \$21,000).

Subsequent to balance date, the repayment date of the loans was extended from 30 April 2019 to 30 April 2020.

Loans to key management personnel

The Company has not made any loans to key management personnel during the year.

There were no other transactions with key management personnel and other related parties during the year.

(g) Additional information

Voting and comments at the Company's 2017 Annual General Meeting (AGM)

The Company received a majority of votes in favour of its remuneration report for the 2017 financial year. The Company did not receive any specific comments on its remuneration practices at the AGM or throughout that year.

Engagement of remuneration consultants

The Company has not engaged remuneration consultants to make a remuneration recommendation in respect of any of the key management personnel.

The audited remuneration report ends here.

SHARES UNDER OPTION

The number of options on issue at the date of this report is as follows:

Grant date	Expiry date	Issue price of shares	Number under option	Percent vested
23 June 2017	27 Dec 2019	1.84 cents per share	350,000	100%

The unlisted options were issued to staff of the Company.

DIRECTORS' REPORT

INSURANCE OF OFFICERS

During or since the end of the financial year the Company has not given an indemnity to, nor has it entered into any agreement to indemnify, nor has it paid or agreed to pay insurance premiums to insure any director or other officer of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court pursuant to section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

AUDIT COMMITTEE

The Company is not of a size nor are its financial affairs of such complexity to justify a separate audit committee of the board of directors. All matters that might properly be dealt with by such a committee are the subject of scrutiny at full board meetings.

NON-AUDIT SERVICES

HLB Mann Judd (WA Partnership) (HLB), the company's auditor, did not perform any non-audit services for the Company for the year ended 30 June 2018.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required by Section 307C of the Corporations Act 2001 is included in this Financial Report. HLB holds office in accordance with section 327C(2) of the Corporations Act 2001, until the Company's next annual general meeting.

Signed in Perth in accordance with a resolution of directors on 11 September 2018.



J N Pitt
Chairman

AUDITOR'S INDEPENDENCE DECLARATION



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Hampton Hill Mining NL for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
11 September 2018

A handwritten signature in black ink, appearing to read 'B G McVeigh'.

B G McVeigh
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

HLB Mann Judd (WA Partnership) is a member of  International, a world-wide organisation of accounting firms and business advisers

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue from continuing operations	2	6,563	979
Other income	2	109,371	245,316
Impairment of exploration expenditure	9	(3,836)	(4,766)
Administration expenses	3	(338,026)	(344,113)
Loss before income tax		(225,928)	(102,584)
Income tax benefit	4	771,444	11,622
Profit/(loss) for the year		545,516	(90,962)
Other comprehensive income			
Items that may be realised through profit or loss			
Change in the fair value of available-for-sale financial assets	8	2,805,250	77,600
Income tax expense on other comprehensive income	4	(771,444)	(11,622)
Other comprehensive income for the year net of tax		2,033,806	65,978
Total comprehensive profit/(loss) for the year attributable to the ordinary equity holders of the Company		2,579,322	(24,984)
Profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company		cents	cents
Basic and diluted profit/(loss) per share	5	0.20	(0.04)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash and cash equivalents	6	665,629	75,242
Trade and other receivables	7	16,292	24,779
Financial assets available for sale	8	5,116,250	1,881,000
Total Current Assets		5,798,171	1,981,021
Non-Current Assets			
Exploration assets	9	2,842,318	2,744,844
Plant and equipment	10	3,661	4,221
Total Non-Current Assets		2,845,979	2,749,065
Total Assets		8,644,150	4,730,086
Liabilities			
Current Liabilities			
Trade and other payables	11	32,712	55,911
Borrowings	12	500,000	600,000
Total Current Liabilities		532,712	655,911
Total Liabilities		532,712	655,911
Net Assets		8,111,438	4,074,175
Equity			
Issued capital	13	23,248,430	21,790,489
Reserves	14	3,004,114	970,308
Accumulated losses		(18,141,106)	(18,686,622)
Total Equity		8,111,438	4,074,175

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
2018				
Balance at 1 July 2017	21,790,489	970,308	(18,686,622)	4,074,175
Comprehensive profit				
Net profit for the year	-	-	545,516	545,516
Other comprehensive income net of tax	-	2,033,806	-	2,033,806
Total comprehensive income for the year	-	2,033,806	545,516	2,579,322
Transaction with equity holders in their capacity as equity holders:				
Issue of shares, net of transaction costs	1,457,941	-	-	1,457,941
Balance at 30 June 2018	23,248,430	3,004,114	(18,141,106)	8,111,438
2017				
Balance at 1 July 2016	21,790,489	901,102	(18,595,660)	4,095,931
Comprehensive loss				
Net loss for the year	-	-	(90,962)	(90,962)
Other comprehensive income net of tax	-	65,978	-	65,978
Total comprehensive loss for the year	-	65,978	(90,962)	(24,984)
Transaction with equity holders in their capacity as equity holders:				
Share-based payments	-	3,228	-	3,228
Balance at 30 June 2017	21,790,489	970,308	(18,686,622)	4,074,175

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Payments to suppliers and employees		(316,969)	(342,768)
Interest received		4,374	7,476
Interest paid		(21,638)	(29,372)
Rent received		109,371	110,688
Other receipts		-	6,709
		<hr/>	<hr/>
Net cash outflows from operating activities	15	(224,862)	(247,267)
Cash flows from investing activities			
Payments for exploration expenditure		(111,885)	(412,713)
Receipt of Research and Development incentive		-	368,033
Payment for plant and equipment		(807)	(5,192)
Proceeds from disposal of plant and equipment		-	390
Payment for purchase of equity investments		(430,000)	-
Proceeds from sale of equity investments		-	245,520
		<hr/>	<hr/>
Net cash (outflows)/inflows from investing activities		(542,692)	196,038
Cash flows from financing activities			
Loans received	12	400,000	-
Loans repaid	12	(500,000)	-
Proceeds from shares issued		1,457,941	-
		<hr/>	<hr/>
Net cash inflows from financing activities		1,357,941	-
Net increase/(decrease) in cash and cash equivalents			
		590,387	(51,229)
Cash and cash equivalents at the beginning of the financial year		<hr/>	<hr/>
		75,242	126,471
Cash and cash equivalents at the end of the financial year	6	<hr/> <hr/>	<hr/> <hr/>
		665,629	75,242

The above Statement of Cash Flows should be read in conjunction with accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 SEGMENT INFORMATION

Management has determined that the Company has one reportable segment, being mineral exploration within Australia. The board of directors monitors the Company based on actual versus budgeted exploration expenditure. This reporting framework is the most relevant to assist the board with making decisions regarding its ongoing exploration activities.

	2018	2017
	\$	\$
Reportable segment assets	2,842,318	2,744,844
Reconciliation of reportable segment assets:		
Reportable segment assets	2,842,318	2,744,844
Unallocated corporate assets	5,801,832	1,985,242
Total assets	8,644,150	4,730,086
Reportable segment liabilities	7,677	18,253
Reconciliation of reportable segment liabilities:		
Reportable segment liabilities	7,677	18,253
Unallocated corporate liabilities	525,035	637,658
Total liabilities	532,712	655,911
Reportable segment (loss)/profit	(3,836)	1,942
Reconciliation of reportable segment (loss)/profit:		
Reportable segment (loss)/profit	(3,836)	1,942
Other profit	115,934	239,587
Unallocated corporate expenses	(338,026)	(344,113)
Loss before tax	(225,928)	(102,584)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, consists of the members of the board of directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2 REVENUE AND OTHER INCOME	Note	2018	2017
		\$	\$
Revenue from continuing operations			
Interest income		6,563	979
Other income			
Rent		109,371	110,688
Gain on disposal of available for sale financial assets		-	127,920
Other		-	6,708
		109,371	245,316

Revenue is measured at the fair value of the consideration received or receivable. Interest income is brought to account as income over the term of each financial instrument using the effective interest rate basis. All other revenue is recognised as it accrues.

NOTE 3 ADMINISTRATION EXPENSES

Loss before income tax includes the following specific administration expenses:

Personnel expenses			
Salaries, director fees and other employment		21,204	21,423
Superannuation		1,900	1,900
Equity-settled share-based payment		-	3,228
		23,104	26,551
Depreciation	10	1,367	1,061
Finance costs	12	21,638	21,000
Other administration expenses			
Accounting		63,158	62,850
Audit		21,951	21,143
Listing fees		17,017	18,289
Office operating lease		110,738	114,887
Secretarial services		37,587	37,148
Loss on disposal of assets		-	511
Other		41,466	40,673
		338,026	344,113

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4 INCOME TAX

	2018	2017
	\$	\$
(a) Income tax benefit		
The components of income tax benefit comprise:		
Current tax	-	-
Deferred tax	771,444	11,622
	<hr/> 771,444	<hr/> 11,622

(b) Reconciliation of income tax benefit to prima facie tax payable on accounting loss

Operating loss before income tax	(225,928)	(102,584)
Prima facie tax benefit at Australian rate of 27.5% (2017: 27.5%)	62,130	28,211
Adjusted for tax effect of the following amounts:		
Non-deductible items	-	(888)
Non-taxable items	2,079	(1,557)
Over-provision in prior year	-	401
Adjustment for change in tax rate	-	(151,508)
Distribution of carried forward tax losses	-	(204,217)
Recognition of deferred tax assets as a result of movement in deferred tax liability	771,444	11,622
Income tax (benefit)/expense not brought to account	(64,209)	329,558
	<hr/> 771,444	<hr/> 11,622
Income tax benefit	771,444	11,622

The credit for current income tax expenses is based on the loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

The income tax rate for small business entities was reduced to 27.5% effective 1 July 2016.

The Company currently satisfies the conditions to be a small business entity.

(c) Income tax expense relating to other comprehensive income

Change in fair value of available for sale assets	(771,444)	(11,622)
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(d) Deferred tax assets and liabilities brought to account

	Balance 1 July 2017	Charged to income	Charged to equity	Balance 30 June 2018
	\$	\$	\$	\$
Change in fair value of available-for-sale assets	-	-	(771,444)	(771,444)
Carried forward losses	-	771,444	-	771,444
	<hr/> -	<hr/> 771,444	<hr/> (771,444)	<hr/> -

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4 INCOME TAX (continued)

	2018	2017
	\$	\$
(e) Deferred tax assets and liabilities not brought to account		
The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end, at the Australian corporate tax rate of 27.5% (2017: 27.5%) are made up as follows:		
On income tax account:		
Carried forward losses	4,568,448	4,454,928
Deductible temporary differences	3,438	3,355
Taxable temporary differences	(519,257)	(469,864)
Deductible temporary differences (equity)	13,750	-
Taxable temporary difference (equity)	(1,073,779)	(288,585)
	<hr/>	<hr/>
Unrecognised net deferred tax assets	2,992,600	3,699,834

During the 2017 financial year, the Company distributed carried forward tax losses of \$742,608 relating to the 2016 financial year to shareholders by issuing them with Exploration Development Incentive credits of \$211,643 using the Company's 2016 corporate tax rate.

In the 30 June 2017 year, an income tax benefit of \$11,622 was recognised from previously unrecognised carried forward tax losses and offset against the deferred tax liability relating to the Available-for-Sale Asset Reserve.

In the 30 June 2018 year, an income tax benefit of \$771,444 was recognised from previously unrecognised carried forward tax losses in respect of the net credit balance of the balance of the Available-for-Sale Asset Reserve.

Deferred tax is accounted for using the liability 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 comprehensive income.

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 Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity or comprehensive income, in which case the deferred tax is adjusted directly against equity.

Deferred 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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4 INCOME TAX (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

NOTE 5 BASIC AND DILUTED PROFIT/(LOSS) PER SHARE

	2018 cents	2017 cents
Basic and diluted profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company	0.20	(0.04)
Reconciliation of profit/(loss)	\$	\$
The profit/(loss) used in calculating the basic and diluted loss is equal to the profit/(loss) attributed to ordinary equity holders of the Company in the Statement of Profit or Loss and Other Comprehensive Income	545,516	(90,962)
	No. of shares	No. of shares
Weighted average number of ordinary fully paid shares	266,978,610	235,741,595
Weighted average number of ordinary share equivalents – partly paid shares	12,885	12,885
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted profit/(loss) per share	266,991,495	235,754,480

Basic profit/(loss) per share is determined by dividing the operating profit/(loss) after income tax by the weighted average number of ordinary shares outstanding during the financial year. The weighted average number of ordinary shares used in calculating basic and diluted profit/(loss) per share is derived from the fully paid and partly paid ordinary shares on issue.

Diluted profit/(loss) per share adjusts the figures used in the determination of basic profit/(loss) 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. The diluted profit/(loss) per share is the same as the basic profit/(loss) per share on account of the Company's potential ordinary shares (in the form of partly paid shares to the extent that they are not entitled to participate in dividends) not being dilutive because their conversion to fully paid ordinary shares would not increase the profit/(loss) per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6 CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank and on hand	665,629	75,242

Cash includes deposits at call and short term deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 24.

NOTE 7 TRADE AND OTHER RECEIVABLES

Interest receivable	2,189	-
Other	14,103	24,779
	16,292	24,779

Other receivables are expected to be recovered within 30 days of balance date. Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 24.

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

No trade and other receivables are considered impaired, or are past due.

NOTE 8 FINANCIAL ASSETS AVAILABLE FOR SALE

Opening balance	1,881,000	1,921,000
Acquisitions during the year	430,000	-
Disposals during the year	-	(117,600)
Change in fair value through other comprehensive income	2,805,250	77,600
	5,116,250	1,881,000

Available-for-sale financial assets, comprising marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. They are recognised at fair value with movements in fair value recognised in other comprehensive income.

The securities are traded in an active market, being the ASX, and consequently they are measured as a Level 1 instrument on the fair value hierarchy. The quoted market price, used to determine the value of these securities is the bid price at balance date. There has been no transfer between measurement levels during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8 FINANCIAL ASSETS AVAILABLE FOR SALE (continued)

If there is objective evidence of impairment of available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period. The maximum exposure to securities price risk at the end of the reporting period is the value of shares noted above. Refer to Note 24 for further details.

NOTE 9 EXPLORATION ASSETS

	2018	2017
	\$	\$
Costs brought forward in respect of areas of interest in exploration and evaluation phase	2,744,844	2,343,317
Expenditure incurred during the period on exploration of tenements	101,310	406,293
Impairment of exploration expenditure	(3,836)	(4,766)
	2,842,318	2,744,844

The Company has \$2,842,318 (2017: \$2,744,844) capitalised exploration and evaluation expenditure based on the directors' opinion that there are no facts or circumstances suggesting that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.

Exploration and evaluation expenditure for each area of interest is carried forward where rights to the tenure of the area of interest are current and costs are expected to be recouped through revenue derived from the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing. Exploration and evaluation expenditure for an area of interest which does not satisfy the above policy is not carried forward as an asset and is written off in profit or loss.

Exploration and evaluation expenditure incurred is accumulated separately for each identifiable area of interest. Such expenditure comprises net direct costs, and an appropriate portion of related overhead expenditure, but does not include general overheads or administration expenditure not having a specific nexus with a particular area of interest. Accumulated costs in relation to an abandoned area are written off to profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

Research and Development Incentives

Any incentive receipts for eligible research and development (R & D) activities are offset against ongoing expenditure incurred on that area of activities. Where the activities relate to exploration expenditure that has been capitalised, the incentive receipt is offset against Exploration Assets in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 10 PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Office and field equipment – at cost	13,982	13,175
Office and field equipment – Accumulated depreciation	(10,321)	(8,954)
	<hr/>	<hr/>
Total office and field equipment	3,661	4,221
	<hr/>	<hr/>
Total plant and equipment	3,661	4,221
	<hr/>	<hr/>
Office and field equipment		
Carrying amount at 1 July	4,221	991
Additions during the period	807	5,192
Disposals during the period	-	(901)
Depreciation charge	(1,367)	(1,061)
	<hr/>	<hr/>
Carrying amount at 30 June	3,661	4,221
	<hr/>	<hr/>

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Recognition and measurement

Plant and equipment items are measured on the cost basis less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are included in profit or loss.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for office and field equipment is 7.5% to 25% straight line.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

NOTE 11 TRADE AND OTHER PAYABLES

Trade creditors and accruals	32,712	55,911
	<hr/>	<hr/>

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days or recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 11 TRADE AND OTHER PAYABLES (continued)

Non-derivative financial liabilities are recognised initially at fair value and subsequently at amortised cost, comprising original debts less principal payments and amortisation. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 24.

NOTE 12 BORROWINGS

	2018	2017
	\$	\$
Current and unsecured loans – related parties		
Balance as at 1 July	600,000	600,000
Cash flows from financing activities:		
Loans received	400,000	-
Loans repaid	(500,000)	-
	<hr/>	<hr/>
Balance at 30 June	500,000	600,000

During the financial year, the loan facility provided by companies associated with directors Mr Pitt and Mr Tomkinson was increased from \$750,000 to \$1,000,000, comprising two loans of \$500,000 each. The Company fully drew down on this facility and then repaid \$500,000 following the Company's successful capital raising leaving \$500,000 drawn down at year end - \$250,000 on each loan. The loans are unsecured and otherwise on normal commercial terms and conditions, bearing interest at a rate of 3.5% per annum, paid quarterly in arrears. The total interest paid on the loans for the financial year was \$21,638 (2017: \$21,000).

Subsequent to balance date, the repayment date of the loans was extended from 30 April 2019 to 30 April 2020.

The purpose of the loans is to provide the Company with the flexibility not to have to depend solely on the sale of tranches of its significant listed investment to meet short term working capital requirements including cash calls in respect of its exploration joint venture.

Borrowings are short term and initially recognised at fair value. There are no transaction costs associated with the borrowings. Interest on borrowings is accrued daily using the effective interest rate method and recognised in profit or loss over the period of the borrowings. Due to the short term nature of these borrowings, their carrying value is assumed to approximate their fair value.

NOTE 13 ISSUED CAPITAL

(a) Share capital

294,805,379 (2017: 235,741,595) ordinary shares fully paid	23,245,780	21,787,839
2,650,000 (2017: 2,650,000) ordinary shares paid to 0.1 cent	2,650	2,650
	<hr/>	<hr/>
	23,248,430	21,790,489

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13 ISSUED CAPITAL (continued)

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributed to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration

(b) Rights attached to each class of shares**Ordinary shares**

The ordinary shares have no par value. Ordinary shares entitle the holder to participate in dividends and in 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 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. The fully paid ordinary shares are listed on the ASX and carry no trade restrictions.

Partly paid ordinary shares

The partly paid ordinary shares are not transferable and may participate in pro-rata entitlements only to the extent of the capital paid up. They may be converted to fully paid shares at any time on payment of the amount unpaid upon which application will be made for listing of the shares on the ASX. The resulting fully paid ordinary shares have the same rights as other ordinary shares. The shares are subject to calls on uncalled capital at the discretion of the directors. The Company's capital risk management policy is set out in Note 24.

(c) Movements in ordinary share capital during the past two years

Fully paid shares	2018	2017	2018	2017
Details	No of shares	No of shares	Amount	Amount
			\$	\$
Balance at 1 July	235,741,595	235,741,595	21,787,839	21,787,839
Issue on exercise of options	100,000	-	1,840	-
Issue arising from entitlement offer	58,963,784	-	1,474,095	-
Share issue costs	-	-	(17,994)	-
Balance at 30 June	294,805,379	235,741,595	23,245,780	21,787,839

During the year the Company issued 100,000 shares as a result of the exercise of staff options, followed by a successful 1:4 non renounceable pro -rata entitlement issue at 2.5 cents per share.

Partly paid shares	2018	2017	2018	2017
Details	No of shares	No of shares	Amount	Amount
			outstanding	outstanding
			\$	\$
Balance at 1 July	2,650,000	2,650,000	542,350	542,350
No movement	-	-	-	-
Balance at 30 June	2,650,000	2,650,000	542,350	542,350

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13 ISSUED CAPITAL (continued)

The weighted average issue price of partly paid shares is 20.6 cents. Partly paid shares are paid up to 0.1 cents, to a total value of \$2,650.

(d) Options to acquire ordinary shares

Set out below is a summary of the movement of options on issue during the current and prior years:

	2018 Number of options	2017 Number of options	Grant date	Expiry date	Exercise price per share cents
At 1 July	450,000	-	23 Jun 17	27 Dec 19	1.84
Options issued during the year	-	450,000	23 Jun 17	27 Dec 19	1.84
Options exercised during the year	(100,000)	-	23 Jun 17	27 Dec 19	1.84
At 30 June	350,000	450,000			
Vested and exercisable at 30 June	350,000	450,000			1.84

The Company's policy on share-based payments, partly paid shares and share options is set out in Note 21.

NOTE 14 RESERVES

	2018 \$	2017 \$
Available for sale financial assets revaluation reserve		
Balance at 1 July	760,815	694,837
Other comprehensive income net of tax	2,033,806	65,978
Balance at 30 June	2,794,621	760,815
Share based payments reserve		
Balance at 1 July	209,493	206,265
Issue of options	-	3,228
Exercise of options	(717)	-
Balance at 30 June	208,776	209,493
Exercised options reserve		
Balance at 1 July	-	-
Exercise of options	717	-
Balance at 30 June	717	-
Total Reserves	3,004,114	970,308

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 14 RESERVES (continued)

The share-based payments reserve records items recognised as expenses on valuation of partly paid shares and options issued to staff. The exercised options reserve arises on the exercise of options when the share based payments reserve, attributable to the options being exercised, is transferred to this reserve.

The available-for-sale financial asset reserve arises from changes in the fair value of equities classified as available-for-sale financial assets net of tax. The changes in value are recognised in other comprehensive income as described in Note 8 and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

NOTE 15 CASH FLOW INFORMATION

	Note	2018 \$	2017 \$
Reconciliation of profit/(loss) after income tax to net cash flow from operating activities			
Profit/(loss) after income tax		545,516	(90,962)
Depreciation	10	1,367	1,061
Exploration expenditure written off	9	3,836	4,766
Tax on fair value gain on available-for-sale asset	4(b)	(771,444)	(11,622)
Net gain on disposal of available-for-sale asset		-	(127,920)
Net loss on disposal of assets		-	511
Non-cash employee benefit expense		-	3,228
Change in operating assets and liabilities:			
(Increase)/decrease in debtors		(3,010)	11,089
Decrease in creditors		(12,623)	(47,431)
Decrease in GST receivable		11,496	10,013
		<hr/>	<hr/>
Net cash outflows from operating activities		(224,862)	(247,267)

There were no non-cash flows from financing and investing activities.

NOTE 16 CONTINGENCIES**Contingent liabilities**

There are no contingent liabilities for termination benefits under service agreements with directors or executives at 30 June 2018.

The directors are not aware of any other contingent liabilities at 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 17 COMMITMENTS

(a) Mineral tenements

In order to maintain the mineral tenements in which the Company and other parties are involved, the minimum annual expenditure conditions under which the tenements are granted, need to be fulfilled. This represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

The current year minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Mines and Petroleum for the next financial year is nil (2017: nil).

(b) Exploration

The Company has expended \$910,203 of the \$1 million required to increase its interest in the Millennium Project from 10% to 25%.

As at year end, expenditure committed, but not yet expended, amounted to nil (2017: \$89,797).

(c) Operating Leases

Commitments for minimum lease payments in relation to a non-cancellable operating lease of the Company's premises are payable as follows:

	2018	2017
	\$	\$
Within one year	95,825	109,548
Later than one year, but not longer than five years	96,283	-
	192,108	109,548

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

NOTE 18 RELATED PARTY TRANSACTIONS

(a) Key management personnel

The key management personnel of the Company are the directors:

J N Pitt

N Tomkinson

W S Forte

The compensation paid to key management personnel is set out below:

Short-term employee benefits	20,000	20,000
Post-employment benefits	1,900	1,900
	21,900	21,900

Further details regarding the directors' remuneration are provided in the Audited Remuneration Report contained in the Directors' Report accompanying these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18 RELATED PARTY TRANSACTIONS (continued)

(b) Transaction with director-related entities

Loans from director-related entities

Refer to Note 12 for details of borrowings from related parties.

Other transactions

During the financial year the Company received \$80,189 (2017: \$82,111) from Red Hill Iron Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for rental of office space and provision of administration services supplied by the Company on normal commercial terms and conditions determined on an arms-length basis between the companies.

During the financial year the Company received a reimbursement of \$277 (2017: \$1,205) from Traka Resources Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for expenditure incurred by the Company on Traka Resources Limited's behalf.

NOTE 19 INTERESTS IN JOINT ARRANGEMENTS

The Company had interests in the following mineral exploration joint arrangements as at 30 June 2018:

Name of project	Interest	Exploration activity	Other parties
Weld Range - Non Ferrous	0% ¹	Gold and base metals	Sinosteel Midwest Corporation Ltd
Millennium	25%	Zinc	Encounter Resources Limited

¹ Hampton Hill has the right to explore for these metals subject to royalty

The Company's joint arrangements with third parties do not constitute separate legal entities. They are contractual agreements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit. The joint arrangements are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs in proportion to their ownership of joint venture assets. The parties to the agreement do not hold any assets other than their title to the mineral tenements and accordingly the Company's share of exploration expenditure is accounted for in accordance with the policy set out in Note 9.

NOTE 20 EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to balance date, the repayment date of the related party loans was extended from 30 April 2019 to 30 April 2020.

To the best of the directors' knowledge and belief, there has been no other matters or circumstances that have arisen after balance date that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 21 SHARE-BASED PAYMENTS

The Company from time to time issues partly-paid ordinary shares and options to acquire fully paid shares in the Company to key management personnel and other staff as part of their remuneration. The granting of options and partly paid shares to members of staff other than the directors is at the directors' discretion and is designed to provide an incentive component in the remuneration package of personnel. The granting of share-based payments to directors is subject to the prior approval of shareholders.

The fair value of partly paid shares and options granted to directors and other personnel is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the directors and/or other personnel become unconditionally entitled to the partly paid shares or options.

Partly paid ordinary shares

To date 2,650,000 partly-paid shares have been issued in terms of this remuneration practice. Details of these partly paid shares, including movements over the past two years, are set out in Note 13.

Options to acquire ordinary shares

Options granted carry no dividend or voting rights. Each option is exercisable to acquire a fully paid ordinary share of the Company. The exercise price of the options is set at the time of grant with reference to the weighted average price at which the Company's shares have been trading on the ASX prior to the decision to grant. The fair value at grant date is determined using a call option pricing model that takes into account the price, term, vesting and performance criteria, impact of dilution, non-tradeable nature of the unlisted options, share price at grant date, expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term.

No options have been issued to or are held by directors. The weighted average remaining contractual life of options outstanding at the end of the year was 1.49 years (2017: 2.49 years). Details of these options, including movements over the past two years, are set out in Note 13.

The assessed fair value of the options issued during the prior year was calculated at the date of grant using the Black-Scholes model for the valuation of call options. In the prior year, an expense of \$3,228 was recognised in the statement of comprehensive income and disclosed in Note 3.

The model inputs for the options granted during 2017 included:

	2018	2017
Grant date:	-	23 June 2017
Exercise by:	-	27 December 2019
Exercise price per share:	-	1.84 cents
Share price at grant date:	-	1.50 cents
Expected volatility of the Company's shares:	-	99%
Risk-free interest rate:	-	1.85%
Weighted average fair value	-	\$3,228

No options were granted during the current year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 21 SHARE-BASED PAYMENTS (continued)

Historical volatility has been the basis for estimating likely future share price volatility. Actual future volatility may differ from the estimate used. The expected average life of the options has been estimated as 3 years. The actual life could differ from this estimate if the holder of the options chooses to exercise his options prior to their expiry date.

NOTE 22 REMUNERATION OF AUDITORS

	2018	2017
	\$	\$
Amounts received, or due and receivable, by HLB Mann Judd (WA Partnership) for:		
Audit and review of the financial statements of the Company	21,951	21,143

NOTE 23 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates - impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of exploration and evaluation assets, and plant and equipment. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Capitalisation of exploration and evaluation expenditure

The Company has \$2,842,318 (2017: \$2,744,844) capitalised exploration and evaluation expenditure on the basis that the directors consider there to be no facts or circumstances suggesting that the carrying amount of the exploration and evaluation assets may exceed their recoverable amount.

NOTE 24 FINANCIAL RISK MANAGEMENT

The Company, in its normal course of business, is exposed to financial risks comprising market risk (essentially interest rate risk), credit risk and liquidity risk.

The directors have overall responsibility for the Company's management of these risks and seek to minimise these risks through ongoing monitoring and review of the adequacy of the risk management framework in relation to the risks encountered by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 24 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

Interest rate risk

The Company is exposed to Australian money market interest rates in respect of its cash assets. The risk is managed by monitoring the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of its cash assets and interest rate return. The weighted average rate of interest to which the Company was exposed on its cash assets as at the year end was 1.87% (2017: 0.52%).

The table below summarises the sensitivity of the Company's cash assets to interest rate risk. The Company has no interest rate risk associated with any of its other financial assets or liabilities. This analysis reflects the effect of a 0.5% decline and 0.5% increase in interest rates as recent Australian Treasury announcements and press reports would indicate that movements in interest rates of this magnitude are possible over the next 12 months.

	Carrying amount of		Effect of decrease or increase of interest rate on			
	cash assets		Post tax profit		Other components of equity	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	665,629	75,242				
Change in interest rate:						
- 0.5%			(3,328)	(376)	-	-
+ 0.5%			3,329	376	-	-

Securities price risk

The Company is exposed to equity securities price risk. This arises from two investments held and classified in the statement of financial position as available for sale.

The investments are in ordinary shares in ASX listed exploration companies. The shares are typically subject to relatively high price volatility, and, based on the recent historic share prices, the table below summarises the sensitivity of the value of the investments to an increase or decrease in the share price of the investment:

	Overall impact of		Impact on post-tax		Impact on other	
	change in price		profit		components of equity	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Change in share price:						
- 50%	(2,558,125)	(940,500)	(703,484)	(258,638)	(1,854,641)	(681,863)
- 25%	(1,279,063)	(470,250)	(351,742)	(129,319)	(927,320)	(340,931)
- 10%	(511,625)	(188,100)	(140,697)	(51,728)	(370,928)	(136,373)
+ 10%	511,625	188,100	140,697	51,728	370,928	136,373
+ 25%	1,279,063	470,250	351,742	129,319	927,320	340,931
+ 50%	2,558,125	940,500	703,484	258,638	1,854,641	681,863

The impact of a downward change in price below cost on other components of equity is based on the assumption that the change in price is not both significant and sustained.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 24 FINANCIAL RISK MANAGEMENT (continued)**(b) Liquidity risk**

The Company has no significant exposure to liquidity risk as the Company's only debt, other than related party loans (Note 12), is that associated with trade creditors in respect of which the Company's policy is to ensure payment within 30 days. The related party loans are not considered to be a significant liquidity risk as the magnitude and term of the loans are such that the Company has adequate time to manage their repayment funded by raising additional capital or realising financial assets available for sale. The Company manages its liquidity by monitoring forecast cash flows.

(c) Credit risk

The Company does not have any significant exposure to credit risk. The minimal exposure to credit risk that could arise is from having its cash assets all deposited at one bank. Whilst the risk of the bank failing is considered minimal, the Company manages this exposure by ensuring its funds are deposited only with a major bank with high security ratings.

(d) Capital risk management

The Company's objective in managing capital which consists primarily of equity capital is to safeguard its ability to continue as a going concern, so that it can continue to explore for minerals with the ultimate objective of providing returns for shareholders whilst maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets, or joint venture its projects. The Company considers working capital to consist of cash, receivables, and available-for-sale financial assets less trade creditors and current borrowings.

(e) Fair value of financial instruments

AASB 7 (Financial Instruments: Disclosures) requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table accordingly presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2018 and 30 June 2017:

	Year	Level 1	Level 2	Level 3	Total
Assets					
Financial assets available for sale	2018	5,116,250	-	-	5,116,250
	2017	1,881,000	-	-	1,881,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 25 SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES

Hampton Hill Mining NL is a public company, incorporated and domiciled in Australia and listed on the ASX.

The accounting policies adopted in the preparation of the financial report that relate specifically to matters dealt with in the preceding notes, are set out in the relevant notes. The more general accounting policies not already set out above, are listed below.

The accounting policies have been consistently applied to all the years presented unless otherwise stated.

(a) Statement of compliance and basis of preparation

The financial report has been authorised for issue by the board of directors.

The financial report complies with the Corporations Act 2001 and Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS). The Company is a for-profit entity for the purpose of applying these standards.

The financial statements have been prepared on an accruals basis and are based on historical costs.

(b) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any objective evidence 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 profit or loss.

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.

(c) Financial assets and liabilities

Financial instruments are initially recognised and measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out in the relevant notes.

(d) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Retirement benefits obligations

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 25 SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) 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. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payable in the Statement of Financial Position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Accounting standards and interpretation***New accounting standards and interpretations adopted***

There were no new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

New accounting standards and interpretations in issue, not yet adopted

The following Standards and Interpretations have been issued and/or amended by the AASB and are applicable to the Company but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date.

The application date of the standard is for the annual reporting periods beginning on or after the date shown in the table below.

Reference and title	Nature of change to accounting policy and impact on initial application	Application date
AASB 9 Financial Instruments	Amends the requirement for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Upon adoption, the Company's financial assets classified as available-for-sale will be reclassified into the fair value through profit or loss category and the cumulative fair value changes in the available-for-sale reserve will be reclassified into retained earnings with subsequent fair value changes recognised in profit or loss. Had the Company early adopted this standard at the start of the current financial year, the cumulative fair value changes in the available-for-sale reserve at the commencement of the financial year (amounting to \$760,815 - see note 14) would have been classified into retained earnings and the fair value change of \$2,033,806 (currently recognised in the available-for-sale reserve) would have been recognised through profit or loss. The Company does not have any financial liabilities measured at fair value through profit or loss.	1 Jan 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 25 SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 15	Revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	1 Jan 2018
Revenue from contracts with customers	The adoption of this standard will have no impact on the financial statement as the Company's only revenue is interest and rental income. Had the Company early adopted this standard, there would have been no material impact on the current year profit or loss.	
AASB 16	Removes the classification of leases as either operating or finance leases for the lessee. Leases which are less than 12 months and leases on low-value assets are exempt.	1 Jan 2019
Leases	This standard will primarily affect the accounting for the Company's operating lease. Upon adoption of this standard, the Company will recognise a lease liability and a "right of use" asset in the Statement of Financial Position relating to the non-cancellable operating lease commitments referred to in Note 17. The Company also expects a change in the expense recognition, with interest and depreciation replacing operating lease expense. The Company has commenced the process of evaluating the impact of the new lease standard.	
AASB 2016-5	Clarifies the accounting for various aspects of share-based payment transactions under AASB 2, being:	1 Jan 2018
Classification and measurement of share-based payment transactions	<ul style="list-style-type: none"> - Impact of vesting and non-vesting conditions when measuring cash-settled share-based payment transactions; - Net settlement feature for withholding tax obligations; and - Changing classification from cash-settled to equity-settled. 	
	The Company has elected not to early adopt this standard and is in the process of quantifying the effect of application on future periods.	

DIRECTORS' DECLARATION

1. In the opinion of the Directors of the Company
 - a. the accompanying financial statements are in accordance with the Corporations Act 2001 and
 - (i) give a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year then ended; and
 - (ii) comply with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 2018.

This declaration is signed in accordance with a resolution of the Board of Directors on 11 September 2018 and is signed for and on behalf of the directors by:



J N Pitt
Chairman

INDEPENDENT AUDITOR'S REPORT



Accountants | Business and Financial Advisers

Independent Auditor's Report

To the Members of Hampton Hill Mining NL

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Hampton Hill Mining NL ("the Company") which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) 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 Company 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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HLB Mann Judd (WA Partnership) is a member of  International, a world-wide organisation of accounting firms and business advisers

INDEPENDENT AUDITOR'S REPORT



Key Audit Matter	How our audit addressed the key audit matter
<p>Exploration assets Refer to note 9 in the financial statements</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Company capitalises all exploration and evaluation expenditure.</p> <p>Our audit focussed on the Company's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Company. We planned our work to address the audit risk that the capitalised expenditure might no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Company has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2019 and discussed with management the nature of planned ongoing activities; • We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Company had not resolved to discontinue exploration and evaluation at any of its areas of interest; and • We examined the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT



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

Auditor's Responsibilities 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 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 decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT



REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Hampton Hill Mining NL for the year ended 30 June 2018 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.

A handwritten signature in dark ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in dark ink that reads 'B G McVeigh'.

B G McVeigh
Partner

Perth, Western Australia
11 September 2018

MINERAL TENEMENT INFORMATION

AS AT 30 JUNE 2018

MINING TENEMENTS AND BENEFICIAL INTERESTS HELD, AND THEIR LOCATION

Project	Tenement	Location	Registered holding	Beneficial interest – refer Notes
Millennium	E45/2501	East Pilbara, WA	0%	1
	E45/2561	East Pilbara, WA	0%	1
	E45/2500 (part of)	East Pilbara, WA	0%	1
Apollo Hill	M31/486	Yilgarn, WA	0%	2
	E31/1063 (part of)	Yilgarn, WA	0%	2
	E31/1116 (part of)	Yilgarn, WA	0%	2
	E31/1163 (part of)	Yilgarn, WA	0%	2
	E39/1198	Yilgarn, WA	0%	2
	E39/1887	Yilgarn, WA	0%	2
	E39/1984 (part of)	Yilgarn, WA	0%	2
Weld Range	M20/311	Murchison, WA	0%	3
	M20/503	Murchison, WA	0%	3
	M20/518	Murchison, WA	0%	3
	M51/869	Murchison, WA	0%	3
	E20/625	Murchison, WA	0%	3
	E20/641	Murchison, WA	0%	3
	E20/457	Murchison, WA	0%	3
	E20/492	Murchison, WA	0%	3
Northlander	P15/5920 & 5921	Yilgarn, WA	0%	4
	M15/1831	Yilgarn, WA	0%	4
	M15/1832	Yilgarn, WA	0%	4
	M15/1835	Yilgarn, WA	0%	4
Sylvania	M70/266SA	East Pilbara, WA	0%	5

Notes:

- 1) Millennium Zinc Project JV - The Company has earned a 25% beneficial interest.
- 2) The Company retains a 5% gross overriding royalty on all gold production exceeding one million ounces.
- 3) The Company has elected to convert its interest to a 2% FOB Royalty on iron ore and retains a 100% interest in non-ferrous metals.
- 4) The Company retains a 0.98% net smelter return royalty on all ore produced from these tenements.
- 5) The Company retains a royalty of \$1 per tonne of ore mined up to 100,000 tonnes, and \$2 per tonne thereafter.

Key:

- E: Exploration licence
 P: Prospecting licence
 M: Mining lease

SHAREHOLDER INFORMATION

AS AT 14 SEPTEMBER 2018

NUMBER AND DISTRIBUTION OF SHARES AND OPTIONS

Shares	Listed	Not listed
Ordinary shares fully paid	294,805,379	-
Ordinary shares paid to 0.1 cents per share	-	2,650,000

Options over unissued shares

Exercisable at 1.84 cents each expiring 27 December 2019	-	350,000
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Distribution of shares and options by size of holding			Shareholders Fully paid	Shareholders Partly paid	Option holders
1	-	1,000	33	-	-
1,001	-	5,000	72	-	-
5,001	-	10,000	76	-	-
10,001	-	100,000	270	4	1
100,001	+		212	4	1
			<hr/>	<hr/>	<hr/>
			663	8	2

UNMARKETABLE PARCEL

There were 232 holders of less than a marketable parcel of fully paid ordinary shares.

EMPLOYEE INCENTIVE SCHEME

The partly paid shares and unlisted options were issued under an employee incentive scheme.

SUBSTANTIAL SHAREHOLDERS

The following shareholders are substantial shareholders of the Company:

Name	No. of shares	%
Perth Capital Pty Ltd, Elohpool Pty Ltd, J N Pitt and associates	112,145,997	38.04
Encounter Resources Limited	30,748,903	10.43

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at a general meeting every shareholder or class of shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each fully paid share which that member holds or represents and, in respect of partly paid shares, voting rights pro-rata to the amount paid up or credited as paid up on each such share.

Any vendor securities which are or might be in breach of the Australian Securities Exchange Listing Rules or any escrow agreement entered into by the Company shall not be entitled to any votes for as long as the breach exists.

SHAREHOLDER INFORMATION

AS AT 14 SEPTEMBER 2018

TOP 20 SHAREHOLDERS

Shareholders	No. of shares	%
	Fully paid	
1 Perth Capital Pty Ltd	70,341,379	23.87
2 Encounter Resources Limited	30,748,903	10.43
3 Pitt, J N	26,848,676	9.11
4 Elohpool Pty Ltd	14,864,942	5.04
5 Hughes, J & L <Inkese Super A/c>	9,000,000	3.05
6 Haynes, K	8,000,001	2.71
7 Trayburn Pty Limited	6,691,451	2.27
8 Vermar Pty Ltd <CAP A/c>	4,646,813	1.58
9 Rupert Clarke & Co Pty Ltd	4,100,000	1.39
10 Wudina Pty Ltd <Forte Family Retirement Fund A/c>	3,829,712	1.30
11 Nalмор Pty Ltd <John Chappell Super Fund A/c>	3,645,500	1.24
12 Pitt, A R	3,247,186	1.10
13 Pitt, F A	3,215,600	1.09
14 Pitt, G J	3,124,926	1.06
15 Kelly, O & B <O&B Kelly Superfund A/c>	3,094,490	1.05
16 Dunhelen 2 Pty Ltd <Mansfield Family SF A/c>	2,796,929	0.95
17 Nalмор Pty Ltd <Basil Family A/c>	2,600,000	0.88
18 Evergem Pty Ltd	2,560,958	0.87
19 Polarity B Pty Ltd	2,009,999	0.68
20 Basin Beach Investments Pty Ltd	1,900,000	0.64
	<hr/>	
	207,267,465	70.31
	<hr/>	

NOTES



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