

# **Hampton Hill Mining NL**

**ABN 60 060 628 524**

## **FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**30 JUNE 2022**

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## **CORPORATE DIRECTORY**

### **Directors**

Joshua Pitt  
Executive Chairman

Wilson Forte  
Non-executive Director

Will Robinson  
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](mailto:info@hamptonhill.com.au)

### **Auditor**

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

### **Share Registry**

Automic Group  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
Telephone: +61 2 9698 5414  
Email: [hello@automic.com.au](mailto:hello@automic.com.au)

### **Webpage**

[www.hamptonhill.com.au](http://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

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022**

Hampton Hill Mining NL (Hampton Hill or the Company) is a public company, incorporated and domiciled in Australia. 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 2022.

### **DIRECTORS**

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

Joshua Pitt

Wilson Forte

Will Robinson

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are the continued management of its royalty interest and exploration for base metals. 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**

Hampton Hill was delisted by the Australian Securities Exchange (ASX) on 21 March 2022 having been suspended from trading for two years. The ASX was of the view that the activity of the Company was deficient and applied their discretion as specified in Clause 12.1 of the ASX Listing Rules.

In order to provide shareholders with a means to buy or sell Company shares Hampton Hill has established a share trading hub facility through the agency of Primary Markets Pty Ltd.

The primary activity of Hampton Hill has continued to be the managing of our royalty interest in the Apollo Hill Central Leases. The board maintains that this activity and the conversion of our project interest from ownership to a royalty was a sensible way to preserve the value established at Apollo Hill by the drilling success achieved over the many years of exploration. Our Company took an active role in the setting up of Saturn Metals Limited (STN) as a focussed company for the advancement of Apollo Hill towards a decision to mine and has continued to participate in the on-going planning for the project.

At Apollo Hill, STN is advancing the project towards final feasibility studies with intensive metallurgical test work and continued drilling campaigns. It is envisaged that a future mining operation would probably apply a heap leaching technique for gold recovery. The current JORC compliant Mineral Resource contains 1,469,000 ounces of gold at a grade of 0.60 grams per tonne (Refer STN June 2022 Quarterly Activities Report).

## **REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS (continued)**

While the Company no longer carries out exploration in its own right it does hold the gold and base metal rights and a 2% FOB royalty for iron ore over a large tenement package at the Glenview Project, some 60 kilometres north west of Cue township.

It also holds a 0.98% NSR royalty for gold over the Northlander Project owned by Evolution Mining Limited (EVN) which covers the Rajax resource where 21,000 tonnes of gold grading 1.63 grams per tonne have been outlined (Refer EVN annual Mineral Resource Statement of 17 February 2021).

The Millennium base metal project has remained inactive and the Tyson base metal project was relinquished during the year.

The Company's Peel Mining Limited (PEX) shareholding represents a significant portion of the substantial shareholding of over 19% of that company, held by Hampton Hill and its associates. This holding has therefore considerable strategic value and, through this association, it seeks to benefit from PEX's continuing successes at Cobar.

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

Other than the operating results and the delisting of the Company's shares from the ASX on 21 March 2022 (Note 13), 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**

To the best of the Directors' knowledge and belief, there have been no 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 2021 to 30 June 2022 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 forty 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 assumed the position of 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 July 2003). Mr Pitt has held no other directorships of ASX listed companies during the last three financial years.

### ***Non-executive Directors***

#### **Wilson Forte BSc Hons (UWA), MAusIMM, MAIG**

Mr Forte is a Western Australian geologist with more than forty 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.

#### **Will Robinson B.Comm, MAusIMM**

Mr Robinson was appointed a non-executive director of the Company on 1 February 2021. He has worked in the resource industry for over 20 years and has held a senior management role at a large international resource company as well as executive roles in junior mining and exploration companies. He is a member of the Strategic Advisory Board at the Centre for Exploration Targeting of Western Australia, and previously a member of the Australian Federal Government's 'Resources 2030' taskforce. Mr Robinson is the managing director of Encounter Resources Limited (appointed 30 June 2014) and non-executive chairman of Hamelin Gold Limited (appointed 24 May 2021). Mr Robinson has held no other directorships of ASX listed companies during the last three financial years.

## INFORMATION RELATING TO THE COMPANY SECRETARY

#### **Peter Ruttledge BSc, ACANZ, FFin**

Mr Ruttledge is a Chartered Accountant and a Fellow of the Financial Services Institute of Australasia and has over thirty five 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	97,831,822	-
W S Forte	3,867,241	1,900,000
W Robinson	900,000	-

Encounter Resources Limited, of which Mr Robinson is also a director and shareholder, holds 30,748,903 shares in the Company. 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 2022 and the number of meetings attended by each Director:

Director	Meetings of Directors whilst a Director	Number of meetings attended
J N Pitt	6	6
W S Forte	6	6
W Robinson	6	6

The Company does not have any committees.

## REMUNERATION REPORT

The information provided in this remuneration report has not been audited in terms of section 308(3C) of the Corporation Act 2001 as the Company is no longer listed on the ASX.

### (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.

## REMUNERATION REPORT (continued)

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 (2018 to 2022):

		2022	2021	2020	2019	2018
Revenue and other income	\$	115,596	114,410	133,584	113,837	115,934
Net (loss)/profit	\$	(4,282,082)	708,431	(1,731,937)	(1,656,026)	545,516
(Loss)/earnings per share	cents	n/a	0.24	(0.59)	(0.56)	0.20
Share price at year end	cents	n/a	2.5	2.5	1.6	3.1

No dividends have been declared during these periods.

Following two years of suspension, the Company's ordinary shares were delisted from quotation by the ASX on 21 March 2022.



## REMUNERATION REPORT (continued)

### (b) Details of remuneration

The key management personnel of the Company are the Directors.

The remuneration of key management personnel 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)	2022	-	-	-	-
	2021	-	-	-	-
<b>Non-executive Directors</b>					
W S Forte	2022	20,000	2,000	22,000	-
	2021	20,000	1,900	21,900	-
W Robinson	2022	20,000	2,000	22,000	-
	2021	8,333	792	9,125	-
<hr/>					
Total	2022	40,000	4,000	44,000	-
	2021	28,333	2,692	31,025	-

With the exception of a non-executive director's fee paid to Mr W S Forte and Mr W Robinson, 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 is contingent upon the performance of the Company.

### (c) Service agreements

#### **Non-executive Directors**

Commencing 1 May 2012, Mr Forte, who was formerly the Company's Managing Director, was appointed a non-executive director. 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.

Commencing 1 February 2021, Mr Robinson was appointed a non-executive director of the Company. Mr Robinson 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. All other terms are included in a service agreement.

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.

## REMUNERATION REPORT (continued)

### (e) Shares held by key management personnel

The numbers of shares held directly and indirectly during the year by key management personnel and any movements in these holdings, are set out below:

	Balance at 1 July 2021	Acquired/ Disposed	Other	Balance at 30 June 2022
<b>Fully paid shares</b>				
<b>Directors</b>				
J N Pitt	97,831,822	-	-	97,831,822
W S Forte	3,867,241	-	-	3,867,241
W Robinson	900,000	-	-	900,000
	102,599,063	-	-	102,599,063

Encounter Resources Limited, of which Mr Robinson is also a director and shareholder, holds 30,748,903 shares in the Company.

	Balance at 1 July 2021	Acquired/ Disposed	Other	Balance at 30 June 2022
<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
	1,900,000	-	-	1,900,000

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.

## REMUNERATION REPORT (continued)

### (f) Transactions with key management personnel

#### ***Income from related parties***

During the financial year the Company received \$77,807 (2021: \$77,826) from Red Hill Iron Limited, a listed company of which Mr Pitt is a director and shareholder, 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.

#### ***Borrowings from director***

Borrowings relate to the loan facility of \$1,000,000 provided by a company associated with a director, Mr Pitt. It is unsecured and otherwise on normal commercial terms and conditions, bearing interest at a rate of 3.5% per annum, paid quarterly in arrears. \$325,000 (2021: net \$275,000) was drawn down during the year taking the balance outstanding to \$600,000 (2021: \$275,000) at the year end. Total interest of \$14,744 (2021: \$3,210) was paid.

#### ***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 2021 Annual General Meeting (AGM)***

The Company received a majority of votes in favour of its remuneration report for the 2021 financial year. The Company did not receive any specific comments on its remuneration practices at the AGM or throughout the 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 remuneration report ends here.

## **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 2022.

## **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 8 September 2022.



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 2022, 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**  
**8 September 2022**

**D I Buckley**  
**Partner**

**hlb.com.au**

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue from continuing operations	2	16	38
Other income	2	115,580	114,372
Impairment of exploration expenditure	8	(3,027,916)	(2,935)
Fair value movement in financial assets	7	(972,000)	943,723
Administration expenses	3	(397,762)	(346,767)
<b>(Loss)/profit before income tax</b>		<b>(4,282,082)</b>	<b>708,431</b>
Income tax benefit	4	-	-
<b>(Loss)/profit for the year</b>		<b>(4,282,082)</b>	<b>708,431</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the year attributable to the ordinary equity holders of the Company</b>		<b>(4,282,082)</b>	<b>708,431</b>

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 2022

	Note	2022 \$	2021 \$
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	5	44,844	34,151
Trade and other receivables	6	14,655	61,365
Financial assets	7	1,728,000	2,700,000
Total Current Assets		1,787,499	2,795,516
Non-Current Assets			
Exploration assets	8	-	2,952,402
Plant and equipment	9	376	202
Right-of-use asset	10	-	63,724
Total Non-Current Assets		376	3,016,328
<b>Total Assets</b>		<b>1,787,875</b>	<b>5,811,844</b>
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	11	38,051	41,020
Lease liability	10	-	63,918
Total Current Liabilities		38,051	104,938
Non-Current Liabilities			
Borrowings	12	600,000	275,000
Total Non-Current Liabilities		600,000	275,000
<b>Total Liabilities</b>		<b>638,051</b>	<b>379,938</b>
<b>Net Assets</b>		<b>1,149,824</b>	<b>5,431,906</b>
<b>Equity</b>			
Issued capital	13	23,248,430	23,248,430
Reserves	14	209,493	209,493
Accumulated losses		(22,308,099)	(18,026,017)
<b>Total Equity</b>		<b>1,149,824</b>	<b>5,431,906</b>

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 2022

	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>2022</b>				
Balance at 1 July 2021	23,248,430	209,493	(18,026,017)	5,431,906
Comprehensive income				
Net loss for the year	-	-	(4,282,082)	(4,282,082)
Total comprehensive loss for the year	-	-	(4,282,082)	(4,282,082)
Transaction with equity holders in their capacity as equity holders	-	-	-	-
Balance at 30 June 2022	23,248,430	209,493	(22,308,099)	1,149,824
<b>2021</b>				
Balance at 1 July 2020	23,248,430	209,493	(18,734,448)	4,723,475
Comprehensive loss				
Net profit for the year	-	-	708,431	708,431
Total comprehensive income for the year	-	-	708,431	708,431
Transaction with equity holders in their capacity as equity holders	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>23,248,430</b>	<b>209,493</b>	<b>(18,026,017)</b>	<b>5,431,906</b>

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 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(316,180)	(263,242)
Interest received		16	99
Finance charges paid		(16,119)	(7,106)
Rent received		106,061	105,493
Government cash flow boost grants		-	10,000
Other receipts		10,318	1,500
Net cash outflows from operating activities	15	(215,904)	(153,256)
<b>Cash flows from investing activities</b>			
Payments for exploration expenditure		(30,412)	(133,875)
Payment for plant and equipment		(4,073)	-
Payments to acquire financial assets		-	(226,406)
Proceeds from sale of financial assets		-	229,629
Net cash outflows from investing activities		(34,485)	(130,652)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	12	325,000	475,000
Loans repaid	12	-	(200,000)
Lease repayment	10	(63,918)	(61,429)
Net cash inflows from financing activities		261,082	213,571
<b>Net increase/(decrease) in cash and cash equivalents</b>		10,693	(70,337)
Cash and cash equivalents at the beginning of the financial year		34,151	104,488
<b>Cash and cash equivalents at the end of the financial year</b>	5	44,844	34,151

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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.

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.

### NOTE 2 REVENUE AND OTHER INCOME

	Note	2022 \$	2021 \$
<b>Revenue from continuing operations</b>			
Interest income		16	38
<b>Other income</b>			
Rent		105,262	105,372
Miscellaneous income		10,318	1,500
Government cash flow boost grant		-	7,500
		115,580	114,372

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 3 ADMINISTRATION EXPENSES

	Note	2022 \$	2021 \$
<b>(Loss)/profit before income tax includes the following specific administration expenses:</b>			
Personnel expenses			
Salaries, director fees and other employment expenses		40,998	29,169
Superannuation		4,000	2,692
		<hr/> 44,998	<hr/> 31,861
Depreciation charge – plant and equipment	9	3,900	455
Depreciation charge – right-of-use asset	10	63,724	63,728
Finance charge – office lease	10	1,375	3,895
Finance charge – borrowings	12	14,744	3,210
Other administration expenses			
Accounting		63,248	63,248
Audit		23,620	23,424
Listing fees		28,303	24,382
Securities trading facility fee		25,000	-
Office rental oncosts		38,069	38,420
Secretarial services		37,587	37,587
Other		53,194	56,557
		<hr/> 397,762	<hr/> 346,767

### NOTE 4 INCOME TAX

	2022 \$	2021 \$
<b>(a) Income tax benefit</b>		
The components of income tax benefit comprise:		
Current tax	-	-
Deferred tax	-	-
	<hr/> -	<hr/> -
<b>(b) Reconciliation of income tax benefit to prima facie tax benefit/(payable) on accounting (loss)/profit</b>		
Operating (loss)/profit before income tax	(4,282,082)	708,431
Prima facie tax benefit/(expense) at Australian rate of 30% (2021: 30%)	<hr/> 1,284,625	<hr/> (212,529)
Adjusted for tax effect of the following amounts:		
Non-taxable items	1,080	3,330
Non-deductible items	(155)	-
Income tax (benefit)/expense not brought to account	<hr/> (1,285,550)	<hr/> 209,199
Income tax benefit	<hr/> -	<hr/> -

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 4 INCOME TAX (continued)

The credit for current income tax benefit is based on the profit/(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% (2021: 30%) are made up as follows:

On income tax account:

Carried forward tax losses	5,205,653	5,073,322
Deductible temporary differences	195,454	23,735
Taxable temporary differences	(244,860)	(1,226,360)
	<hr/>	
Unrecognised net deferred tax assets	5,156,247	3,870,697

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 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 5 CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash at bank and on hand	44,844	34,151

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 6 TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Prepayment of exploration expenditure	-	40,785
Other	14,655	20,580
	14,655	61,365

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 past due.

### NOTE 7 FINANCIAL ASSETS

	2022	2021
	\$	\$
Opening balance	2,700,000	1,759,500
Acquisitions during the year	-	226,406
Disposals during the year	-	(229,629)
Fair value movement in financial assets	(972,000)	943,723
Closing balance	1,728,000	2,700,000

The financial assets comprise shares in ASX listed company, Peel Mining Limited, and are stated at fair value. Financial assets are classified as fair-value-through-profit-or-loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 7 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 8 EXPLORATION ASSETS

	2022	2021
	\$	\$
Costs brought forward in respect of areas of interest in exploration and evaluation phase	2,952,402	2,860,964
Expenditure incurred during the period on exploration of tenements	75,514	94,373
Impairment of exploration expenditure	(3,027,916)	(2,935)
	<u>-</u>	<u>2,952,402</u>

The Company has fully impaired the capitalised exploration expenditure on three projects. The Company's \$2,943,047 interest in the Millennium project has been impaired following disappointing results from recent exploration and the expectation is that the Company is unlikely to continue funding exploration activities at its 25% interest. \$60,048 has been impaired from the Company's interest in the Glenview project as a result of suspending further exploration, and \$24,821 has been impaired from the Tyson project following a decision to withdraw the Company's application from this exploration licence.

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.

The recoupment of costs carried forward in relation to areas in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas. 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 9 PLANT AND EQUIPMENT

	2022	2021
	\$	\$
Office and field equipment – at cost	20,012	15,939
Office and field equipment – accumulated depreciation	(19,636)	(15,737)
Total office and field equipment	376	202
Total plant and equipment	376	202
Office and field equipment		
Carrying amount at 1 July	202	657
Additions during the period	4,074	-
Depreciation charge	(3,900)	(455)
Carrying amount at 30 June	376	202

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

#### 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 the Statement of Profit or Loss and Other Comprehensive Income.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 10 RIGHT-OF-USE ASSET AND LEASE LIABILITY

	2022	2021
	\$	\$
Right-of-use asset		
Right-of-use asset – at cost	191,178	191,178
Right-of-use asset – accumulated depreciation	(191,178)	(127,454)
Total right-of-use asset	-	63,724
Carrying amount at 1 July	63,724	127,452
Depreciation charge	(63,724)	(63,728)
Carrying amount at 30 June	-	63,724

The Company has recognised a right-of-use asset and corresponding lease liability in respect of an office lease. The term of the office lease ended on 30 June 2022.

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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 10 RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)

	2022	2021
	\$	\$
Lease liability		
Lease liability – current	-	63,918
Lease liability – non-current	-	-
Total lease liability	-	63,918
Carrying amount at 1 July	63,918	125,347
Lease repayment	(63,918)	(61,429)
Carrying amount at 30 June	-	63,918

The total finance charge, in the form of interest, incurred on the lease for the financial year was \$1,375 (2021: \$3,895).

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 11 TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Trade creditors and accruals	38,051	41,020

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 24.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 12 BORROWINGS

	2022 \$	2021 \$
Non-current and unsecured loans – related parties		
Balance as at 1 July	275,000	-
Loans received	325,000	475,000
Loans repaid	-	(200,000)
	<hr/>	<hr/>
Balance at 30 June	600,000	275,000

Borrowings relate to the loan facility of \$1,000,000 provided by a company associated with a director, Mr Pitt. It is unsecured and otherwise on normal commercial terms and conditions, bearing interest at a rate of 3.5% per annum, paid quarterly in arrears and expiring on 1 October 2023. \$325,000 (2021: net \$275,000) was drawn down during the year and total interest of \$14,744 (2021: \$3,210) was paid.

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

	2022 \$	2021 \$
<b>(a) Share capital</b>		
294,805,379 (2021: 294,805,379) ordinary shares fully paid	23,245,780	23,245,780
2,650,000 (2021: 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 were listed on the ASX until delisting on 21 March 2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 13 ISSUED CAPITAL (continued)

#### Delisting

On 18 February 2020 the ASX suspended the Company's ordinary shares from quotation as, in the ASX's opinion, Hampton Hill's operations were not adequate to warrant the continued quotation of its securities in compliance with Listing Rule 12.1. The ASX advised that the suspension would continue until the Company was able to demonstrate compliance with Listing Rule 12.1. On 16 March 2022 the Company was advised by the ASX that it would be delisted from the ASX and this took effect from 21 March 2022.

#### 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. 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

<b>Fully paid shares</b>		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</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>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</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.

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 14 RESERVES

	2022 \$	2021 \$
<b>Share-based payments</b>		
Balance at 1 July	208,776	208,776
No movement during the year	-	-
	<hr/>	<hr/>
Balance at 30 June	208,776	208,776
	<hr/>	<hr/>
<b>Exercised options</b>		
Balance at 1 July	717	717
No movement during the year	-	-
	<hr/>	<hr/>
Balance at 30 June	717	717
	<hr/>	<hr/>
<b>Total Reserves</b>	209,493	209,493
	<hr/>	<hr/>

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.

### NOTE 15 CASH FLOW INFORMATION

	Note	2022 \$	2021 \$
<b>Reconciliation of (loss)/ profit after income tax to net cash flow from operating activities</b>			
(Loss)/profit after income tax		(4,282,082)	708,431
Depreciation – plant and equipment	9	3,900	455
Depreciation – right-of-use asset	10	63,724	63,728
Exploration expenditure written off	8	3,027,916	2,935
Fair value loss/(gain) on financial assets	7	972,000	(943,723)
Change in operating assets and liabilities:			
Decrease in debtors		800	2,682
(Decrease)/increase in creditors		(7,286)	14,549
Decrease/(Increase) in GST receivable		5,124	(2,313)
		<hr/>	<hr/>
Net cash outflows from operating activities		(215,904)	(153,256)
		<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 15 CASH FLOW INFORMATION (continued)

	Note	2022 \$	2021 \$
<b>Changes in liabilities arising from financing activities</b>			
<b>Borrowings</b>			
Opening balance		275,000	-
Proceeds from borrowings	12	325,000	475,000
Repayment of borrowings	12	-	(200,000)
Closing balance		600,000	275,000
<b>Lease liability</b>			
Opening balance		63,918	125,347
Net cash outflow of lease payments	10	(63,198)	(61,429)
Closing balance		-	63,918

There were no non-cash flows from 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 2022.

The Directors are not aware of any contingent liabilities at 30 June 2022.

### 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, Industry Regulation and Safety for the next financial year is \$39,800, being the Company's 25% share of expenditure commitments in respect of the Millennium project (2021: \$39,600).

#### (b) Exploration

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 18 RELATED PARTY TRANSACTIONS

#### (a) Key management personnel

The key management personnel of the Company are the Directors:

J N Pitt

W S Forte

W Robinson

#### Compensation paid to key management personnel

	2022	2021
	\$	\$
Short-term employee benefits	40,000	28,333
Post-employment benefits	4,000	2,692
	<u>44,000</u>	<u>31,025</u>

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

#### (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 \$77,807 (2021: \$77,826) from Red Hill Iron Limited, a listed company of which Mr Pitt is a director and shareholder, 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 19 INTERESTS IN JOINT ARRANGEMENTS

The Company had interests in the following mineral exploration joint arrangements as at 30 June 2022:

Name of project	Interest	Exploration activity	Other parties
Millennium	25%	Zinc	Encounter Resources Limited

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 8.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 20 EVENTS OCCURRING AFTER BALANCE DATE

To the best of the Directors' knowledge and belief, there have been no 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 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.

#### 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 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.

No options were granted during the current or prior years.

#### 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.

### NOTE 22 REMUNERATION OF AUDITORS

	2022	2021
	\$	\$
Amounts received, or due and receivable, by HLB Mann Judd (WA Partnership) for:		
Audit and review of the financial statements of the Company	23,620	23,424

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

### **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 may be performed in assessing recoverable amounts incorporate a number of key estimates.

#### **Capitalisation of exploration and evaluation expenditure**

The Company has no (2021: \$2,952,402) capitalised exploration and evaluation expenditure on the basis that the Directors consider there to be sufficient facts or circumstances suggesting that the exploration and evaluation assets should be fully impaired for reasons set out in Note 8.

### **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.

#### **(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% (2021: 0%).

At balance date, if interest rates had been 0.5% higher or lower and all other variables were held constant, the Company's profit or loss would increase/decrease by \$224 (2021: \$171), with no effect (2021: \$nil) on other components of equity.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 24 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 an ASX listed exploration company. 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	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Change in share price:						
- 50%	(864,000)	(1,350,000)	(864,000))	(1,350,000)	-	-
- 25%	(432,000)	(675,000)	(432,000)	(675,000)	-	-
- 10%	(172,800)	(270,000)	(172,800)	(270,000)	-	-
+ 10%	172,800	270,000	172,800	270,000	-	-
+ 25%	432,000	675,000	432,000	675,000	-	-
+ 50%	864,000	1,350,000	864,000	1,350,000	-	-

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

The Company has no significant exposure to liquidity risk as the Company's only debt, other than a related party loan (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 loan is not considered to be a significant liquidity risk as the magnitude and term of the loan is such that the Company has adequate time to manage the repayment funded by raising additional capital or realising financial assets. The Company manages its liquidity by monitoring forecast cash flows.

The following tables detail the Company's expected undiscounted contractual maturity for its financial liabilities based on the earliest date the Company can be required to repay, and includes both interest and principal cash flows:

	Interest rate	Within 6 months	6 -12 months	1 – 2 years	2+ years
		\$	\$	\$	\$
<b>2022</b>					
Trade and other payable	-	38,051	-	-	-
Borrowings	3.5%	10,500	10,500	605,250	-
Lease liability	4.0%	-	-	-	-
<b>2021</b>					
Trade and other payable	-	41,020	-	-	-
Borrowings	3.5%	4,813	4,813	277,406	-
Lease liability	4.0%	31,643	32,275	-	-

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

### **NOTE 24 FINANCIAL RISK MANAGEMENT (continued)**

#### **(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.

### **NOTE 25 SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES**

Hampton Hill Mining NL is a public company, incorporated and domiciled in Australia. As noted in Note 13, the Company was delisted by ASX on 21 March 2022.

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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

### **NOTE 25 SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(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. The carrying value of financial assets and liabilities approximates their fair value.

#### **(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.

#### **(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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

### **NOTE 25 SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(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 2021.

As a result of this review, the Directors have determined that there is no material impact on the Company for any new and revised Standards and Interpretations and therefore no material change is necessary to accounting policies.

##### ***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 2021.

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 2022**

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 2022 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 30 June 2022.

This declaration is signed in accordance with a resolution of the Directors on 8 September 2022 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 2022, 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 2022 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.

*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 2022, 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.

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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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.



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

**Perth, Western Australia**  
**8 September 2022**



**D I Buckley**  
**Partner**



## MINERAL TENEMENT INFORMATION AS AT 30 JUNE 2022

### MINING INTERESTS HELD AND THEIR LOCATION

Project	Tenement	Location	Registered holding	Note
<b>Millennium</b>				
	E45/2501	East Pilbara, WA	0%	1
	E45/2561	East Pilbara, WA	0%	1
	E45/2500 (part of)	East Pilbara, WA	0%	1
<b>Apollo Hill</b>				
	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
<b>Weld Range</b>				
Glenview	M20/311	Murchison, WA	0%	3
	M20/518 (northern part)	Murchison, WA	0%	3
	M51/869 (minor part)	Murchison, WA	0%	3
	E20/625	Murchison, WA	0%	3
	E20/641	Murchison, WA	0%	3
<b>Northlander</b>				
	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
<b>Sylvania</b>				
	M266SA	East Pilbara, WA	0%	5

#### Notes:

- 1) Millennium Base Metal 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 owns the non-ferrous rights and is entitled to a 2% FOB Royalty on iron ore mined. These tenements are registered in the name of Sinosteel Midwest Corporation Limited and are held in trust for Hampton Hill Mining NL.
- 4) The Company retains a 0.98% net smelter return royalty on all gold produced from these tenements.
- 5) The Company retains a royalty of \$1 per tonne of iron ore mined up to 100,000 tonnes, and \$2 per tonne thereafter.

#### Key:

E: Exploration licence    ELA: Exploration licence application  
P: Prospecting licence    M: Mining lease