

17 September 2020

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

## **Statutory Financial Report**

Attached is a copy of the statutory Financial Report for the company for the year ended 30 June 2020.

By authority of the Board

P C Rutledge  
Company Secretary

# **HAMPTON HILL MINING NL**

**ABN 60 060 628 524**

## **FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**

# **HAMPTON HILL MINING NL**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

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 2020.

### **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 Company has two principal activities:

(i) the continued management of its royalty interest in gold produced from the Central Leases of the Apollo Hill Gold Project. This emphasis has evolved as a result of Saturn Metals Limited's continuing drilling success at this project which has led to the Board taking the view that the Apollo Hill project is now the primary exploration and development asset of the Company; and

(ii) recommencement of exploration for base metals at the Company's 100% owned Glenview project, continuing work at Hampton Hill's 25% owned Millennium Zinc Project and the continuing search for attractive prospects available for joint venture and early drilling.

### **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**

Hampton Hill recorded an operating loss for the year ended 30 June 2020 of \$1,731,937 (2019: \$1,656,026). Of this, \$1,391,561 (2019: \$1,429,250) was attributable to reduction in the fair value of the Company's financial assets, which, from 1 July 2018 has been recorded through profit or loss following the Company's adoption of accounting standard AASB 9 – Financial Instruments. Previously, changes in fair value of available-for-sale of financial assets were recorded in reserves and the cumulative gain in fair value aggregated up to 1 July 2018 was \$2,794,621.

During the year, the Company disposed of its shareholding in Saturn Metals Limited (Saturn) generating a cash inflow of \$535,900 and realising an overall gain of \$285,000 in the fair value of the investment. The Company retains 10,350,000 Peel Mining Limited (Peel) shares and, since the year end, has expanded this holding to 10,986,549 shares by taking up its entitlement in Peel's pro-rata entitlement offer and selling down part of the holding. At the signing of this report, the market value of this holding is in excess of \$3 million.

# **HAMPTON HILL MINING NL**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

On 18 February 2020 shares in Hampton Hill were suspended from trading by the ASX following the ASX's determination that Hampton Hill's operations were not adequate to warrant the continued quotation of its securities in compliance with Listing Rule 12.1. This followed a number of submissions by the Board which failed to convince the ASX that a decision to exercise its prerogative under Listing Rule 12.1 was not in the best interests of the Hampton Hill shareholders. At the date of this report the Company remains in suspension.

The suspension makes it difficult to assess the inherent value of our Company at present. As a guide, the value of our primary asset, being Hampton Hill's gold royalty applicable to the Central Leases of the Apollo Hill Gold Project, is considered likely to be influenced by the high level of activity and success achieved by Saturn, the project operator, during the past six months. As Saturn's activity during the half year centred on the Apollo Hill project its market performance is considered relevant.

The market capitalisation of Saturn increased significantly during the second half of the financial year, advancing from \$22 million to approximately \$68 million and it is not unreasonable to conclude that this has been attributable in large part to drilling success at Apollo Hill. At the time of Hampton Hill's suspension, which was just after the commencement of the second half of the financial year, Hampton Hill traded at 2.5 cents per share.

The intensity of drilling at Apollo Hill has continued to increase during the half year in an effort to increase the resource base from the stated 2012 JORC Compliant Mineral Resource of 781,000 ounces (Saturn ASX announcement 14 October 2019). The timetable for establishing a new Mineral Resource estimate has drifted largely due to drilling success and an ever expanding target footprint. Further significant intersections have continued to be made along strike of the stated resource and particularly in the hanging wall to that resource. With the expectation of a greatly expanded Mineral Resource and the rapid progress towards defining an Ore Reserve, Hampton Hill has commenced internal studies aimed at determining the value of its 5% royalty interest on all future Central Lease production in excess of 1 million ounces.

Activity on the Millennium Zinc Project, in which Hampton Hill has a 25% percent participating interest, was limited during the year whilst the operator, Encounter Resources Limited (Encounter), was focussed on other exploration activities. Encounter has indicated it intends to resume an exploration program on the Millennium tenements during the 2020/21 financial year.

Hampton Hill's plans to carry out a detailed ground electromagnetic survey at its wholly owned Glenview base metal project were postponed by Covid-19 restrictions but are expected to be instigated in coming months.

During the year Hampton Hill secured the right to earn a 30% interest in the nickel sulphide Clinker Hill Project. It carried out a diamond drill test of an existing electromagnetic anomaly without success. Consequently, the Company has withdrawn from this joint venture after the year end.

The Company continues the search for attractive exploration projects and joint venture opportunities with the emphasis on gold and base metals.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Other than the operating results and the suspension of trading in the Company's shares, there were no significant changes in the state of affairs of the Company during the financial year.

# **HAMPTON HILL MINING NL**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

Subsequent to the end of the financial year, the Company drew down \$200,000 on the loan facility provided by companies associated with Directors Mr Pitt and Mr Tomkinson, comprising two loans of \$100,000 each. This was to enable the Company to take up its entitlements in Peel Mining Limited's pro-rata non-renounceable entitlement offer announced on 3 August 2020. The Company has since disposed of approximately half of the shares taken up generating income of \$182,300 and as at the signing of this report holds 10,986,549 Peel shares.

Subsequent to the end of the financial year, the Company exercised its right to withdraw from the joint venture with Metal Hawk Limited following disappointing results from the diamond drilling program completed on the Clinker Hill Nickel Project.

To the best of the Directors' knowledge and belief, there have 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 2019 to 30 June 2020 the Directors have assessed that there are no current reporting requirements, but that the Company may be required to report in the future.

### **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. Mr Pitt was appointed Director of Hampton Hill Mining NL in January 1997 and executive chairman in April 2012. He is also the executive chairman of Red Hill Iron Limited (appointed a director on its formation in June 2005 and executive chairman in December 2019) and the non-executive chairman of Traka Resources Limited (appointed a director in January 2003 and chairman in December 2019). He is a non-executive director at Red Metal Limited (appointed January 2003). Mr Pitt has held no other directorships of ASX listed companies during the last three financial years.

# HAMPTON HILL MINING NL

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

### *Non-executive Directors*

#### **Neil Tomkinson LLB Hons**

Mr Tomkinson is a non-executive Director of the Company (appointed January 1997). Mr Tomkinson has extensive experience over many years in the management of and investment in exploration and mining companies. He is an active investor in private mineral exploration and in resources in general in Australia specialising in the search for and discovery of new mineral deposits and the promotion of new listings on the ASX. He is a non-executive director of Red Hill Iron Limited (appointed April 2008) and Traka Resources Limited (appointed September 2003). Mr Tomkinson has held no other directorships of ASX listed companies during the last three financial 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 financial 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:

<b>Director</b>	<b>Ordinary shares fully paid</b>	<b>Ordinary shares partly paid to 0.1 cents</b>
J N Pitt	97,831,822	-
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 112,787,764 shares.

The Directors do not hold any unlisted options.

### **MEETINGS OF DIRECTORS**

The following table sets out the number of meetings of Directors held during the year ended 30 June 2020 and the number of meetings attended by each Director:

<b>Director</b>	<b>Meetings of Directors whilst a Director</b>	<b>Number of meetings attended</b>
J N Pitt	8	8
N Tomkinson	8	8
W S Forte	8	8

The Company does not have any committees.

# HAMPTON HILL MINING NL

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

### 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.

#### ***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 (2016 to 2020):

		2020	2019	2018	2017	2016
Revenue and other income	\$	133,584	113,837	115,934	246,295	240,987
Net (loss)/profit	\$	(1,731,937)	(1,656,026)	545,516	(90,962)	(483,489)
(Loss)/profit per share	cents	(0.59)	(0.56)	0.2	(0.04)	(0.2)
Share price at year end	cents	2.5	1.6	3.1	1.4	2.5

No dividends have been declared during these periods.

# HAMPTON HILL MINING NL

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

### (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:

		Short term benefits	Post-employment benefits	Total	Performance related
	Year	Salary & fees	Superannuation		
		\$	\$	\$	%
<b>Executive Director</b>					
J N Pitt (Chairman)	2020	-	-	-	-
	2019	-	-	-	-
<b>Non-executive Directors</b>					
N Tomkinson	2020	-	-	-	-
	2019	-	-	-	-
W S Forte	2020	20,000	1,900	21,900	-
	2019	20,000	1,900	21,900	-
<hr/>					
Total	2020	20,000	1,900	21,900	-
<hr/>					
	2019	20,000	1,900	21,900	-
<hr/>					

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. Mr Forte is 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.

### (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.



# HAMPTON HILL MINING NL

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

### (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 2019	Net changes	Balance at 30 June 2020
<b>Fully paid shares</b>			
<b>Directors</b>			
J N Pitt	97,190,055	641,767	97,831,822
N Tomkinson	14,955,942	-	14,955,942
W S Forte	3,867,241	-	3,867,241
	<hr/>		
	116,013,238	641,767	116,655,005
	<hr/>		
<b>Partly paid shares</b>			
<b>Directors</b>			
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
	<hr/>		
	1,900,000	-	1,900,000
	<hr/>		

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 \$87,475 (2019: \$78,792) from Red Hill Iron Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for rental of shared 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.

# **HAMPTON HILL MINING NL**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

### ***Borrowings from Directors***

Borrowings relate to the loan facility of \$1,000,000 provided by companies associated with Directors Mr Pitt and Mr Tomkinson, comprising two loans of \$500,000 each. The Company repaid the outstanding balance of \$250,000 during the year leaving no balance drawn at year end. 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 \$1,800 (2019: \$12,898).

Subsequent to the end of the financial year, the Company drew down \$200,000 on this facility, comprising two loans of \$100,000 each.

### ***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 2019 Annual General Meeting (AGM)***

The Company received a majority of votes in favour of its remuneration report for the 2019 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.

# **HAMPTON HILL MINING NL**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

### **SHARES UNDER OPTION**

There were no options on issue at the date of this 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 2020.

### **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 the Directors on 16 September 2020.



J N Pitt  
Chairman

## 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 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of 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**  
**16 September 2020**

**B G McVeigh**  
**Partner**

**hlb.com.au**

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# HAMPTON HILL MINING NL

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue from continuing operations	2	1,025	6,568
Other income	2	132,559	107,269
Impairment of exploration expenditure	9	(76,949)	-
Fair value movement in financial assets	8	(1,391,561)	(1,429,250)
Administration expenses	3	(397,011)	(340,613)
<b>Loss before income tax</b>		<b>(1,731,937)</b>	<b>(1,656,026)</b>
Income tax benefit	4	-	-
<b>Loss for the year</b>		<b>(1,731,937)</b>	<b>(1,656,026)</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year attributable to the ordinary equity holders of the Company</b>		<b>(1,731,937)</b>	<b>(1,656,026)</b>
<b>Loss per share from continuing operations attributable to the ordinary equity holders of the Company</b>		<b>cents</b>	<b>cents</b>
Basic and diluted loss per share	5	(0.59)	(0.56)

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

# HAMPTON HILL MINING NL

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	6	104,488	180,720
Trade and other receivables	7	20,949	15,288
Financial assets	8	1,759,500	3,687,000
Total Current Assets		1,884,937	3,883,008
Non-Current Assets			
Exploration assets	9	2,860,964	2,853,325
Plant and equipment	10	657	2,159
Right-of-use asset	11	127,452	-
Total Non-Current Assets		2,989,073	2,855,484
Total Assets		4,874,010	6,738,492
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	12	25,188	33,080
Lease liability	11	61,422	-
Borrowings	13	-	250,000
Total Current Liabilities		86,610	283,080
Non-Current Liabilities			
Lease liability	11	63,925	-
Total Non-Current Liabilities		63,925	-
Total Liabilities		150,535	283,080
<b>Net Assets</b>		4,723,475	6,455,412
<b>Equity</b>			
Issued capital	14	23,248,430	23,248,430
Reserves	15	209,493	209,493
Accumulated losses		(18,734,448)	(17,002,511)
<b>Total Equity</b>		4,723,475	6,455,412

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

# HAMPTON HILL MINING NL

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>2020</b>				
Balance at 1 July 2019	23,248,430	209,493	(17,002,511)	6,455,412
Comprehensive loss				
Net loss for the year	-	-	(1,731,937)	(1,731,937)
Total comprehensive loss for the year	-	-	(1,731,937)	(1,731,937)
Transaction with equity holders in their capacity as equity holders	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>23,248,430</b>	<b>209,493</b>	<b>(18,734,448)</b>	<b>4,723,475</b>
<b>2019</b>				
Balance at 1 July 2018	23,248,430	3,004,114	(18,141,106)	8,111,438
Adjustment for initial application of accounting standard	-	(2,794,621)	2,794,621	-
Restated balance at 1 July 2018	23,248,430	209,493	(15,346,485)	8,111,438
Comprehensive loss				
Net loss for the year	-	-	(1,656,026)	(1,656,026)
Total comprehensive loss for the year	-	-	(1,656,026)	(1,656,026)
Transaction with equity holders in their capacity as equity holders	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>23,248,430</b>	<b>209,493</b>	<b>(17,002,511)</b>	<b>6,455,412</b>

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

# HAMPTON HILL MINING NL

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(333,868)	(319,002)
Interest received		1,314	8,406
Finance charges paid		(8,238)	(12,898)
Rent received		118,430	107,269
Other receipts		10,000	-
Net cash outflows from operating activities	16	(212,362)	(216,225)
<b>Cash flows from investing activities</b>			
Payments for exploration expenditure		(82,022)	(18,684)
Payment for plant and equipment		(1,956)	-
Proceeds from sale of financial assets		535,939	-
Net cash inflows/(outflows) from investing activities		451,961	(18,684)
<b>Cash flows from financing activities</b>			
Loans repaid	13	(250,000)	(250,000)
Lease repayment	11	(65,831)	-
Net cash outflows from financing activities		(315,831)	(250,000)
<b>Net decrease in cash and cash equivalents</b>		(76,232)	(484,909)
Cash and cash equivalents at the beginning of the financial year		180,720	665,629
<b>Cash and cash equivalents at the end of the financial year</b>	6	104,488	180,720

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



# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 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.

	2020 \$	2019 \$
Reportable segment assets	2,860,964	2,853,325
Reconciliation of reportable segment assets:		
Reportable segment assets	2,860,964	2,853,325
Unallocated corporate assets	2,013,046	3,885,167
Total assets	4,874,010	6,738,492
Reportable segment liabilities	2,566	-
Reconciliation of reportable segment liabilities:		
Reportable segment liabilities	2,566	-
Unallocated corporate liabilities	147,969	283,080
Total liabilities	150,535	283,080
Reportable segment loss	(76,949)	-
Reconciliation of reportable segment loss:		
Reportable segment loss	(76,949)	-
Other profit	133,584	113,837
Fair value movement in financial assets	(1,391,561)	(1,429,250)
Unallocated corporate expenses	(397,011)	(340,613)
Loss before income tax	(1,731,937)	(1,656,026)

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.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 2 REVENUE AND OTHER INCOME

	Note	2020 \$	2019 \$
<b>Revenue from continuing operations</b>			
Interest income		1,025	6,568
<b>Other income</b>			
Rent		120,059	107,269
Government cash flow boost grant		12,500	-
		<u>132,559</u>	<u>107,269</u>

#### Revenue

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 on an effective interest basis. All other income is recognised as it accrues.

#### Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants are presented as other income in the Statement of Profit or Loss and Other Comprehensive Income.

### NOTE 3 ADMINISTRATION EXPENSES

#### Loss before income tax includes the following specific administration expenses:

Personnel expenses			
Salaries, Director fees and other employment		24,795	21,052
Superannuation		1,900	1,900
		<u>26,695</u>	<u>22,952</u>
Depreciation charge – plant and equipment	10	3,458	1,502
Depreciation charge – right-of-use asset	11	63,726	-
Finance charge – office lease	11	6,438	-
Finance charge – borrowings	13	1,800	12,898
Other administration expenses			
Accounting		58,286	63,158
Audit		22,653	22,630
Listing fees		18,051	28,702
Office rental expense		-	72,900
Office rental oncosts		35,172	36,428
Secretarial services		34,655	37,587
Other		126,077	41,856
		<u>397,011</u>	<u>340,613</u>

The Company adopted AASB 16 Leases from the commencement of the current year. As a consequence, Office rental expense has been replaced by Finance charge – office lease and Depreciation charge – right-of-use asset. Refer to Note 11.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 4 INCOME TAX

	2020	2019
(a) Income tax benefit	\$	\$
The components of income tax benefit comprise:		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
(b) Reconciliation of income tax benefit to prima facie tax payable on accounting loss		
Operating loss before income tax	(1,731,937)	(1,656,026)
Prima facie tax benefit at Australian rate of 30% (2019: 30%)	519,581	496,808
Adjusted for tax effect of the following amounts:		
Non-taxable items	4,830	2,268
Under provision in prior year	(83,736)	(124,508)
Adjustment for change in tax rate	-	272,054
Income tax benefit not brought to account	(440,675)	(646,622)
	<hr/>	<hr/>
Income tax benefit	-	-
	<hr/>	<hr/>

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 Company does not satisfy all of the conditions to qualify as a base rate entity for the current year. Therefore, the full corporate tax rate of 30% applies to the Company.

### (c) 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 30% (2019: 30%) are made up as follows:

On income tax account:		
Carried forward tax losses	5,004,570	4,956,589
Deductible temporary differences	41,054	3,450
Taxable temporary differences	(965,728)	(1,320,817)
	<hr/>	<hr/>
Unrecognised net deferred tax assets	4,079,896	3,639,222
	<hr/>	<hr/>

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.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 4 INCOME TAX (continued)

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 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 Company 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 LOSS PER SHARE

	2020 cents	2019 cents
Basic and diluted loss per share from continuing operations attributable to the ordinary equity holders of the Company	(0.59)	(0.56)
<b>Reconciliation of loss</b>	<b>\$</b>	<b>\$</b>
The loss used in calculating the basic and diluted loss is equal to the loss attributed to ordinary equity holders of the Company in the Statement of Profit or Loss and Other Comprehensive Income	(1,731,937)	(1,656,026)
	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary fully paid shares	294,805,379	294,805,379
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 loss per share	294,818,264	294,818,264

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.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 5 BASIC AND DILUTED LOSS PER SHARE (continued)

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.

### NOTE 6 CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash at bank and on hand	104,488	180,720

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 26.

### NOTE 7 TRADE AND OTHER RECEIVABLES

Interest receivable	61	351
Other	20,888	14,937
	20,949	15,288

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 26.

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

Opening balance	3,687,000	5,116,250
Disposals during the year	(535,939)	-
Fair value movement in financial assets	(1,391,561)	(1,429,250)
Closing balance	1,759,500	3,687,000

The financial assets comprise shares in ASX listed companies Peel Mining Limited and Saturn Metals Limited, and are stated at fair value. The disposals during the year relate to the sale of all remaining shares held in Saturn Metals Limited. The Company adopted AASB 9 at the commencement of the prior year, resulting in the financial assets now being classified as fair-value-through-profit-or-loss.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 8 FINANCIAL ASSETS (continued)

AASB 9 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;
- Level 3 Inputs for the asset or liability that are not based on observable market data.

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.

### NOTE 9 EXPLORATION ASSETS

	2020 \$	2019 \$
Costs brought forward in respect of areas of interest in exploration and evaluation phase	2,853,325	2,842,318
Expenditure incurred during the period on exploration of tenements	84,588	11,007
Impairment of exploration expenditure	(76,949)	-
	<hr/> 2,860,964	<hr/> 2,853,325

The Company has \$2,860,964 (2019: \$2,853,325) 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. The Company has withdrawn from the Clinker Hill joint venture and has impaired the associated expenditure on this project in the current year.

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.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 9 EXPLORATION ASSETS (continued)

#### 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.

### NOTE 10 PLANT AND EQUIPMENT

	2020	2019
	\$	\$
Office and field equipment – at cost	15,939	13,982
Office and field equipment – accumulated depreciation	(15,282)	(11,823)
Total office and field equipment	657	2,159
Total plant and equipment	657	2,159
Office and field equipment		
Carrying amount at 1 July	2,159	3,661
Additions during the period	1,956	-
Depreciation charge	(3,458)	(1,502)
Carrying amount at 30 June	657	2,159

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.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 11 RIGHT-OF-USE ASSET AND LEASE LIABILITY

	2020 \$	2019 \$
<b>Right-of-use asset</b>		
Right-of-use asset – at cost	191,178	-
Right-of-use asset – accumulated depreciation	(63,726)	-
	<hr/>	
Total right-of-use asset	127,452	-
	<hr/>	
Carrying amount at 1 July	-	-
Addition on initial application of AASB 16	191,178	-
Depreciation charge	(63,726)	-
	<hr/>	
Carrying amount at 30 June	127,452	-
	<hr/>	

During the current year, the Company adopted the new accounting standard AASB 16 Leases. Refer Note 24.

The Company has recognised a right-of-use asset and corresponding lease liability in respect of an office lease.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

#### Lease liability

Lease liability – current	61,422	-
Lease liability – non-current	63,925	-
	<hr/>	
Total lease liability	125,347	-
	<hr/>	
Carrying amount at 1 July	-	-
Addition on initial application of AASB 16	191,178	-
Lease repayment	(65,831)	-
	<hr/>	
Carrying amount at 30 June	125,347	-
	<hr/>	

The total finance charged, in the form of interest, incurred on the lease for the financial year was \$6,438 (2019: nil)



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020****NOTE 11 RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)**

A lease liability is recognised at the commencement date of a lease. It is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**NOTE 12 TRADE AND OTHER PAYABLES**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade creditors and accruals	25,188	33,080

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.

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 26.

**NOTE 13 BORROWINGS****Current and unsecured loans – related parties**

Balance as at 1 July	250,000	500,000
Loans received	-	-
Loans repaid	(250,000)	(250,000)
Balance at 30 June	-	250,000

Borrowings relate to the loan facility of \$1,000,000 provided by companies associated with Directors Mr Pitt and Mr Tomkinson, comprising two loans of \$500,000 each. The Company repaid the outstanding balance of \$250,000 during the year leaving no balance drawn at year end. 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 finance charged, in the form of interest, incurred on the loans for the financial year was \$1,800 (2019: \$12,898).

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 13 BORROWINGS (continued)

Subsequent to the end of the financial year, the Company drew down \$200,000 on the loan facility, comprising two loans of \$100,000 each. This was to enable the Company to take up its entitlements in Peel Mining Limited's pro-rata non-renounceable entitlement offer, announced on 3 August 2020.

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 14 ISSUED CAPITAL

	2020	2019
	\$	\$
<b>(a) Share capital</b>		
294,805,379 (2019: 294,805,379) ordinary shares fully paid	23,245,780	23,245,780
2,650,000 (2019: 2,650,000) ordinary shares paid to 0.1 cents	2,650	2,650
	<hr/>	<hr/>
	23,248,430	23,248,430

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.

##### Suspension from Official Quotation

On 18 February 2020 the ASX suspended the Company's ordinary shares from quotation as, in the ASX's opinion, Hampton Hill's operations are not adequate to warrant the continued quotation of its securities in compliance with Listing Rule 12.1. The ASX have advised that the suspension will continue until the Company is able to demonstrate compliance with Listing Rule 12.1.

##### 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 26.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 14 ISSUED CAPITAL (continued)

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

<b>Fully paid shares</b>		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Details</b>	<b>No of shares</b>	<b>No of shares</b>		<b>Amount</b>	<b>Amount</b>
				<b>\$</b>	<b>\$</b>
Balance at 1 July	294,805,379	294,805,379		23,245,780	23,245,780
No movement	-	-		-	-
Balance at 30 June	294,805,379	294,805,379		23,245,780	23,245,780
<b>Partly paid shares</b>		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Details</b>	<b>No of shares</b>	<b>No of shares</b>		<b>Amount outstanding</b>	<b>Amount outstanding</b>
				<b>\$</b>	<b>\$</b>
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

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:

	<b>2020</b>	<b>2019</b>	<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price per share cents</b>
	<b>Number of options</b>	<b>Number of options</b>			
At 1 July	350,000	350,000	23 Jun 17	27 Dec 19	1.84
Options issued during the year	-	-			
Options expired during the year	(350,000)	-			
Balance at 30 June	-	350,000			
Vested and exercisable at 30 June	-	350,000			1.84

The Company's policy on share-based payments, partly paid shares and share options is set out in Note 22.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 15 RESERVES

	2020 \$	2019 \$
<b>Available-for-sale financial assets revaluation</b>		
Balance at 1 July	-	2,794,621
Adjustment on initial application of AASB 9	-	(2,794,621)
Balance at 30 June	-	-
<b>Share-based payments</b>		
Balance at 1 July	208,776	208,776
No movement during the year	-	-
Balance at 30 June	208,776	208,776
<b>Exercised options</b>		
Balance at 1 July	717	717
No movement during the year	-	-
Balance at 30 June	717	717
<b>Total Reserves</b>	209,493	209,493

The Company adopted AASB 9 during the prior year, and all financial assets classified as available-for-sale were reclassified into the fair value through profit or loss category and the cumulative fair value changes in the available-for-sale revaluation reserve was reclassified into accumulated losses. All subsequent fair value changes will be recognised in profit or loss.

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.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 16 CASH FLOW INFORMATION

	Note	2020 \$	2019 \$
<b>Reconciliation of loss after income tax to net cash flow from operating activities</b>			
Loss after income tax		(1,731,937)	(1,656,026)
Depreciation – plant and equipment	10	3,458	1,502
Depreciation – right-of-use asset	11	63,726	-
Exploration expenditure written off	9	76,949	-
Fair value loss on financial assets	8	1,391,561	1,429,250
Change in operating assets and liabilities:			
(Increase)/decrease in debtors		(3,840)	2,773
(Decrease)/increase in creditors		(10,457)	8,044
(Increase) in GST receivable		(1,822)	(1,768)
Net cash outflows from operating activities		(212,362)	(216,225)
<b>Changes in liabilities arising from financing activities</b>			
<b>Borrowings</b>			
Opening balance		250,000	500,000
Repayment of borrowings	13	(250,000)	(250,000)
Closing balance		-	250,000
<b>Lease liability</b>			
Opening balance		-	-
Non-cash flow movement on initial set up of lease liability under AASB 16	11	191,178	-
Net cash outflow of lease payments	11	(65,831)	-
Closing balance		125,347	-

There were no non-cash flows from investing activities.

### NOTE 17 CONTINGENCIES

#### Contingent liabilities

There are no contingent liabilities for termination benefits under service agreements with Directors or executives at 30 June 2020.

The Directors are not aware of any other contingent liabilities at 30 June 2020.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 18 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, Industry Regulation and Safety for the next financial year is \$39,260, being the Company's 25% share of expenditure commitments in respect of the Millennium project (2019: nil).

#### (b) Exploration

The Company has no exploration expenditure commitments other than those reported above in respect of mineral tenements.

#### (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:

	2020	2019
	\$	\$
Within one year	-	96,283
Later than one year, but not longer than five years	-	-
	-	96,283

During the current year, the Company adopted the new accounting standard AASB 16 Leases. This standard eliminates operating leases for the lessee and as a result the Company no longer has any operating lease commitments. Refer to Note 24.

### NOTE 19 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.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 19 RELATED PARTY TRANSACTIONS (continued)

#### (b) Transaction with Director-related entities

##### *Loans from Director-related entities*

Refer to Note 13 for details of borrowings from related parties.

##### *Other transactions*

During the financial year the Company received \$87,475 (2019: \$78,792) from Red Hill Iron Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for rental of shared 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.

### NOTE 20 INTERESTS IN JOINT ARRANGEMENTS

The Company had interests in the following mineral exploration joint arrangements as at 30 June 2020:

Name of project	Interest	Exploration activity	Other parties
Weld Range - Non Ferrous	0% <sup>1</sup>	Gold and base metals	Sinosteel Midwest Corporation Ltd
Millennium	25%	Zinc	Encounter Resources Limited
Clinker Hill	0% <sup>2</sup>	Nickel	Metal Hawk Limited

<sup>1</sup> Hampton Hill owns the non-ferrous rights and is entitled to a 2% FOB royalty on iron ore mined.

<sup>2</sup> Subsequent to the year end the Company gave notice to Metal Hawk Limited on 12 August 2020 of its withdrawal from the Clinker Hill Joint Venture.

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 21 EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to the end of the financial year, the Company drew down \$200,000 on the loan facility provided by companies associated with Directors Mr Pitt and Mr Tomkinson, comprising two loans of \$100,000 each. This was to enable the Company to take up its entitlements in Peel Mining Limited's pro-rata non-renounceable entitlement offer announced on 3 August 2020. The Company has since disposed of approximately half of the shares taken up generating income of \$182,300 and at the date of signing this report holds 10,986,549 Peel shares.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

### **NOTE 21 EVENTS OCCURRING AFTER BALANCE DATE (continued)**

Subsequent to the end of the financial year, the Company exercised its right to withdraw from the joint venture with Metal Hawk Limited following disappointing results from the diamond drilling program completed on the Clinker Hill Nickel Project.

To the best of the Directors' knowledge and belief, there have 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.

### **NOTE 22 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 14.

#### **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 nil (2019: 0.49 years). Details of these options, including movements over the past two years, are set out in Note 14.

No options were granted during the current or prior years.



# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 23 REMUNERATION OF AUDITORS

	2020	2019
	\$	\$
Amounts received, or due and receivable, by HLB Mann Judd (WA Partnership) for:		
Audit and review of the financial statements of the Company	22,653	22,630

### NOTE 24 CHANGE IN ACCOUNTING POLICY

The Company has adopted AASB 16 Leases from 1 July 2019. This standard replaces AASB 117 Leases and for lessees, eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the Statement of Financial Position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use asset and an interest expense on the recognised lease liabilities in the Statement of Profit or Loss and Other Comprehensive Income. For classification within the Statement of Cash Flows, the interest portion of lease payments is included in operating activities and the principal portion is disclosed separately in financing activities.

The Company has elected to use the modified retrospective adoption method and did not restate comparative information. Accordingly, the information presented for 30 June 2019 has not been restated.

The impact on the financial performance and position of the Company from the adoption of AASB 16 is reflected in Note 11.

### NOTE 25 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 \$2,860,964 (2019: \$2,853,325) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 26 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.

**(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 0.38% (2019: 1.31%).

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 cash assets		Effect of decrease or increase of interest rate on			
			Post tax profit		Other components of equity	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	104,488	180,720				
Change in interest rate:						
- 0.5%			(522)	(904)	-	-
+ 0.5%			522	904	-	-

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

#### **Securities price risk**

The Company is exposed to equity securities price risk. This arises from an investment held and classified in the Statement of Financial Position as financial assets.

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 following table summarises the sensitivity of the value of the investments to an increase or decrease in the share price of the investment:

	Overall impact of change in price		Impact on post-tax profit		Impact on other components of equity	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Change in share price:						
- 50%	(879,750)	(1,843,500)	(879,750)	(1,843,500)	-	-
- 25%	(439,875)	(921,750)	(439,875)	(921,750)	-	-
- 10%	(175,950)	(368,700)	(175,950)	(368,700)	-	-
+ 10%	175,950	368,700	175,950	368,700	-	-
+ 25%	439,875	921,750	439,875	921,750	-	-
+ 50%	879,750	1,843,500	879,750	1,843,500	-	-

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

#### **(b) Liquidity risk**

The Company has no significant exposure to liquidity risk as the Company's only debt, other than related party loans (Note 13), and a lease liability pursuant to AASB 16 (Note 11), 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. 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 financial assets less trade creditors and current borrowings.

# HAMPTON HILL MINING NL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 27 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, salaries and annual leave***

Liabilities for wages and salaries, including non-monetary benefits and annual 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 2020**

**NOTE 27 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***

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the reporting periods beginning on or after 1 July 2019.

As a result of this review, the Directors have determined that, apart from the adoption of AASB 16 Leases, there is no material impact on the Company for any other new and revised Standards and Interpretations and therefore no further material change is necessary to accounting policies. Refer to Note 24 for the impact upon adoption of AASB 16 Leases.

***New accounting standards and interpretations in issue, not yet adopted***

The Directors have also reviewed all of the new and revised Standards and Interpretations issued, but not yet effective, that are relevant to the Company and effective for the reporting periods beginning on or after 1 July 2019.

As a result of this review, the Directors have determined that there is no material impact of any new and revised Standards and Interpretations issued, but not yet effective, on the Company and therefore no material change is necessary to accounting policies.

**DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020 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 to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 2020.

This declaration is signed in accordance with a resolution of the Directors on 16 September 2020 and is signed for and on behalf of the Directors by:



J N Pitt  
Chairman

## 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 2020, the statement of profit or loss and other 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 2020 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 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.

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## Key Audit Matter

## How our audit addressed the key audit matter

### Carrying value of exploration assets

Note 9

In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Company capitalises all exploration and evaluation expenditure.

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.

Our procedures included but were not limited to the following:

- We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest and any write offs made;
- 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 financial year ending 30 June 2021 and discussed with management the nature of planned ongoing activities;
- We have vouched a sample of exploration expenditure incurred during the year;
- We verified the write-off to capitalised exploration expenditure;
- 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.

### Valuation of financial instruments

Note 8

The Company classifies its investments through profit or loss. The investments had a carrying value of \$1,759,500 as at 30 June 2020 and the Company recorded a fair value loss of \$1,391,561 for the financial year.

We focused on this area as a key audit matter as these balances are the most material in the financial statements.

Our procedures included but were not limited to the following:

- We assessed the value of assets and sales of assets made during the year;
- We ensured the fair value of the assets held, reflected the true and fair market conditions at year end; 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 2020, 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.

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.

### **Report on the Remuneration Report**

#### *Opinion on the remuneration report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Hampton Hill Mining NL for the year ended 30 June 2020 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.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**16 September 2020**



**B G McVeigh**  
**Partner**