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19 September 2008

Company Announcements Office

ASX Limited

PO Box H224 Australia Square

SYDNEY NSW 2000

Dear Sir / Madam

Financial Report for the year ended 30 June 2008

We attach the Financial Report for the year ended 30 June 2008.

Yours faithfully

Peter Rutledge

Company Secretary

HAMPTON HILL MINING NL

ABN 60 606 628 524

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

HAMPTON HILL MINING NL

DIRECTORS' REPORT

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

The directors of the Company present their report on the Company and the consolidated entity for the year ended 30 June 2008.

DIRECTORS

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

Neil Tomkinson
Wilson Forte
Joshua Pitt

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiary (the "Group" or "Consolidated entity") during the financial year consisted of gold and base metal exploration, including iron ore. There has been no significant change in these activities during the 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

The Consolidated entity's operating loss after tax for the financial year was \$785,370 (2007: \$609,469), of which \$512,609 (2007: \$382,480) related to exploration expenditure written off.

The Company has maintained its strategy of mitigating exploration risk by securing funding of some of its projects through joint venturers with third parties. Hampton's projects are all in Western Australia and relate to base metals and gold exploration. Hampton operates with unusually low overheads compared to other exploration companies thus increasing the percentage of funds that can be applied to exploration in the field.

Hampton raised \$3,179,043 of additional funds via a rights issue completed in March 2008 which the board anticipates will be adequate to sustain the business activities of the Company for at least two years.

Exploration activities fully funded by Hampton have included drilling at the Weebacarry and Manyingee North projects and soil sampling programs at the Wheatley project. Drilling programs at the Ryansville iron ore project and Wheatley and Capricorn base metal projects await the granting of Permits of Work. Programs funded through joint venture have included drilling at the Weld Range iron ore project and at the Yillaree nickel project.

Hampton's primary exploration asset is its 40% free carried interest in the Hampton Hill Mining Joint Venture (HHMJV). Midwest Corporation Ltd (Midwest) is the other party to the joint venture and manages the project. The HHMJV tenements form part of what is known as the Midwest/Sinosteel Weld Range Direct Shipping Iron Ore Project (WRDSIOP). The rate of drilling is expected to increase significantly next year as additional tonnes are sought for inclusion in the WRDSIOP bankable feasibility study which is planned to be completed before the end of 2009. Midwest has previously announced an indicative target expectation of 35 to 45 million tonnes of direct shipping ore for the HHMJV tenements. Limited drilling to date has returned significant widths of what appears from visual inspection to be high grade hematite goethite mineralisation.

At the Ryansville project on the southern flank of the Weld Range, the Company plans drilling to test two kilometres of strike for buried iron ore lenses. The program awaits the completion of aboriginal heritage surveying.

Late in the year Apex Minerals NL withdrew from a joint venture on the Apollo Hill gold project mainly as the result of policy changes by the Department of Indigenous Affairs which have placed new barriers to access. Hampton hopes to re-establish access rights to the tenements and will commence dialogue with the relevant aboriginal groups. Planned exploration includes the down plunge testing of previous significant gold intersections at the main Apollo Hill prospect and the drill testing of regional targets.

At the Yillaree nickel sulphide project, managed by Breakaway Resources Limited, reverse circulation drilling is planned following the outlining of a number of coincident nickel, copper and platinum group element anomalies by RAB drilling completed during the past year.

Hampton will carry out drilling programs during the coming summer at the Wheatley base metal project to test four VTEM anomalies inadequately tested by previous drilling and soil geochemical anomalies defined during the year.

Hampton undertook an aircore drilling program covering extensions of known mineralisation and to test some structural targets which downgraded the gold potential of the project. However, the drilling did intersect anomalous base metal results in altered felsic volcanic sediments and the Company now plans to assess the potential for base metal mineralisation on the project.

HAMPTON HILL MINING NL

DIRECTORS' REPORT (Continued)

The Capricorn project has been reappraised during the year. Two different types of base metal mineralisation have been recognised; massive nickel sulphide mineralization associated with gabbroic host rocks and stratiform zinc mineralisation associated with altered sedimentary host rocks. Hampton plans reverse circulation drill program to test for along strike and down dip extensions of both these types of mineralisation.

Although reconnaissance sampling of two granted tenements forming part of the Sylvania uranium project downgraded the potential for calcrete uranium mineralisation, two additional ungranted tenements are thought to have potential for this style of mineralisation. One of these ungranted tenements also has potential for gold and base metal mineralisation.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In March 2008 the Company issued 17,681,932 new shares at 18 cents each to raise \$3.179 million after costs following a successful 1 for 5 pro-rata entitlement offer to existing shareholders by way of a prospectus. Other than this capital raising and the operating results for the year there were no significant changes in the state of affairs of the Company during the year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no other matters or circumstances which have arisen since the end of the financial year that have significantly affected the operations of the Company or the results of those operations or the state of affairs of the Company, nor are there any such matters or circumstances or likely developments which in the view of Directors may significantly affect the future operations or the results of those operations or the state of affairs of the Company.

INFORMATION RELATING TO DIRECTORS

Non-Executive Chairman

Neil Tomkinson LLB

Mr Tomkinson has extensive experience over the last thirty years in the administration of and investment in exploration and mining companies. Mr Tomkinson is the non-executive chairman of Traka Resources Limited (appointed September 2003) and Red Hill Iron Limited (appointed April 2008) and is a non-executive director of Pan Pacific Petroleum NL (appointed June 2007). Mr Tomkinson is an investor in private mineral exploration and in resources in general in Australia.

Managing Director

Wilson Stanley 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 twenty years he has mainly worked on the evaluation of gold and base metal projects in Western Australia.

Non-Executive Director

Joshua Norman Pitt BSc, MAusIMM, MAIG

Mr Pitt is a geologist with substantial exploration experience who has for more than thirty years been a director of exploration and mining companies in Australia. Mr Pitt was a non-executive director of LionOre Mining International Limited (appointed November 2003, resigned May 2005) and is currently a non-executive director of Traka Resources Limited (appointed July 2003), Red Metal Limited (appointed July 2003) and Red Hill Iron Limited (appointed June 2005). Mr Pitt is involved in substantial resource investment.

INFORMATION RELATING TO COMPANY SECRETARY

Peter Rutledge BSc, CA, FIA

Mr Rutledge is a Chartered Accountant and a Fellow of The Financial Services Institute of Australia and has over twenty years experience as company secretary of a number of listed mining and exploration companies.

HAMPTON HILL MINING NL

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS IN SHARES IN THE COMPANY

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

DIRECTORS	Ordinary Shares	Ordinary Shares
	Fully Paid	Partly Paid to 0.1 cents
N Tomkinson	53,586,109	-
W S Forte	3,095,894	1,900,000
J N Pitt	53,586,109	-

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 53,586,109 shares. No options have been issued to the directors.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of directors held during the year ended 30 June 2008 and the number of meetings attended by each director:

Director	Meetings of Directors whilst a Director	Number of Meetings Attended
W S Forte	6	6
N Tomkinson	6	6
J N Pitt	6	6

AUDITED REMUNERATION REPORT

(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 person 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 executive 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,
- providing recognition for contribution.

The remuneration policy is not linked to the Company's performance.

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, by way of an incentive, the opportunity to take up partly paid shares 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 expensed.

Non-Executive Directors

The Company's non-executive directors have elected not to receive any fees or remuneration from the Company. Non-executive directors may be paid all travelling and other expenses properly incurred by them in the business of the Company.

Executive Director and other Executives

Executive remuneration packages include set salary or fee amounts and long term incentives through grants of partly paid shares or share options.

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

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

HAMPTON HILL MINING NL

DIRECTORS' REPORT (Continued)

AUDITED REMUNERATION REPORT (Continued)

Remuneration for the Managing Director is by way of a salary inclusive of statutory superannuation payments, the use of a company 4-wheel drive vehicle primarily for accessing the Company's exploration properties, and from time to time the issue of partly paid shares or options to take up fully paid shares in the Company. The non-executive directors review terms on an annual basis. The nature and amount of remuneration paid to the Managing Director has been determined by reference to the services provided, experience, length of service and prevailing market rates.

Remuneration of the Company Secretary is by way of a retainer and fee for company secretarial, accounting and administration services provided to the Company, invoiced on an hourly basis, and from time to time the issue of partly paid shares, or options to take up fully paid shares in the Company. The directors' regularly review the services provided and the hourly rate charged.

(b) Details of remuneration

The key management personnel of the Company and the Group 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	Share based payments	Total	Value of partly paid shares as a proportion of remuneration
	Salary & fees	Non-cash benefits	Super-annuation	Partly paid shares		
2008	\$	\$	\$	\$	\$	%
Directors						
Non-executive						
N Tomkinson	-	-	-	-	-	-
J N Pitt	-	-	-	-	-	-
Executive						
W S Forte	100,000	12,295	100,000	-	212,295	-
	<u>100,000</u>	<u>12,295</u>	<u>100,000</u>	<u>-</u>	<u>212,295</u>	<u>-</u>
Other specified executives						
P C Rutledge	36,402	-	-	-	36,402	-
2007						
Directors						
Non-executive						
N Tomkinson	-	-	-	-	-	-
J N Pitt	-	-	-	-	-	-
Executive						
W S Forte	115,005	7,025	74,995	43,750	240,775	18%
	<u>115,005</u>	<u>7,025</u>	<u>74,995</u>	<u>43,750</u>	<u>240,775</u>	<u>18%</u>
Other specified executives						
P C Rutledge	36,851	-	-	3,900	40,751	9%

No part of the remuneration of directors and other specified executives is contingent on the performance of the Company. The key management personnel of the Company are the same as the key management personnel of the Group.

(c) Service agreements

The salary and superannuation package for the Managing Director, Mr Wilson Forte, for the year ended 30 June 2008 was \$212,295 including non-cash benefits. There are no termination arrangements in respect of Mr Forte's employment other than the expectation that he would receive normal notice and compensation set down by law in the event of his services being terminated.

The fees and retainer payable by the Company to Sable Management Pty Ltd for Mr Rutledge's services for the year ended 30 June 2008 exclusive of GST were \$36,402.

HAMPTON HILL MINING NL

DIRECTORS' REPORT (Continued)

AUDITED REMUNERATION REPORT (Continued)

(d) Share based compensation

The Managing Director and other specified executives from time to time are entitled to be granted partly paid shares in the Company, at the discretion of the board and, in the case of the Managing Director, subject to shareholder approval. The Managing Director does not participate in any board discussions regarding his remuneration. Share based payments are provided as incentives and are not linked to company performance.

There were no options or partly paid shares granted to key management personnel and other specified executives during the year.

(e) Additional information

Share-based compensation: Partly paid ordinary shares.

No partly paid shares were issued during the year.

No partly paid shares were paid up during the year and no partly paid shares were forfeited during the year.

The Audited Remuneration Report ends here.

DIRECTORS' BENEFITS

Since 30 June 2008 no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or receivable by a Director shown in the remuneration report, by reason of a contract that the Director, a firm of which he is a member, or an entity in which he has a substantial financial interest, has made (during the year ended 30 June 2008 or at any other time) with:

- (a) the Company, or
- (b) an entity that the Company controlled or a body corporate that was related to the Company when the contract was made or when the Director received, or became entitled to receive, the benefit.

SHARES UNDER OPTION

There are no options to take up ordinary shares in the Company at the date of this report.

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.

INSURANCE OF OFFICERS

During or since the end of the financial year the Company has not given an indemnity, 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 for leave of any court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for a 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.

HAMPTON HILL MINING NL

DIRECTORS' REPORT (Continued)

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.

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 Annual Report.

NON-AUDIT SERVICES

BDO Kendalls Audit & Assurance (WA) Pty Ltd, the Company's auditor, did not perform any non-audit services for the Company for the year ended 30 June 2008.

Signed in Perth in accordance with a resolution of Directors on 18 September 2008.



N Tomkinson
Chairman



18 September 2008

The Directors
Hampton Hill Mining NL
PO Box 689
WEST PERTH WA 6872

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS
OF HAMPTON HILL MINING NL**

As lead auditor of Hampton Hill Mining NL for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hampton Hill Mining NL during the period.

BG McVeigh
Director

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia

HAMPTON HILL MINING NL

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

Hampton Hill Mining NL is a small listed company with an uncomplicated corporate structure. Governance arrangements are based on the Principles of Good Corporate Governance and Best Practice Recommendations published by the ASX Corporate Governance Council. The Company has adopted those of the Best Practice Recommendations which its board of Directors ("the Board") considers to be appropriate to safeguard shareholder assets and efficiently manage the business, taking into account the size of the Company and the inherent and well understood high risk nature of the exploration industry.

In August 2007 the ASX Corporate Governance Council released the second edition of the Corporate Governance Principles and Recommendations ("Revised Principles"). Listed entities are required to report in accordance with these Revised Principles in the first financial year commencing on or after 1 January 2008. Consequently the Company will report in accordance with the Revised Principles for the financial year ending 30 June 2009.

The following statement, which is current at the date of the 2008 Director's Report, outlines the Corporate Governance measures adopted by the Company and the extent to which the Company has followed the Best Practice Recommendations during the financial year ended 30 June 2008.

MANAGEMENT AND OVERSIGHT

Objectives of the Board

The Board's key objective is the increase of shareholder value by successful exploration. At all times shareholders' rights and interests are safeguarded by the provision of an appropriate overview of management. The Board meets regularly in the discharge of its responsibilities.

Board Responsibility

The Board focuses the Company's activities on pursuing exploration opportunities in the mineral resource business which are judged to have the potential for success without exposing the Company to undue risk. The Board has put in place adequate management control and monitoring systems that include:

- (a) continually reviewing the performance of the Company and its executive, including management and financial performance, overseeing strategy implementation and where necessary ensuring appropriate resources are available. The board retains the right to replace the Company's Managing Director;
- (b) at regular Board meetings, reviewing, approving and amending where necessary the Managing Director's annual programmes and budgets, the Company's then current exploration activities and its overall corporate objectives;
- (c) putting in place systems of risk management and legal control mechanisms and ensuring their effectiveness;
- (d) approving and monitoring the progress of major capital expenditure, the management of capital and acquisitions and divestitures;
- (e) maintaining responsibility for the overall financial management of the Company with the ability to approve the appointment (if necessary) of a Financial Officer and to replace the Company Secretary;
- (f) monitoring and approving financial and other reporting;
- (g) supervising the overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities to ensure division of functions remain appropriate to corporate needs;
- (h) liaising with the Company's external auditors;
- (i) monitoring, and ensuring compliance with all of the Company's legal obligations, in particular those relating to the maintenance of the Company's mineral tenements, the environment, native title, cultural heritage and occupational health and safety requirements.

Within the above framework the Board retains the ability to delegate some of its responsibilities; however the size of the Company and the nature of its operations has resulted in delegation being kept to a minimum.

Materiality

The Board has agreed on the following guidelines, which are deemed appropriate for a company of the maturity and size of Hampton for assessing the materiality of matters:-

- (a) Quantitative materiality
All balance sheet and profit and loss items in excess of \$5,000 are material.

HAMPTON HILL MINING NL

CORPORATE GOVERNANCE STATEMENT (Continued)

FOR THE YEAR ENDED 30 JUNE 2008

- (b) Qualitative materiality
 - (i) any matters which impact on the reputation of the Company and/or its Board;
 - (ii) any activities of the Company, its joint venturers, employees or contractors which may involve a breach of legislation or are in the Board's view outside the ordinary course of its business;
 - (iii) any matter which might negatively affect the Company's rights to its assets;
 - (iv) any activity of the Company, its joint venturers, employees or contractors which has the capacity to involve a contingent liability that would in the Board's view have a potential material effect on the Company's balance sheet or a similar effect on one or more profit and loss items.

- (c) Materiality in contracts

Hampton is a relatively small company and its Directors consider most contracts entered into by the Company to be material. With the exception of day to day agreements the responsibility for which fall upon the Managing Director, all Contracts are subjected to review by the Board.

BOARD OF DIRECTORS

The name, expertise, experience and term of the office of each director is set out in the Directors' Report. The Board is comprised of two non-executive directors, including the Chairman, and one executive director being the Managing Director.

Independent Directors

There are no independent directors on the Board within the strict meaning of the term as set down in the ASX Principles of Good Corporate Governance because the Managing Director is an employee and the two other directors are associated as substantial shareholders, as defined in the Corporations Act, and hence are deemed to lack independence. However the make-up of the Board is such that although each of the Company's directors is not deemed to be independent, the Board is satisfied that there is sufficient independence of view and variety of intellectual input between directors to mollify any reservations which shareholders might have in this regard.

The Chairman

The Chairman is a non-executive director and is responsible for leadership of the Board and for the efficient organisation and conduct of the Board. He also retains overall responsibility, subject to management input, for communication with shareholders.

The Managing Director

The Managing Director runs the Company on a day to day basis pursuant to authority delegated by the Board and is responsible for the implementation of Board and corporate policy and planning in accordance with approved programmes and budgets. The Managing Director reports to the Board regularly and is under an obligation to make sure that all reports which he presents give a true and fair view of the Company's exploration and other activities and its then current financial status.

Nomination for board positions

The full Board will decide on the choice of any new director(s) upon the creation of any new board position and/or if any casual vacancy arises. Any decisions taken to appoint new directors will be minuted. The small size of the Company and of the Board does not warrant the appointment of a nomination committee.

Independent professional advice

Each director has the right to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required and will not be unreasonably withheld.

ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The Board adheres to and is responsible for enforcing the Corporate Code of Conduct set out in this Corporate Governance Statement.

HAMPTON HILL MINING NL

CORPORATE GOVERNANCE STATEMENT (Continued)

FOR THE YEAR ENDED 30 JUNE 2008

Policy on share trading

Hampton Board policy is that directors, officers and employees are prohibited from dealing in the Company's shares when they possess inside information. The Board is to be notified when trading of shares in Hampton by any Director or officer of the Company occurs. 'Inside information' is information that, if it were generally available would or would be likely to influence investors in deciding whether to buy or sell the Company's securities.

INTEGRITY IN FINANCIAL REPORTING

Financial Reports

The Managing Director and the Company Secretary (as the nearest equivalent of a Chief Financial Officer) are required to confirm in writing to the Board that the Company's half year and full year financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

Audit Committee

Hampton's Directors do not consider that the Company's affairs are of such a size and complexity as to merit the establishment of a separate audit committee. Until this situation changes, the Board of Hampton will carry out any necessary audit committee functions.

The Board monitors the form and content of the Company's financial statements; it also maintains an overview of the Company's internal financial control and audit system and risk management systems.

Additionally, on an annual basis the Board, in line with its overall responsibility to shareholders, reviews the performance of the external auditor and the continuation of that appointment. The Board also approves the remuneration and terms of engagement of the external auditor. Any appointment of a new external auditor will be submitted for ratification by shareholders at the next annual general meeting of the Company.

TIMELY AND BALANCED DISCLOSURE

Detailed compliance procedures, to ensure timely and balanced disclosure of information in line with ASX Listing Rule disclosure requirements and Continuous Disclosure Guidelines, have been noted and adopted by the Company. The Company Secretary is charged with ensuring that any necessary steps which need to be taken by the Company are brought before the Board for discussion and, subject to amendment, approval.

COMMUNICATION WITH AND PARTICIPATION OF SHAREHOLDERS

Hampton maintains a website at www.hamptonhill.com.au

Hampton shareholders may find all recent information on the Company under various headings on the Company's website, including its recent ASX releases, details of its projects and its Corporate Profile. Shareholders may also request a copy of the Company's ASX recent releases.

Hampton invites its external auditor to attend the Company's annual general meeting and to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

RISK MANAGEMENT

Consistent with the compliance systems detailed elsewhere in this statement the Board takes responsibility for the risk management of the Company.

The Board routinely reviews corporate risk and supervises internal compliance and control systems.

The Managing Director is responsible to the board for ensuring the systems are complied with and is required annually to make a statement to the board in writing to this effect.

Whilst high priority is given to the management of risk in the Company current and potential investors are reminded that they are investors in a company engaged in exploration activities which by their very nature are high risk and where successful may give rise to high rewards.

HAMPTON HILL MINING NL

CORPORATE GOVERNANCE STATEMENT (Continued)

FOR THE YEAR ENDED 30 JUNE 2008

PERFORMANCE EVALUATION OF THE BOARD, INDIVIDUAL EXECUTIVE AND NON-EXECUTIVE DIRECTORS

The Board conducts regular informal reviews of executive performance including that of the Company Secretary on at least an annual basis.

REMUNERATION OF DIRECTORS AND EXECUTIVES

The Company does not have a Remuneration Committee due to the size of the Board, the Company and the limited number of employees. The full Board carries out the functions of the Remuneration Committee, with the Managing Director excluded from the annual review of the adequacy of his remuneration and participation in share incentive arrangements.

The non-executive directors currently receive no remuneration and consequently no independent review of this aspect is carried out.

Details of directors' and executives' remuneration are set out in the Remuneration Report section of the Directors' Report in accordance with the requirements of the Corporations Act..

CORPORATE CODE OF CONDUCT AND OBJECTIVES

Hampton is committed to:

- (a) applying the Company's funds in an efficient manner in the search for mineral resources the quality of which will increase shareholder value;
- (b) applying high standards of professional excellence;
- (c) adopting high standards of occupational health and safety, environmental management and ethics;
- (d) fostering and maintaining a culture of ownership, care and professional excellence from the Company's employees; and
- (e) ensuring that all of its business affairs are conducted legally, ethically and with integrity.

Corporate Responsibility

The Company complies with all legislative and common law requirements which affect its business, particularly environmental regulations, native title and cultural heritage laws.

Employment

Hampton's policy is to employ the best available staff; at this stage in the Company's development all potential employees are subject to full Board scrutiny.

Third Parties

The Company treats third parties in a fair and reasonable manner and does not engage in deceptive practices.

Conflict of Interest

The Board and the executive are obligated to avoid situations of real or apparent conflict of interest between them as individuals and as Directors or employees of the Company. If a situation where a conflict of interest arises the Chairman is to be notified, the matter will then be considered and the appropriate steps taken to avoid a repetition.

Breach of Corporate Governance

Any breach of Corporate Governance is to be reported directly to the Chairman.

Review of Rules of Corporate Governance

The Board through the Chairman monitors the Company's compliance with the Rules periodically.

HAMPTON HILL MINING NL

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue from continuing operations	4	101,661	100,061	101,661	100,061
Exploration expenditure written off	9	(512,609)	(382,480)	(512,609)	(382,480)
Expenses	5	<u>(374,422)</u>	<u>(327,050)</u>	<u>(374,422)</u>	<u>(327,050)</u>
Loss before income tax from continuing operations		(785,370)	(609,469)	(785,370)	(609,469)
Income tax expense	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss attributable to the ordinary equity holders of the Company		<u>(785,370)</u>	<u>(609,469)</u>	<u>(785,370)</u>	<u>(609,469)</u>
Loss per share for loss attributable to the ordinary equity holders of the Company					
Basic loss and diluted loss per share	24	0.67 cents	0.54 cents		

The above Income Statements should be read in conjunction with the accompanying notes.

HAMPTON HILL MINING NL

BALANCE SHEETS

AS AT 30 JUNE 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Assets					
Current Assets					
Cash and cash equivalents	7	3,030,941	743,270	3,030,941	743,270
Trade and other receivables	8	<u>97,562</u>	<u>62,219</u>	<u>901,053</u>	<u>865,710</u>
Total Current Assets		<u>3,128,503</u>	<u>805,489</u>	<u>3,931,994</u>	<u>1,608,980</u>
Non-Current Assets					
Exploration assets	9	6,839,720	6,666,019	5,364,937	5,191,236
Plant and equipment	10	34,121	21,261	34,121	21,261
Other financial assets	11	<u>-</u>	<u>-</u>	<u>673,601</u>	<u>673,601</u>
Total Non Current Assets		<u>6,873,841</u>	<u>6,687,280</u>	<u>6,072,659</u>	<u>5,886,098</u>
Total Assets		<u>10,002,344</u>	<u>7,492,769</u>	<u>10,004,653</u>	<u>7,495,078</u>
Liabilities					
Current Liabilities					
Trade and other payables	12	202,596	84,048	202,596	84,048
Provisions	13	<u>1,246</u>	<u>892</u>	<u>1,246</u>	<u>892</u>
Total Current Liabilities		<u>203,842</u>	<u>84,940</u>	<u>203,842</u>	<u>84,940</u>
Total Liabilities		<u>203,842</u>	<u>84,940</u>	<u>203,842</u>	<u>84,940</u>
Net Assets		<u>9,798,502</u>	<u>7,407,829</u>	<u>9,800,811</u>	<u>7,410,138</u>
Equity					
Issued capital	14	18,487,094	15,311,051	18,487,094	15,311,051
Reserves	15	137,200	137,200	137,200	137,200
Accumulated losses		<u>(8,825,792)</u>	<u>(8,040,422)</u>	<u>(8,823,483)</u>	<u>(8,038,113)</u>
Total Equity		<u>9,798,502</u>	<u>7,407,829</u>	<u>9,800,811</u>	<u>7,410,138</u>

The above Balance Sheets should be read in conjunction with the accompanying notes.

HAMPTON HILL MINING NL

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Total Equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2006	15,310,301	(7,430,954)	87,160	7,966,507
Net loss for the period	-	(609,469)	-	(609,469)
Total recognised income and expense for the year	-	(609,469)	-	(609,469)
Issue of partly paid shares	750	-	-	750
Share based payments	-	-	50,040	50,040
Balance at 30 June 2007	<u>15,311,051</u>	<u>(8,040,422)</u>	<u>137,200</u>	<u>7,407,829</u>
Balance at 1 July 2007	15,311,051	(8,040,422)	137,200	7,407,829
Net loss for the period	-	(785,370)	-	(785,370)
Total recognised income and expense for the year	-	(785,370)	-	(785,370)
Issue of fully paid shares	3,176,043	-	-	3,176,043
Balance at 30 June 2008	<u>18,487,094</u>	<u>(8,825,792)</u>	<u>137,200</u>	<u>9,798,502</u>
Parent Entity				
Balance at 1 July 2006	15,310,301	(7,428,644)	87,160	7,968,817
Net loss for the period	-	(609,469)	-	(609,469)
Total recognised income and expense for the year	-	(609,469)	-	(609,469)
Issue of partly paid shares	750	-	-	750
Share based payments	-	-	50,040	50,040
Balance at 30 June 2007	<u>15,311,051</u>	<u>(8,038,113)</u>	<u>137,200</u>	<u>7,410,138</u>
Balance at 1 July 2007	15,311,051	(8,038,113)	137,200	7,410,138
Net loss for the period	-	(785,370)	-	(785,370)
Total recognised income and expense for the year	-	(785,370)	-	(785,370)
Issue of fully paid shares	3,176,043	-	-	3,176,043
Balance at 30 June 2008	<u>18,487,094</u>	<u>(8,823,483)</u>	<u>137,200</u>	<u>9,800,811</u>

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

HAMPTON HILL MINING NL

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Cash flows from operating activities					
Payments to suppliers and employees		(360,306)	(237,706)	(360,306)	(237,706)
Payments for exploration expenditure		(546,634)	(927,214)	(546,634)	(924,070)
Interest received		27,106	83,739	27,106	83,739
Other revenue received		<u>15,846</u>	<u>28,435</u>	<u>15,846</u>	<u>28,435</u>
Net cash outflow from operating activities	23	<u>(863,988)</u>	<u>(1,052,746)</u>	<u>(863,988)</u>	<u>(1,049,602)</u>
Cash flows from investing activities					
Loan to controlled entity		-	-	-	(3,144)
Purchase of plant and equipment		<u>(24,384)</u>	<u>(15,723)</u>	<u>(24,384)</u>	<u>(15,723)</u>
Net cash outflow from investing activities		<u>(24,384)</u>	<u>(15,723)</u>	<u>(24,384)</u>	<u>(18,867)</u>
Cash flows from financing activities					
Proceeds from issue of shares		<u>3,176,043</u>	<u>750</u>	<u>3,176,043</u>	<u>750</u>
Net cash inflow from financing activities		<u>3,176,043</u>	<u>750</u>	<u>3,176,043</u>	<u>750</u>
Net increase/(decrease) in cash and cash equivalents		2,287,671	(1,067,719)	2,287,671	(1,067,719)
Cash and cash equivalents at the beginning of the financial year		<u>743,270</u>	<u>1,810,989</u>	<u>743,270</u>	<u>1,810,989</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>3,030,941</u></u>	<u><u>743,270</u></u>	<u><u>3,030,941</u></u>	<u><u>743,270</u></u>

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial report covers the consolidated entity of Hampton Hill Mining NL and its controlled entity, Apollo Mining Pty Ltd, and Hampton Hill Mining NL as a parent entity. Hampton Hill Mining NL is a listed public company, incorporated and domiciled in Australia.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Accounting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of Hampton Hill Mining NL comply with International Financial Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRS.

Reporting Basis and Conventions

These financial statements have been prepared on an accruals basis and are based on historical costs modified by revaluation of selected non-current assets, financial assets, and financial liabilities for which the fair value basis of accounting has been applied.

Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report 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 group.

(i) Key Estimates — Impairment

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

(ii) Capitalisation of exploration and evaluation expenditure

The group has capitalised exploration and evaluation expenditure of \$6,839,720 (2007: \$6,666,019) on the basis either that this is expected to be recouped through successful development (or alternatively sale) of the areas of interest concerned or that it is not yet possible to assess whether it would be recouped.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Hampton Hill Mining NL ("Company" or "Parent Entity") as at 30 June 2008 and the results of its subsidiary for the year then ended. Hampton Hill Mining NL and its subsidiary together are referred to in this Financial Report as the Group or consolidated entity.

Subsidiaries

A subsidiary is an entity (including a special purpose entity) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with minor interests as transactions with parties external to the group. Disposals to minority interests results in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments in subsidiaries are accounted for at cost in the individual financial statements of Hampton Hill Mining NL.

(c) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operation in other economic environments.

(d) Revenue recognition

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 accrual accounting basis.

Other revenue is recognised as it accrues.

(e) Income tax

The charge for current income tax expenses is based on the profit 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 sheet date.

Deferred tax is accounted for using the balance sheet 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 profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation legislation

The Company and its wholly-owned Australian subsidiary, Apollo Mining Pty Ltd, have implemented the tax consolidation legislation.

The Company is the head entity in the tax controlled group and its subsidiary is the controlled entity and each accounts for its own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the controlled entity in the tax consolidated group.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Impairment of assets

At each reporting date, the Group 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 the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

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

(g) Cash and cash equivalents

Cash includes deposits at call short term deposits and bills of exchange 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.

(h) Trade receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(i) Other financial assets and liabilities

Recognition

Financial instruments are initially 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 below.

Loans and receivables

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

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debts less principal payments and amortisation.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(j) Exploration and evaluation expenditure

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.

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 to the income statement.

Accumulated costs in relation to an abandoned area are written off in full against profit 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 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Plant and equipment

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 on 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. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and Equipment (including motor vehicles):	13% to 27% straight line.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(l) Trade and other payables

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

(m) Employee benefits

Wages and salaries, annual leave and sick leave

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

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement benefits obligations

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

Share based payments

Share-based compensation benefits are provided to directors and other personnel of the Company.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair value of partly paid shares granted to directors and other personnel is recognised as an employee benefit expense with a corresponding increase in contributed 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.

The fair value at grant date is independently determined using a call option pricing model that takes into account the price, the term, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the partly paid share, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term.

(n) Issued capital

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.

(o) Loss per share

Basic loss per share

Basic loss per share is determined by dividing the operating profit after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic 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.

(p) Joint ventures

The Group's joint ventures 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 ventures 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 joint ventures do not hold any assets and accordingly the Company's share of exploration expenditure is accounted for in accordance with the policy set out in Note 1(j).

(q) 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 Tax 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.

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

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) **New accounting standards and interpretation**

The following Australian Accounting Standards have been issued and or amended and are applicable to the Group but are not yet effective. They have not been adopted in the preparation of the financial statements at reporting date. The Application Date of the standard is for the annual reporting periods beginning on or after the date shown in the table below.

Reference	Affected standards	Nature of change to accounting policy and impact on accounts	Application date
AASB 8 (issued Feb 2007)	AASB 8 replaces AASB 114 Segment Reporting	As this is a disclosure standard, there will be no impact on amounts recognised in the financial statements. The amendments may have an impact on the Company's segment disclosures.	1 January 2009
AASB 101 (revised) (issued Sept 2007)	Amendments to AASB 101 Presentation of Financial Statements	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented and various changes to names of individual financial statements.	1 January 2009
AASB 2008-1 (issued Feb 2008)	Amendments to AASB 2 – Share Based Payments : Vesting Conditions and Cancellations	No impact because the Company has not issued any options to employees that include non-vesting conditions.	1 January 2009
Amendments to International Financial Reporting Standards (IFRS)	Improvements to IFRSs	The Company has not yet determined the extent of the impact of the amendments, if any.	1 January 2009 except amendments to IFRS 5, which are effective from 1 July 2009
AASB 2008-5 (issued July 2008)	Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 and 1038)	Only the amendments to AASB 136 are applicable and there will be no financial impact when these amendments are first adopted because these amendments relate to additional disclosure requirements only.	1 January 2009
AASB 127 (revised March 2008)	Consolidated and Separate Financial Statements	If the Group changes its ownership interest in the existing subsidiary in the future the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 July 2009
AASB 2008-7 (issued July 2008)	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (AASB 1, AASB 118, AASB 127 and AASB 136)	There will be no impact as these requirements are only required to be applied prospectively for periods commencing on or after 1 January 2009.	Periods commencing on or after 1 January 2009

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 2 – FINANCIAL RISK MANAGEMENT

The Group, 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 Group'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 Group.

Market risk

The Group's market risk exposure is 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.

Bills of exchange, with a face value \$200,000 (2007: \$550,000), and bank deposits at call, amounting to \$2,805,857 (2007:122,392), all mature within 40 days of balance date.

The weighted average rate of interest earned by the Group during the year on its cash assets was 5.80% (2007: 6.29%).

The table below summarises the sensitivity of the Group's cash assets to interest rate risk. The Group has no interest rate risk associated with any of its other financial assets or liabilities.

Financial Assets	Weighted average carrying amount of cash assets	Effect of decrease or increase of interest rate on profit and equity of the Group			
		-1%		+ 1%	
Change of interest rate:		Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
30 June 2008					
Cash & cash equivalents	1,345,030				
Total increase/(decrease)		(13,450)	(13,450)	13,450	13,450
30 June 2007					
Cash & cash equivalents	1,282,979				
Total increase/(decrease)		(12,830)	(12,830)	12,830	12,830

Liquidity risk

The Group has no significant exposure to liquidity risk as the Group's only debt is that associated with trade creditors in respect of which the Group's policy is to ensure payment within 30 days. The Group manages its liquidity by monitoring forecast cash flows.

Credit risk

The Group 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 Group manages this exposure by ensuring its funds are deposited only with a major bank with high security ratings.

Exposure to credit risk	Closing carrying amount of cash assets Consolidated		Closing carrying amount of cash assets Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash & cash equivalents	3,030,941	743,270	3,030,941	743,270
Trade and other receivables	97,562	62,219	901,053	865,710

Fair value estimates

The carrying amount of the Group's financial assets and liabilities approximates fair value due to their short term maturity.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 2 – FINANCIAL RISK MANAGEMENT (Continued)

Capital management risk

The Group's objective in managing 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.

NOTE 3 – SEGMENT INFORMATION

The Group operates predominantly in one industry. The principal activities are iron ore, other base metal and gold exploration and prospecting.

The Group currently operates only in Australia which is a single geographic segment.

NOTE 4 – REVENUE

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Revenue from continuing operations				
Interest income	78,056	80,742	78,056	80,742
Other income	<u>23,605</u>	<u>19,319</u>	<u>23,605</u>	<u>19,319</u>
	<u>101,661</u>	<u>100,061</u>	<u>101,661</u>	<u>100,061</u>

NOTE 5 – EXPENSES

Loss before income tax includes the following specific administration expenses:

Personnel expenses

Salaries, superannuation and associated expenses	254,732	229,817	254,732	229,817
Increase in liability for annual leave and long service leave	12,566	13,398	12,566	13,398
Equity-settled transactions	<u>-</u>	<u>50,040</u>	<u>-</u>	<u>50,040</u>
	267,298	293,255	267,298	293,255
Less: Capitalised to exploration	<u>(224,967)</u>	<u>(244,674)</u>	<u>(224,967)</u>	<u>(244,674)</u>
	42,331	48,581	42,331	48,581
Depreciation	11,524	4,019	11,524	4,019
Other administration expenses				
Accounting	44,829	35,851	44,829	35,851
ASX fees	21,251	32,341	21,251	32,341
Audit	26,591	18,627	26,591	18,627
Insurance	7,939	8,477	7,939	8,477
Office operating lease	72,112	61,257	72,112	61,257
Secretarial and administration	52,724	51,856	52,724	51,856
Other	<u>95,121</u>	<u>66,041</u>	<u>95,121</u>	<u>66,041</u>
	<u>374,422</u>	<u>327,050</u>	<u>374,422</u>	<u>327,050</u>

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 6 – INCOME TAX

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
(a) Income tax expense				
The components of income tax expense comprise:				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-
(b) Reconciliation of income tax to operating loss				
The prima facie tax attributable to the loss is reconciled to the income tax as follows:				
Operating loss before income tax	<u>(785,370)</u>	<u>(609,469)</u>	<u>(785,370)</u>	<u>(609,469)</u>
Income tax calculated at 30% (2007: 30%)	(235,611)	(182,841)	(235,611)	(182,841)
Add: Tax effect of amounts which are not tax deductible (taxable) in calculating taxable income				
Non-allowable items	-	-	-	-
Interest income receivable	(15,285)	899	(15,285)	899
Accrued expenses	1,489	1,511	1,489	1,511
Provisions	3,770	2,491	3,770	2,491
Exploration expenditure	(52,110)	(134,789)	(52,110)	(134,789)
Share issue costs	(8,027)	(10,843)	(8,027)	(10,843)
Share based payments expensed during the year	-	15,012	-	15,012
Deferred tax asset in relation to tax losses not recognised	<u>305,774</u>	<u>308,560</u>	<u>305,774</u>	<u>308,560</u>
Income tax attributable to entity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Effective weighted average tax rates	0%	0%	0%	0%
(c) Deferred tax assets and liabilities not brought to account				
Deferred tax assets				
Temporary differences	22,256	23,174	22,256	23,174
Tax losses	3,452,701	3,146,670	3,452,701	3,146,670
Deferred tax liabilities				
Temporary differences	<u>(2,067,433)</u>	<u>(2,000,037)</u>	<u>(1,624,998)</u>	<u>(1,557,602)</u>
Net deferred tax assets	<u>1,407,524</u>	<u>1,169,807</u>	<u>1,849,959</u>	<u>1,612,242</u>

These benefits will only be obtained if the conditions for deductibility set out in note 1(e) occur.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 7 – CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash at bank	26,157	123,203	26,157	123,203
Cash on hand	200	150	200	150
Deposits at call	2,805,837	122,392	2,805,837	122,392
Bills receivable	198,747	497,525	198,747	497,525
	<u>3,030,941</u>	<u>743,270</u>	<u>3,030,941</u>	<u>743,270</u>

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	<u>3,030,941</u>	<u>743,270</u>	<u>3,030,941</u>	<u>743,270</u>
Balance per statement of cash flows	<u>3,030,941</u>	<u>743,270</u>	<u>3,030,941</u>	<u>743,270</u>

Information about the Group's exposure to interest rate risk and credit risk is disclosed in Note 2.

NOTE 8 – CURRENT ASSETS – TRADE & OTHER RECEIVABLES

Security Deposits	6,000	6,000	6,000	6,000
Loan to controlled entity	-	-	803,491	803,491
Other	<u>91,562</u>	<u>56,219</u>	<u>91,562</u>	<u>56,219</u>
	<u>97,562</u>	<u>62,219</u>	<u>901,053</u>	<u>865,710</u>

Other receivables include pro-rata interest receivable at balance date in respect of bills of exchange and other receivables that are expected to be repaid within 30 days of balance date. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

Loan to controlled entity consists of monies advanced to Apollo Mining Pty Ltd to fund exploration expenditure on the Apollo Hill Project. The loan is of no fixed term and does not bear interest.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 9 – NON CURRENT ASSETS – EXPLORATION ASSETS

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Costs brought forward in respect of areas of interest in exploration and evaluation phase	6,666,019	6,173,827	5,191,236	4,702,189
Expenditure incurred during the period on:				
Exploration of tenements	686,310	858,107	686,310	854,962
Acquisition of property	-	16,565	-	16,565
Expenditure recovered	-	-	-	-
Expenditure written off during the year	<u>(512,609)</u>	<u>(382,480)</u>	<u>(512,609)</u>	<u>(382,480)</u>
	<u>6,839,720</u>	<u>6,666,019</u>	<u>5,364,937</u>	<u>5,191,236</u>

Ultimate recoupment of exploration and development expenditure carried forward is dependant on successful development and commercial exploitation, or alternatively sale, of the respective areas.

NOTE 10 – NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Office and field equipment – at cost	66,530	42,146	66,530	42,146
Accumulated depreciation	<u>(32,410)</u>	<u>(20,886)</u>	<u>(32,410)</u>	<u>(20,886)</u>
Total office and field equipment	<u>34,120</u>	<u>21,260</u>	<u>34,120</u>	<u>21,260</u>
Motor vehicle – at cost	49,883	49,883	49,883	49,883
Accumulated depreciation	<u>(49,882)</u>	<u>(49,882)</u>	<u>(49,882)</u>	<u>(49,882)</u>
Total motor vehicle	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total plant and equipment	<u>34,121</u>	<u>21,261</u>	<u>34,121</u>	<u>21,261</u>

A reconciliation of the parent and consolidated entity carrying amounts of each class of plant and equipment at the beginning and end of the current financial year is set out below: The consolidated carrying amounts are the same as the parent entity carrying amounts.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 10 – NON-CURRENT ASSETS - PLANT AND EQUIPMENT (Continued)

Consolidated and Parent Entity	Office & field equipment \$	Motor vehicle \$	Total \$
Carrying amount at 1 July 2006	9,556	1	9,557
Additions during the period	15,723	-	15,723
Depreciation expense	<u>(4,019)</u>	<u>-</u>	<u>(4,019)</u>
Carrying amount at 30 June 2007	21,260	1	21,261
Additions during the period	24,384	-	24,384
Depreciation expense	<u>(11,524)</u>	<u>-</u>	<u>(11,524)</u>
Carrying amount at 30 June 2008	<u>34,120</u>	<u>1</u>	<u>34,121</u>

NOTE 11 – NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Shares in controlled entity at cost	<u>-</u>	<u>-</u>	<u>673,601</u>	<u>673,601</u>

Controlled Entity: Apollo Mining Pty Ltd
 Place of Incorporation: Australia
 Parent Entity & Australian Parent: Hampton Hill Mining NL
 Class of Shares: Ordinary
 Interest Held: 100% (2007:100%)
 Date Acquired: March 2003

NOTE 12 – CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Trade creditors and accruals	154,656	48,318	154,656	48,318
Employee entitlements	<u>47,940</u>	<u>35,730</u>	<u>47,940</u>	<u>35,730</u>
	<u>202,596</u>	<u>84,048</u>	<u>202,596</u>	<u>84,048</u>

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 2.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 13 – CURRENT LIABILITIES - PROVISIONS

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Employee entitlements				
Opening balance	892	619	892	619
Additional provisions	<u>354</u>	<u>273</u>	<u>354</u>	<u>273</u>
Closing balance	<u>1,246</u>	<u>892</u>	<u>1,246</u>	<u>892</u>

NOTE 14 – EQUITY - ISSUED CAPITAL

130,155,897 (2007: 112,473,965) ordinary fully paid shares	18,484,444	15,308,401	18,484,444	15,308,401
2,650,000 (2007: 2,650,000) ordinary shares paid to 0.1 cents	<u>2,650</u>	<u>2,650</u>	<u>2,650</u>	<u>2,650</u>
	<u>18,487,094</u>	<u>15,311,051</u>	<u>18,487,094</u>	<u>15,311,051</u>

Rights attaching to 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 ordinary fully paid shares are listed on the Australian Securities Exchange and carry no trade restrictions.

Rights attaching to 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 Australian Securities Exchange. 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.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 14 – EQUITY - ISSUED CAPITAL (Continued)

Movements in ordinary share capital during the past two years

Fully Paid Shares

Date	Details	Number of shares	Issue price cents	Amount \$
01 July 2006	Balance	112,473,965		15,308,401
30 June 2007	No movement during the year	-		-
30 June 2007	Balance	112,473,965		15,308,401
27 March 2008	Pro rata rights issue	17,681,932	18	3,182,748
	Rights issue cost	-		(6,705)
30 June 2008	Balance	130,155,897		18,484,444

Partly Paid Shares

Date	Details	Number of shares	Weighted average issue price cents	Amount outstanding \$	Paid up per share cents	Total paid up \$
01 July 2006	Balance	1,900,000		393,100		1,900
27 December 2006	Shares Issued	500,000	20	99,500	0.1	500
05 April 2007	Shares Issued	250,000	20	49,750	0.1	250
30 June 2007	Balance	2,650,000		542,350		2,650
	No movement	-		-		-
30 June 2008	Balance	2,650,000		542,350		2,650

NOTE 15 – EQUITY - RESERVES

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Share based payments reserve	137,200	137,200	137,200	137,200

Nature and purpose of reserves

The share based payments reserve records items recognised as expenses on valuation of partly paid shares issued to employees.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 16 – KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short-term employee benefits	112,295	122,030	112,295	122,030
Post-employment benefits	100,000	74,995	100,000	74,995
Share-based payments	-	47,650	-	47,650
	<u>212,295</u>	<u>244,675</u>	<u>212,295</u>	<u>244,675</u>

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' Report forming part of this Annual Report.

(b) Shareholdings

The numbers of shares held by key management personnel are set out below:

2008

Fully paid shares

	Balance 1 July 2007	Received as remuneration	Shares paid up	Net changes other	Balance 30 June 2008
Directors					
J N Pitt	38,579,508	-	-	7,731,901	46,311,409
N Tomkinson	6,064,317	-	-	1,210,383	7,274,700
W S Forte	<u>3,083,913</u>	-	-	<u>11,981</u>	<u>3,095,894</u>
	<u>47,727,738</u>	-	-	<u>8,954,265</u>	<u>56,682,003</u>

Partly paid shares

	Balance 1 July 2007	Received as remuneration	Shares paid up	Net changes other	Balance 30 June 2008
Directors					
W S Forte					
Issued for 10 cents paid to 0.1cents	200,000	-	-	-	200,000
Issued for 20 cents paid to 0.1cents	1,200,000	-	-	-	1,200,000
Issued for 25 cents paid to 0.1cents	<u>500,000</u>	-	-	-	<u>500,000</u>
	<u>1,900,000</u>	-	-	-	<u>1,900,000</u>

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

None of the shares are held nominally.

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the company is their combined holding of 53,586,109 shares (2007: 44,643,825 shares).

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 16 – KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(b) Shareholdings (Continued)

2007

Fully paid shares

	Balance 1 July 2006	Received as remuneration	Shares paid up	Net changes other	Balance 30 June 2007
Directors					
J N Pitt	38,579,508	-	-	-	38,579,508
N Tomkinson	6,064,317	-	-	-	6,064,317
W S Forte	<u>3,083,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,083,913</u>
	<u>47,727,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,727,738</u>

Partly paid shares

	Balance 1 July 2006	Received as remuneration	Shares paid up	Net changes other	Balance 30 June 2007
Directors					
W S Forte					
Issued for 10 cents paid to 0.1cents	200,000	-	-	-	200,000
Issued for 20 cents paid to 0.1cents	700,000	500,000	-	-	1,200,000
Issued for 25 cents paid to 0.1cents	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
	<u>1,400,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>1,900,000</u>

Net changes other relate to shares purchased or sold during the financial year.
None of the shares are held nominally.

NOTE 17 – REMUNERATION OF AUDITORS

	Consolidated		Parent Entity	
	2008	2007	2008	2007
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:	\$	\$	\$	\$
Amounts received, or due and receivable, by auditors for:				
Auditing or reviewing the financial report	26,026	17,578	26,026	17,578
Other services	<u>600</u>	<u>-</u>	<u>600</u>	<u>-</u>
	<u>26,626</u>	<u>17,578</u>	<u>26,626</u>	<u>17,578</u>

NOTE 18 – CONTINGENCIES

Contingent Liabilities

There were no contingent liabilities for termination benefits under service agreements with Directors or executives at 30 June 2008. The Directors are not aware of any other contingent liabilities at 30 June 2008.

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 19 – CAPITAL AND LEASE COMMITMENTS

(a) Mineral Tenements

In order to maintain the mineral tenements in which the Company and other parties are involved, the Company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure in accordance with the requirements of the Western Australian Department of Industry and Resources for the next financial year are set out below.

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Minimum estimated expenditure requirements	<u>833,587</u>	<u>278,685</u>	<u>494,160</u>	<u>278,685</u>

These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined

(b) Operating Leases

Commitment for minimum lease payments in relation to a non-cancellable operating lease are payable as follows:

Within one year	95,850	51,018	95,850	51,018
Longer than one year, not longer than five years	<u>95,850</u>	<u>-</u>	<u>95,850</u>	<u>-</u>
	<u>191,700</u>	<u>51,018</u>	<u>191,700</u>	<u>51,018</u>

The above commitments relate to an operating lease in respect of the Company's premises.

NOTE 20 – RELATED PARTY TRANSACTIONS

(a) Subsidiary

The Company's interest in its wholly owned subsidiary is set out in note 11.

(b) Key management personnel

Disclosures relating to key management personnel are set out in note 16.

(c) Other transactions with director-related entities

The Company has a 75% contributing interest in a joint venture with Metallica Pty Ltd, a company of which Mr Tomkinson and Mr Pitt are directors and which is controlled by entities associated with Mr Pitt.

During the financial year the Company received \$2,196 (2007: \$1,726) from Red Hill Iron Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 21 – INTERESTS IN JOINT VENTURES

The consolidated entity has interests in the following mineral exploration joint ventures as at 30 June 2008:

Name of Project	Interest %	Activities	Other parties
Leinster (Yillaree)	18.73%	Nickel/Gold exploration	Breakaway Resources Limited
Capricorn	75%	Base metals	Metallica Pty Ltd
Wheatley	50%	Base metals	Teck Cominco Australia Pty Ltd
Weld Range - Iron Ore	100%	Iron Ore	Midwest Corporation Ltd (earning 60%)
Weld Range - Non Ferrous	0%	Earning interest in base metals gold and PGMs	Midwest Corporation Ltd 100% (Hampton can earn up to 100%)

The Group's joint ventures do not constitute separate legal entities but are contractual agreements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit. Refer note 1(p).

NOTE 22 – EVENTS OCCURRING AFTER BALANCE DATE

To the best of the Directors' knowledge and belief there have been no other material items, transactions or events subsequent to 30 June 2008 which, although they do not relate to conditions existing at that date, have not been dealt with in this report and which would cause reliance on the information shown in this report to be misleading.

NOTE 23 – CASH FLOW INFORMATION

	Consolidated		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Reconciliation of loss after income tax to net cash flow from operating activities				
Loss from ordinary activities after income tax	(785,370)	(609,469)	(785,370)	(609,469)
Depreciation	11,524	4,019	11,524	4,019
Exploration expenditure written off	512,609	382,480	512,609	382,480
Exploration expenditure capitalised	(685,935)	(874,670)	(685,935)	(871,526)
Equity based payments	-	50,040	-	50,040
Change in operating assets and liabilities:				
(Increase)/Decrease in debtors	(48,990)	3,239	(48,990)	3,239
Increase/(Decrease) in creditors	118,526	(2,553)	118,526	(2,553)
Decrease/(Increase) in GST receivable	13,648	(5,832)	13,648	(5,832)
Net cash outflow from operating activities	<u>(863,988)</u>	<u>(1,052,746)</u>	<u>(863,988)</u>	<u>(1,049,602)</u>

HAMPTON HILL MINING NL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 24 – EARNINGS PER SHARE

	2008 Cents	2007 Cents
Basic and diluted loss per share	<u>0.67</u>	<u>0.54</u>
Reconciliation of loss	\$	\$
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 Income Statement	<u>785,370</u>	<u>609,469</u>
	No. of Shares	No. of Shares
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	<u>118,353,425</u>	<u>112,484,783</u>

The weighted average number of ordinary shares used in calculating basic and diluted loss per share is derived from the fully paid and partly paid ordinary shares on issue.

The diluted loss per share is the same as the basic 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 loss per share.

NOTE 25 - SHARE-BASED PAYMENTS

The Company from time to time issues partly-paid ordinary shares to the executive director, key management personnel and other employees as part of their remuneration. To date 2,650,000 partly-paid shares have been issued in terms of this remuneration practice and details of these partly paid shares including movements over the past two years are set out in Note 14.

There was no cost associated with share based payments during the year as no share based payments were made (2007: \$53,500).

HAMPTON HILL MINING NL

DIRECTORS' DECLARATION

The directors of the Company declare that:

- (a) the financial statements and notes set out on this financial report are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position as at 30 June 2008 and the performance for the year ended on that date of the Company and the consolidated entity;
- (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 remuneration disclosures included in the Directors' Report (as part of the Remuneration Report) for the year ended 30 June 2008, comply with section 300A of the Corporations Act 2001; and
- (d) the directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of directors.



N Tomkinson
Chairman

Perth, 18 September 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPTON HILL MINING NL

Report on the Financial Report

We have audited the accompanying financial report of Hampton Hill Mining NL, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion the financial report of Hampton Hill Mining NL is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

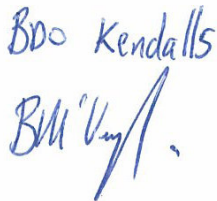
Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of Hampton Hill Mining NL for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

Handwritten signature in blue ink. The top line reads "BDO Kendalls" and the bottom line is a stylized signature, likely "BG McVeigh".

BG McVeigh
Director

Perth, Western Australia
Dated this 18th day of September 2008