HAMPTON HILL
Mining NL

ABN 60 060 628 524

Annual Report 2014

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CORPORATE DIRECTORY

Directors
Joshua Pitt
Executive Chairman

Neil Tomkinson
Non-executive Director

Wilson Forte
Non-executive Director

Company Secretary
Peter Ruttledge

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BDO (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008

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

CHAIRMAN'S LETTER

Dear Shareholders,

The year just passed has been one of consolidation and reflection for our Company. Your board is now preparing a way forward which we would hope will open up new and exciting exploration opportunities which will maintain our focus on gold and base metals within Western Australia.

Hampton Hill continued to restrict expenditures as much as practical during the year while awaiting clarification as to the inherent value of its key assets and assessing various exploration opportunities. Exploration efforts were maintained through a free carried involvement in the Ryansville Base Metal Project.

Your board has been particularly disappointed with the diminution in the market value of its 9.5% shareholding of Peel Mining Limited which has retreated over the past year from $3,945,000 to $1,164,000 at the time of writing. We do retain our confidence in that company and the future of its Mallee Bull and Apollo Hill projects, however your board now accepts that this asset is not likely to provide near-term leverage in determining the future of our Company.

Following yet another year of stalled activity with the Weld Range Hampton Hill Iron Ore Joint Venture, Hampton Hill has exercised its election to convert its project joint venture interest to a 2% FOB royalty. Your board is confident that the royalty protects any future value of our project involvement should iron ore mining be commenced. We do recognize however that the project lies some distance from the coast and would require a port and rail line to be constructed before any development could be contemplated.

The Company also had a disappointing year in terms of results from its exploration efforts. The Ryansville Base Metal Project joint venture carried out a series of drilling campaigns, at no cost to Hampton Hill, without defining any base metal targets worthy of follow up. The joint venture with Alphabrass Pty Ltd has been discontinued and all the joint venture tenements surrendered.

We have received encouragement from our royalty involvement in the Apollo Hill Project, owned by Peel Mining Limited, where reconnaissance work, supported by a small drilling program during the year, has produced positive results. Peel is now planning much more vigorous exploration. Hampton Hill stands to gain significant reward should this effort lead to the discovery of substantial gold resources and mine development. If future production reaches beyond one million ounces a 5% gross royalty will start to flow to Hampton Hill.

Your board appreciates that the past year has been far from rewarding. We are redoubling our efforts to secure a new key exploration project asset which, with an appropriate funding approach, can be advanced as a new cornerstone asset for the Company.

Joshua N Pitt

Chairman

September 2014

DIRECTORS' REPORT

Hampton Hill Mining NL ("the Company" or "Hampton Hill") is an Australian company 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 for the year ended 30 June 2014.

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:

Joshua Pitt
Neil Tomkinson
Wilson Forte

PRINCIPAL ACTIVITIES

The principal activities of the Company have consisted of iron ore, gold and base metal exploration. There has been no significant change in the company's activities during the financial year.

DIVIDENDS

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

REVIEW OF OPERATIONS AND LIKELY DEVELOPMENTS

Hampton Hill maintained a policy of minimising its exploration expenditure during the year while it monitored the progress of its free carried joint venture interest at the Ryansville Project and royalty interest in the Apollo Hill Gold Project and awaited information on the progress of the Weld Range iron ore joint venture with SinoSteel Midwest Corporation Limited (SinoMidwest).

The Hampton - Alphabrass Ryansville Base Metal Joint Venture

The joint venture carried out bedrock drilling and follow up reverse circulation target drill testing without success during the year. Following a post balance date review of the remaining potential within the Ryansville Project it has been decided to terminate the joint venture and surrender all the tenement and joint venture involvements of the joint venture.

The Weld Range Hampton Hill Iron Ore Joint Venture (HHIOJV)

Following a review of future opportunities for this project, the lack of progress, its remoteness from the Western Australian coast and the modest outlook for the iron ore price, the Company has decided, subsequent to balance date, to exercise its right to convert its project interest to a 2% FOB royalty applicable to all future iron ore production that may be achieved from the project. The Company retains its rights under the Non-Ferrous Joint Venture with SinoMidwest.

The Peel Mining Limited Investment

At balance date Hampton Hill held 12,655,000 fully paid shares in Peel Mining Limited (Peel) representing 9.5% of that company's share capital. Upon the date of signing this report, this shareholding had a market value of $1,164,000 which is a marked reduction from the perceived value of the holding one year ago. However, Peel has made significant progress with the Mallee Bull base metal discovery at Cobar, NSW in which it holds a 50% interest. It also is developing new targets at its wholly owned Apollo Hill project.

A positive result from the scoping study currently being carried out on the viability of extracting the Mallee Bull project resources and/or exploration success at Cobar or Apollo Hill would hopefully lead to a significant rise in the perceived value of the Hampton holding.

Hampton Royalty Interests

Hampton Hill holds several royalty interests, the principal ones of which are the 5% gross royalty over production in excess of 1 million ounces at the Apollo Hill Gold Project and now the 2% FOB royalty at the HHIOJV Project covering a portion of the Weld Ranges.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the end of the financial year the Company decided to exercise its right to convert its project interest in the Weld Range Joint Venture to a 2% FOB royalty applicable to all iron ore production that may be achieved from the project. 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 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.

ENVIRONMENTAL REGULATIONS

The mining leases, exploration licences and prospecting licences granted to the Company pursuant to the Mining Act (1978) (WA) are granted subject to various conditions which include standard environmental requirements. The Company adheres to these conditions and the directors are not aware of any contraventions of these requirements. The directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the period 1 July 2013 to 30 June 2014 the directors have assessed that there are no current reporting requirements, but that the Company may be required to report in the future.

INFORMATION RELATING TO THE DIRECTORS

Executive Chairman

Joshua Norman Pitt BSc, MAusIMM, MAIG

Mr Pitt is a geologist with extensive exploration experience who has, for more than thirty five years, been a director of exploration and mining companies in Australia. Mr Pitt is involved in private mineral exploration and also in substantial resource investments. At 30 June 2014, Mr Pitt was a non-executive director of Red Hill Iron Limited (appointed June 2005), Traka Resources Limited (appointed July 2003), Red Metal Limited (appointed July 2003) and Pan Pacific Petroleum NL (appointed December 2008).

Non-executive Directors

Neil Tomkinson LLB Hons

Mr Tomkinson has extensive experience extending over the last thirty five years in the administration of and investment in exploration and mining companies. At 30 June 2014, Mr Tomkinson was the executive chairman of Red Hill Iron Limited (appointed Chairman April 2008) and non-executive chairman of Traka Resources Limited (appointed September 2003) and Pan Pacific Petroleum NL (appointed a director in June 2006 and Chairman in December 2008). Mr Tomkinson is an investor in private mineral exploration and in resources in general in Australia.

Wilson Forte BSc Hons (UWA), MAusIMM, MAIG

Mr Forte is a Western Australian geologist with more than thirty years' experience in mineral exploration in Australia, Southern Africa and Iran. For the past twenty five years he has mainly worked on the evaluation of gold and base metal projects in Western Australia. Mr Forte held the position of Managing Director of the Company until 30 April 2012, at which point he assumed the role of non-executive director.

Peter Ruttledge BSc, CA, FFin

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

DIRECTORS' INTERESTS IN SHARES IN THE COMPANY

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

DIRECTORS	Ordinary shares fully paid	Ordinary shares partly paid to 0.1 cents
J N Pitt	51,661,578	-
N Tomkinson	7,993,970	-
W S Forte	3,406,419	1,900,000

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 59,655,548 shares.
No options have been issued to the directors.

DIRECTORS' REPORT

INFORMATION RELATING TO THE COMPANY SECRETARYMEETINGS OF DIRECTORS

The following table sets out the number of meetings of directors held during the year ended 30 June 2014 and the number of meetings attended by each director:

Director	Meetings of directors whilst a director	Number of meetings attended
J N Pitt	2	2
N Tomkinson	2	2
W S Forte	2	2

The Company does not have any committees.

AUDITED REMUNERATION REPORT

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

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

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

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

The remuneration framework has regard to shareholders' interests by:

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

The remuneration framework has regard to executives' interests by:

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

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

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

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

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

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

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

Non-Executive Directors

With the exception of a non-executive director's fee paid to Mr W S Forte, no other directors fees are paid. Non-executive directors may be paid all travelling and other expenses properly incurred by them in the business of the Company.

Executive Chairman

The executive chairman, appointed on 30 April 2012, has elected not to receive a remuneration package.

AUDITED REMUNERATION REPORT (continued)

Company Performance

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

The table below shows the gross revenue, losses and loss per share for the last five years for the Company (2011 to 2014) and the Group (2010):

		2014	2013	2012	2011	2010
Revenue and other income	($000)	246	286	90	97	110
Net Loss	($000)	1,020	2,719	1,537	1,203	2,200
Loss per share	(cents)	0.7	1.9	1.1	0.9	1.7
Share price at year end	(cents)	2.3	3.0	4.0	21.0	27.0

No dividends have been declared during these periods.

(b) Details of remuneration

The key management personnel of the Company are the directors.

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

	Short term benefits	Post-employment benefits	Total	Performance related
	Salary & fees	Superannuation		
2014	**$**	**$**	**$**	**%**
Directors - Executive				
J N Pitt (Chairman)	-	-	-	-
Directors - Non-executive				
N Tomkinson	-	-	-	-
W S Forte	20,000	1,850	21,850	-
	20,000	1,850	21,850	-
2013				
Directors - Executive				
J N Pitt (Chairman)	-	-	-	-
Directors - Non-executive				
N Tomkinson	-	-	-	-
W S Forte	20,000	1,800	21,800	-
	20,000	1,800	21,800	-

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

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT (continued)

(c) Service agreements

Non-executive director

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

No other service agreements are in place for directors.

(d) Share based compensation

The Company has not paid during the year, and does not anticipate paying, share based compensation as it has no remaining employees.

No options have been issued to, or exercised by, directors or any other key management personnel during the year.

(e) Equity held by key management personnel

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

2014	Balance 1 July 2013	Received as remuneration	Shares paid up	Net changes other	Balance 30 June 2014
Fully paid shares					
Directors					
J N Pitt	51,661,578	-	-	-	51,661,578
N Tomkinson	7,993,970	-	-	-	7,993,970
W S Forte	3,406,419	-	-	-	3,406,419
	63,061,967	-	-	-	63,061,967
Partly paid shares					
Directors					
W S Forte					
Issued for 10 cents paid to 0.1cent	200,000	-	-	-	200,000
Issued for 20 cents paid to 0.1cent	1,200,000	-	-	-	1,200,000
Issued for 25 cents paid to 0.1cent	500,000	-	-	-	500,000
	1,900,000	-	-	-	1,900,000

No other key management personnel hold partly paid shares.

There were no shares granted as compensation to key management personnel during the reporting period.

None of the shares are held nominally.

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

The relevant interest of Mr Tomkinson and Mr Pitt in the shares of the Company is their combined holding of 59,655,548 shares.

(f) Additional Information

Voting and comments at the Company's 2013 Annual General Meeting

The Company received a majority of votes in favour of its remuneration report for the 2013 financial year. The Company did not receive any specific comments on its remuneration practices at the AGM or throughout that year.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT (continued)

No options are held by key management personnel.

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

There were no other transactions with key management personnel and other related parties during the year other than those on normal commercial terms and conditions reported in Note 19(c)

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

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

The audited remuneration report ends here.

BORROWINGS FROM DIRECTORS

Private companies associated with directors, Mr J Pitt and Mr N Tomkinson, advanced short terms loans of $100,000 to the Company during the year. These unsecured loans were advanced on normal commercial terms and conditions bearing interest at 3.5% per annum with a fixed repayment date of 31 December 2014.

SHARES UNDER OPTION

There are no options on issue at the date of this report. Details of options that expired during the year are as follows:

Date options granted	Expiry date	Exercise price	Number of options
10 December 2010	10 December 2013	30 cents	500,000

INSURANCE OF OFFICERS

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

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court pursuant to section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for 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.

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 Audit (WA) Pty Ltd ("BDO"), the Company's auditor, did not perform any non-audit services for the Company for the year ended 30 June 2014.

Signed in Perth in accordance with a resolution of directors on 10 September 2014.

J N Pitt
Chairman

AUDITOR'S INDEPENDENCE DECLARATION

BDO

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DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF HAMPTON HILL MINING NL

As lead auditor of Hampton Hill Mining NL for the year ended 30 June 2014, 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
- No contraventions of any applicable code of professional conduct in relation to the audit.

Chris Burton

Director

BDO Audit (WA) Pty Ltd

Perth, 10th September 2014

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Revenue from continuing operations	4	87	929
Other income	4	245,692	285,533
Impairment of exploration expenditure	10	(11,370)	(3,602,232)
Administration expenses	5	(374,835)	(382,003)
Loss before income tax		(140,426)	(3,697,773)
Income tax (expense)/benefit	6	(879,510)	978,219
Loss for the year		(1,019,936)	(2,719,554)
Other comprehensive income			
Items that may be realised through profit or loss			
Change in the fair value of available-for-sale financial assets		(2,931,700)	3,343,230
Income tax relating to income on other comprehensive income	6	879,510	(978,219)
Other comprehensive income for the year net of tax		(2,052,190)	2,365,011
Total comprehensive (loss) for the year attributable to the ordinary equity holders of the Company		(3,072,126)	(354,543)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Company		**cents**	**cents**
Basic loss and diluted loss per share	23	0.7	1.9

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 $	2013 $
Assets			
Current Assets			
Cash and cash equivalents	7	95,896	63,258
Trade and other receivables	8	25,951	17,027
Financial assets available for sale	9	1,392,050	4,374,150
Total Current Assets		1,513,897	4,454,435
Non-Current Assets			
Exploration assets	10	-	7,320
Plant and equipment	11	722	1,772
Total Non-Current Assets		722	9,092
Total Assets		1,514,619	4,463,527
Liabilities			
Current Liabilities			
Trade and other payables	12	49,611	26,393
Borrowings	13	100,000	-
Total Current Liabilities		149,611	26,393
Total Liabilities		149,611	26,393
Net Assets		1,365,008	4,437,134
Equity			
Issued capital	14	19,324,649	19,324,649
Reserves	15	436,586	2,488,776
Accumulated losses		(18,396,227)	(17,376,291)
Total Equity		1,365,008	4,437,134

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Issued capital $	Reserve – share based payment $	Reserve – asset available for sale $	Accumulated losses $	Total equity $
2014					
Balance at 1 July 2013	19,324,649	206,265	2,282,511	(17,376,291)	4,437,134
Comprehensive loss					
Net loss for the year	-	-	-	(1,019,936)	(1,019,936)
Other comprehensive income net of tax	-	-	(2,052,190)	-	(2,052,190)
Total comprehensive income/(loss) for the year	-	-	(2,052,190)	(1,019,936)	(3,072,126)
Transaction with equity holders in their capacity as equity holders	-	-	-	-	-
Balance at 30 June 2014	19,324,649	206,265	230,321	(18,396,227)	1,365,008
2013					
Balance at 1 July 2012	19,324,649	206,265	(82,500)	(14,656,737)	4,791,677
Comprehensive loss					
Net loss for the year	-	-	-	(2,719,554)	(2,719,554)
Other comprehensive income net of tax	-	-	2,365,011	-	2,365,011
Total comprehensive loss for the year	-	-	2,365,011	(2,719,554)	(354,543)
Transaction with equity holders in their capacity as equity holders:	-	-	-	-	-
Balance at 30 June 2013	19,324,649	206,265	2,282,511	(17,376,291)	4,437,134

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Payments to suppliers and employees		(357,761)	(404,281)
Payments for exploration expenditure		(5,780)	(43,586)
Interest received		87	3,500
Other revenue received		132,503	98,059
Net cash outflow from operating activities	22	(230,951)	(346,308)
Cash flows from investing activities			
Proceeds from sale of equity investments		163,589	229,054
Net cash inflow from investing activities		163,589	229,054
Cash flows from financing activities			
Loans received		100,000	-
Net cash inflow from financing activities		100,000	-
Net increase/(decrease) in cash and cash equivalents		32,638	(117,254)
Cash and cash equivalents at the beginning of the financial year		63,258	180,512
Cash and cash equivalents at the end of the financial year	7	95,896	63,258

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Hampton Hill Mining NL ("the Company") is a public company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange ("ASX").

The Company is a for–profit entity for the purpose of applying these standards.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB"), and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Board ("IASB")

Reporting basis and conventions

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

Critical accounting estimates and judgements

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

(i) Key estimates — impairment

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

(ii) Capitalisation of exploration and evaluation expenditure

The Company has no (2013: $7,320) capitalised exploration and evaluation expenditure on the basis either that this is not 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) Segment reporting

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

(c) 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 using the effective interest rate basis.

Other revenue is recognised as it accrues.

(d) 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 date.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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.

(e) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any objective evidence that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

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

(f) 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.

(g) 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 recognised initially at fair value and subsequently at amortised cost using the effective interest rate method.

Financial assets available for sale

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

Financial liabilities

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment – financial instruments

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

Impairment of assets classified as available for sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognized in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

(h) 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 in profit or loss.

Accumulated costs in relation to an abandoned area are written off in full in the statement of comprehensive income 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.

(i) 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income 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 Company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	*Depreciation Rate*
Plant and Equipment	13% to 27% straight line.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Trade and other payables

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

(k) Borrowings and borrowing costs

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

(l) 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.

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

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 of the partly paid share or option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term.

(m) 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.

(n) Loss per share

Basic loss per share

Basic loss per share is determined by dividing the operating loss 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Joint arrangements

The Company's joint arrangements with third parties do not constitute separate legal entities. They are contractual agreements between the participants for the sharing of costs and output and do not in themselves generate revenue and profit.

The joint arrangements are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities; thereafter the parties often share exploration and development costs in proportion to their ownership of joint venture assets. The parties to the agreement do not hold any assets other than their title to the mineral tenements and accordingly the Company's share of exploration expenditure is accounted for in accordance with the policy set out in Note 1(h).

(p) Goods and Services Tax ("GST")

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

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

(q) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases Note 17(b). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

(r) New accounting standards and interpretation

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

Reference and Title	Nature of change to accounting policy and impact on initial application	Application date
AASB 9 Financial Instruments	Amends the requirement for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Upon adoption, the Company's financial assets classified as available-for-sale will be reclassified into the fair value through profit and loss category. The cumulative fair value changes in the available-for-sale reserve will be reclassified into retained earnings and subsequent fair value changes recognised in profit and loss. The Company does not have any financial liabilities measured at fair value through profit or loss.	1 July 2017
AASB 2014-1 Australian Accounting Standards	Non-urgent but necessary changes to standards arising from the Annual Improvements to IFRS cycle. There will be no impact on the financial statements upon adoption of these amendments as they apply prospectively to share-based payment transactions only for which the grant date is on or after 1 July 2014, or are disclosure impacts only.	1 July 2014

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interpretation 21 Levies	Clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. The Company is not liable to pay any government levies so there will be no impact on the financial statements when this interpretation is first adopted.	1 July 2014
IFRS 15 Revenue from contracts with customers	Revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.	1 July 2017

NOTE 2 – FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk

Price risk

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

The investment is in ordinary shares in an ASX listed exploration company. The shares are typically subject to relatively high price volatility, and, based on the recent historic share price, the table below summarises the impact of an increase/decrease of 50% of the share price of the investment as at 30 June 2014.

	Carry amount of asset available for sale	Overall impact of change in price of		Impact on post-tax profit		Impact on other components of equity	
2014		**-50%**	**+50%**	**-50%**	**+50%**	**-50%**	**+50%**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Investment	1,392,050	(696,025)	696,025	(208,807)	208,807	(487,218)	487,218
2013		**-50%**	**+50%**	**-50%**	**+50%**	**-50%**	**+50%**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Investment	4,374,150	(2,187,075)	2,187,075	(656,123)	656,123	(1,530,952)	1,530,952

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

NOTE 2 – FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

The Company is exposed to Australian money market interest rates in respect of its cash assets. The risk is managed by monitoring the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of its cash assets and interest rate return.

The weighted average rate of interest to which the Company was exposed on its cash assets as at the year end was 1.26% (2013: 0.01%).

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

Financial Assets	**Carrying amount of cash assets**	**Effect of decrease or increase of interest rate on Post tax profit**		**Equity**	
2014		**-0.5%**	**+0.5%**	**-0.5%**	**+0.5%**
	$	**$**	**$**	**$**	**$**
Cash & cash equivalents	95,896				
Total increase/(decrease)		(479)	479	(479)	479
2013		**-0.5%**	**+0.5%**	**-0.5%**	**+0.5%**
	$	**$**	**$**	**$**	**$**
Cash & cash equivalents	63,258				
Total increase/(decrease)		(316)	316	(316)	316

(b) Liquidity risk

The Company has no significant exposure to liquidity risk as the Company's only debt, other than related party loans, is that associated with trade creditors in respect of which the Company's policy is to ensure payment within 30 days.

Borrowings - related party loans

Related party loans of $100,000 (2013 $ Nil) are unsecured and have been advanced on normal commercial terms and conditions bearing interest at 3.5% and repayable by 31 December 2014. These loans are not considered to be a significant liquidity risk as the magnitude and term of the loans is such that the Company has adequate time to manage their repayment funded by realising additional capital or realising financial assets available for sale. The Company manages its liquidity by monitoring forecast cash flows.

(c) Credit risk

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

Exposure to credit risk	**2014**	**2013**
	$	**$**
Closing carrying amount		
Cash & cash equivalents	95,896	63,258
Trade and other receivables	25,951	17,027

(d) Fair value estimates

The carrying amount of the Company's financial assets and liabilities, other than the available-for- sale investment asset, approximates fair value due to their short term maturity.

The available-for-sale investment asset is classified as a Level 1 asset, the fair value of which is based on the quoted market price of the investment, being the closing bid price on the Australian Securities Exchange, at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2 – FINANCIAL RISK MANAGEMENT (continued)

(e) Capital management risk

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

In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets, or joint venture its projects.

The Company considers working capital to consist of cash, receivables, and available-for-sale financial assets less trade creditors and current borrowings.

NOTE 3 – SEGMENT INFORMATION

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

	2014 $	2013 $
Reportable segment assets	-	7,320
Reportable segment loss	(11,370)	(3,602,232)
Reconciliation of reportable segment loss:		
Reportable segment loss	(11,370)	(3,602,232)
Other profit	245,779	286,462
Unallocated corporate expenses	(374,835)	(382,003)
Loss before tax	(140,426)	(3,697,773)

NOTE 4 – REVENUE AND OTHER INCOME

Revenue from continuing operations

Interest income	87	929

Other income

Rent	132,503	97,821
Gain on disposal of available-for-sale financial assets	113,189	187,474
Other	-	238
	245,692	285,533

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 5 – ADMINISTRATION EXPENSES	2014 $	2013 $
Loss before income tax includes the following specific administration expenses:		
Personnel expenses		
Salaries, director fees and other employment expenses	22,184	21,690
Superannuation	1,850	1,800
	24,034	23,490
Depreciation	1,050	1,790
Other administration expenses		
Accounting	60,620	50,553
Audit	32,234	19,743
Finance costs	644	-
Insurance	2,307	3,183
Listing fees	22,444	24,249
Office operating lease	148,648	140,432
Secretarial and administration	38,455	61,118
Other	44,399	57,445
	374,835	382,003

NOTE 6 – INCOME TAX

(a) Income tax expense/(benefit)

The components of income tax expense/(benefit) comprise:		
Current tax	-	-
Deferred tax	879,510	(978,219)
	879,510	(978,219)

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

Operating loss before income tax	(140,427)	(3,697,773)
Prima facie tax benefit at Australian tax rate of 30% (2013: 30%)	(42,128)	(1,109,332)
Adjusted for tax effect of the following amounts:		
Non –deductible items	-	-
Non-taxable items	(6,699)	(2,608)
Adjustment recognised for prior periods	-	(1,262)
Impact of movement in available-for -sale investment	879,510	(978,219)
Tax benefits not brought to account	48,827	1,113,202
Income tax expense /(benefit)	879,510	(978,219)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6 – INCOME TAX (continued)

(c) Income tax relating to each of other comprehensive income

	2014 $	2013 $
Change in fair value of available for sale assets	879,510	(978,219)
	879,510	(978,219)

(d) Deferred tax assets and liabilities not brought to account

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end, at the Australian corporate tax rate of 30%, are made up as follows:

On income tax account:		
Carried forward losses	4,545,628	4,500,238
Deductible temporary differences	4,240	3,000
Taxable temporary differences	(3,170)	(2,196)
Taxable temporary difference (equity)	(98,709)	(978,219)
Unrecognised net deferred tax assets	4,447,989	3,522,823

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

In the June 2013 year, an income tax benefit of $978,219 was recognised from previously unrecognised carried forward tax losses in respect of the net credit balance of the Available-for-Sale Asset Reserve. In the 30 June 2014 year, an income tax expense of $879,510 has been recognised in relation to the derecognition of carried forward tax losses in respect of the movement in the balance of the Available-for-Sale Asset Reserve. The deferred tax asset arising from this recognition has been offset against the Deferred Tax Liability in respect of the net credit balance of the Available-for-Sale Asset Reserve.

(e) Minerals Resource Rent Tax (MRRT)

The Company's iron ore assets are not of a size that is likely to be subject to MRRT and consequently no valuation of the Company's iron ore assets with a view to calculating a possible impact on deferred tax has been performed. Subsequent to the financial year end, on 5 September 2014, the Minerals Resource Rent Tax Repeal and Other Measures Act 2014 received royal assent, thereby repealing the MRRT.

NOTE 7 – CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and on hand	95,896	63,258

Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 2.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 8 – CURRENT ASSETS – TRADE & OTHER RECEIVABLES	2014 $	2013 $
Other	25,951	17,027

Other receivables are expected to be repaid within 30 days of balance date. Information about the Company's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in Note 2. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

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

NOTE 9– CURRENT ASSETS – FINANCIAL ASSETS AVAILABLE FOR SALE

Opening balance	4,374,150	1,072,500
Acquisitions	-	-
Disposal	(50,400)	(41,580)
Revaluation	(2,931,700)	3,343,230
Closing balance	1,392,050	4,374,150

The listed equity securities were acquired during the 2011 financial year as consideration for the sale of exploration assets. Their market value on date of acquisition was $825,000. Additional securities were acquired as a consequence of a pro-rata entitlement offer during the 2012 financial year at a cost of $330,000. The securities have been revalued to market value using a quoted market price from the Australian Securities Exchange at balance date.

The maximum exposure to equity price risk at the end of the reporting period is the value of shares noted above. Refer to Note 2 for further details.

All securities values are based on quoted prices in an active market. These are therefore measured as a Level 1 instrument. There has been no transfer between measurement levels during the year.

NOTE 10 – NON-CURRENT ASSETS – EXPLORATION ASSETS

Costs brought forward in respect of areas of interest in exploration and evaluation phase	7,320	3,566,634
Expenditure incurred during the period on exploration of tenements	4,050	45,496
Expenditure recovered	-	(2,578)
Impairment of exploration expenditure	(11,370)	(3,602,232)
	-	7,320

For the assessment of the recoverability of the assets, refer Note 1(a)(ii)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 11 – NON-CURRENT ASSETS – PLANT AND EQUIPMENT	2014 $	2013 $
Office and field equipment – at cost	65,864	65,864
Accumulated depreciation	(65,142)	(64,092)
Total office and field equipment	722	1,772
Total plant and equipment	722	1,772

2014	Office & field Equipment $	Total $
Carrying amount at 1 July 2013	1,772	1,772
Depreciation expense	(1,050)	(1,050)
Carrying amount at 30 June 2014	722	722

2013	$	$
Carrying amount at 1 July 2012	3,562	3,562
Depreciation expense	(1,790)	(1,790)
Carrying amount at 30 June 2013	1,772	1,772

NOTE 12 – CURRENT LIABILITIES – TRADE AND OTHER PAYABLES	2014 $	2013 $
Trade creditors and accruals	49,611	26,392

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

NOTE 13 – CURRENT LIABILITIES – BORROWINGS

Unsecured		
Loans – related parties	100,000	-

Related party loans relate to unsecured short term loans made under a facility of $100,000 from entities of which Mr Pitt and Mr Tomkinson are directors. These loans were granted on normal commercial terms and conditions bearing interest at 3.5% per annum and have a fixed repayment date of 31 December 2014. Details of the Company's exposure to risks from current borrowing are set out in Note 2.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14 – EQUITY – ISSUED CAPITAL	2014 $	2013 $
(a) Share capital		
140,670,887 (2013: 140,670,887) ordinary shares fully paid	19,321,999	19,321,999
2,650,000 (2013: 2,650,000) ordinary shares paid to 0.1 cent	2,650	2,650
	19,324,649	19,324,649

(b) Ordinary Shares

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 fully paid ordinary shares are listed on the ASX 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 ASX. The resulting fully paid ordinary shares have the same rights as other ordinary shares. The shares are subject to calls on uncalled capital at the discretion of the Directors.

The Company's capital risk management policy is set out in Note 2.

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

Fully Paid Shares

Date	Details	Number of shares	Amount $
2014			
1 July 2013	Balance	140,670,887	19,321,999
	No movement	-	-
30 June 2014	Balance	140,670,887	19,321,999
2013			
1 July 2012	Balance	140,670,887	19,321,999
	No movement	-	-
30 June 2013	Balance	140,670,887	19,321,999

Partly Paid Shares

Date	Details	Number of shares	Weighted average issue price cents	Amount outstanding $	Paid up per share cents	Total paid up $
2014						
1 July 2013	Balance	2,650,000	20.6	542,350	0.1	2,650
	No movement	-		-		-
30 June 2014	Balance	2,650,000		542,350		2,650
2013						
1 July 2012	Balance	2,650,000	20.6	542,350	0.1	2,650
	No movement	-		-		-
30 June 2013	Balance	2,650,000	20.6	542,350	0.1	2,650

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14 – EQUITY - ISSUED CAPITAL (continued)

(d) Shares Options - Unlisted

Options on issue and movements in options

	2014 Number of options	2013 Number of options	Grant date	Expiry date	Exercise price per option cents
At 1 July	500,000	500,000	10 Dec 2010	10 Dec 2013	30
Options issued: staff	-	-			
Options exercised	-	-			
Options lapsed	(500,000)	-			
At 30 June	-	500,000			

NOTE 15 – EQUITY – RESERVES	2014 $	2013 $
Available for sale financial assets	230,321	2,282,511
Share based payments	206,265	206,265
	436,586	2,488,776

Nature and purpose of reserves

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

The available for sale financial asset reserve arises from changes in the fair value of equities classified as available-for-sale financial assets net of tax. The changes in value are recognised in other comprehensive income as described in Note 1(g) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

NOTE 16 – REMUNERATION OF AUDITORS

Amounts received, or due and receivable, by BDO Audit (WA) Pty Ltd for:		
Auditing and review of the financial statements of the Company	32,234	19,743
Other services	-	-
	32,234	19,743

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 – CONTINGENCIES

Contingent Liabilities

There are no contingent liabilities for termination benefits under service agreements with directors or executives at 30 June 2014.

The directors are not aware of any other contingent liabilities at 30 June 2014.

NOTE 18 – COMMITMENTS

(a) Mineral Tenements

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

	2014 $	2013 $
Minimum estimated expenditure requirements	-	-

The current year minimum estimated requirements are nil on account of the expenditure commitments being the responsibility the Company's joint venture partners. 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 of the Company's premises are payable as follows:

Within one year	104,368	104,715
Later than one year, but not longer than five years	111,040	-
	215,408	104,715

NOTE 19 – RELATED PARTY TRANSACTIONS

(a) Key management personnel

Directors of the Company during the financial year were:

JN Pitt
N Tomkinson
WS Forte

(b) Key management personnel compensation

Short-term employee benefits	20,000	20,000
Post-employment benefits	1,850	1,800
	21,850	21,800

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 19 – RELATED PARTY TRANSACTIONS (continued)

(c) Other transactions with director-related entities

During the financial year the Company received $92,815 (2013: $60,218) from Red Hill Iron Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for rental of office space and administration services supplied by the Company on normal commercial terms and conditions determined on an arms-length basis between the companies.

During the financial year the Company received $781 (2013: $788) from Traka Resources Limited, a listed company of which Mr Pitt and Mr Tomkinson are directors and shareholders, for staff amenities paid by the Company on normal commercial terms and conditions determined on an arms-length basis between the companies.

During the prior financial year the Company entered into an exploration joint venture with Alphabrass Resources Limited, a private company of which Mr Pitt and Mr Tomkinson are directors and in which private companies associated with Mr Pitt and Mr Tomkinson are shareholders. Alphabrass is headed by two of its directors and shareholders, Mr John McIntyre and Dr Scott Halley, who are unrelated to Mr Tomkinson and Mr Pitt. The Company entered into the joint venture with Alphabrass on normal commercial terms and conditions determined on an arms-length basis between the companies. The Company also received during the year, on normal commercial terms and conditions, payments from Alphabrass amounting to $121 (2013: $2,670) in respect of exploration expenses and staff amenities incurred by the Company.

During the financial year the Company received unsecured short term loans under a facility of $200,000 from entities of which Mr Pitt and Mr Tomkinson are directors. As at 30 June 2014 the facility had been drawn to $100,000. These transactions were made under normal commercial terms and conditions bearing interest at 3.5% per annum and a fixed repayment date of twelve months from date of first drawdown. Details of the Company's exposure to risks from current borrowings are set out in Note 2.

NOTE 20 – INTERESTS IN JOINT VENTURES

The Company had interests in the following mineral exploration joint ventures as at 30 June 2014:

Name of Project	Interest	Activities	Other parties
Weld Range - Ferrous	100%	Iron Ore	Sinosteel Midwest Corporation Ltd (earning 60%)
Weld Range - Non Ferrous	0%	Hampton has the right to explore for gold and PGMs subject to royalty	Sinosteel Midwest Corporation Ltd 100%
Ryansville Joint Venture	100%	Rights to metals	Alphabrass Resources Pty Ltd (earning 51%)

The Company'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(o).

Subsequent to the year end the Ryansville Joint Venture has been discontinued and the Company's interest in the Weld Range – Ferrous joint venture has been converted to a royalty of 2% of the FOB value of any iron ore product produced from the joint venture tenements in the future.

NOTE 21 – EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to the end of the financial year the Company decided to exercise its right to convert its project interest in the Weld Range Joint Venture to a 2% FOB royalty applicable to all future iron ore production that may be achieved from the project. To the best of the directors' knowledge and belief, there have been no other material items, transactions or events subsequent to the end of the financial year which, although they do not relate to conditions existing at that date, have not been dealt with in these financial statements and which would cause reliance on the information shown in this report to be misleading.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 22 – CASH FLOW INFORMATION	2014 $	2013 $
Reconciliation of loss after income tax to net cash flow from operating activities		
Loss after income tax	(1,019,936)	(2,719,554)
Depreciation	1,050	1,709
Exploration expenditure written off	11,370	3,602,232
Recovery from exploration property	-	2,578
Exploration expenditure capitalised	(4,050)	(45,496)
Tax on fair value gain on available-for-sale asset	879,510	(978,219)
Net gain on disposal of available-for-sale asset	(113,189)	(187,474)
Change in operating assets and liabilities:		
Increase in debtors	(10,003)	(9,490)
Increase/(decrease) in creditors	23,219	(12,954)
Decrease in GST receivable	1,078	279
Net cash outflow from operating activities	(230,951)	(346,308)

NOTE 23 – EARNINGS PER SHARE	Cents	Cents
Basic and diluted loss per share		
From continuing operations attributable to the ordinary equity holders of the Company	0.7	1.9
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 Statement of profit or loss and other comprehensive income	1,019,936	2,719,554
	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	140,683,772	140,683,772

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 24 - SHARE-BASED PAYMENTS

The Company from time to time issues partly-paid ordinary shares and options to key management personnel and other employees as part of their remuneration. To date 2,650,000 partly-paid shares and 500,000 options have been issued in terms of this remuneration practice and details of these partly paid shares and options, including movements over the past two years, are set out in Note 14.

No options were issued during the year, and 500,000 options expired during the year.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:

    (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and

    (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The directors have been given the declarations by the executive chairman and company secretary required by section 295A of the *Corporations Act 2001*.

4. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the drectors and is signed for and on behalf of the directors by:

J N Pitt
Chairman

10 September 2014

INDEPENDENT AUDITOR'S REPORT

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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 statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 opinion.

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INDEPENDENT AUDITOR'S REPORT

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Hampton Hill Mining NL, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Hampton Hill Mining NL is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

(b) 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 2014. 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.

Opinion

In our opinion, the Remuneration Report of Hampton Hill Mining NL for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Chris Burton
Director

Perth, 10 September 2014

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

The board of directors ("the Board") of Hampton Hill Mining NL ("Hampton Hill" or the "Company") is responsible for monitoring the business affairs of the Company and protecting the rights and interests of shareholders. High standards of corporate governance are essential to give effect to its responsibilities. The Company's corporate governance arrangements are set and reviewed by the Board on an ad-hoc basis having regard to any changing circumstances of the Company, statutory and regulatory requirements and the best interests of all shareholders. They comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition (the "Principles"). The Company will report against the ASX Corporate Governance Council's third edition (released in March 2014) in 2015.

This statement outlines the Company's approach to corporate governance for the financial year ended 30 June 2014. Any documents referenced in this statement as being available on the Company's website can be found at www.hamptonhill.com.au.

1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Functions reserved for the Board and those delegated to senior executives

The Board's key objective is the increase of shareholder value by successful exploration for and/or production of minerals. 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. Hampton Hill's areas of interest during the financial year have been its interest in the Hampton Hill Mining Iron Ore Joint Venture ("HHMJV") with Sinosteel Midwest Corporation Limited in the Weld Range, its interest in the Ryansville Joint Venture with Alphabrass Resources Pty Ltd, its substantial interest in the shares of listed exploration company, Peel Mining Limited, and its royalty interest in Peel Mining Limited's Apollo Hill project. Subsequent to the end of the financial year, Hampton Hill converted its interest in the HHMJV to a 2% FOB royalty interest and the Ryansville Joint Venture terminated.

The Board is accountable to shareholders for the performance of the Company, and its responsibilities include:

(a) approval of corporate strategy, including annual approval of budget, and monitoring performance against the budget;

(b) determining the capital structure of the Company;

(c) appointing and determining the duration, remuneration and other terms of appointment of management;

(d) evaluating the performance of management;

(e) approval of financial and other periodic reporting requirements;

(f) approving the risk management strategy and frameworks and monitoring their effectiveness;

(g) determination of corporate governance systems and practices within the company;

(h) approval of investments, corporate acquisitions, new joint ventures; and

(i) appointment of the external auditors and principal advisors.

Due to the concentration of corporate aim and the small size of the Board all issues are considered by the full Board.

Any new directors who may be appointed to the Board will be provided with a letter of appointment including their remuneration details together with copies of Company and Board policies, the Constitution and access to prior Board minutes and papers. New directors will also be advised of their confidentiality and disclosure obligations and the Company's share trading policy guidelines, indemnity and insurance arrangements.

The Company has not prepared formal letters of appointment for the existing members of the Board.

Senior executives

The Chairman is the chief executive officer of the company. His role as chief executive officer is to manage the Company's interest in its joint ventures and investments pursuant to authority delegated by the Board and implementation of Board and corporate policy. The Chairman 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 project interests.

1.2 The process for evaluating the performance of executives

The Board is responsible for setting performance objectives of executives and for evaluating performance against them and determining their remuneration. The Executive Chairman has elected not to receive remuneration for his services.

The Board is responsible for the appointment of the Company Secretary, evaluating his performance on an annual basis and determining his remuneration.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

2 STRUCTURE THE BOARD TO ADD VALUE

2.1 Board members' independence

One of the Company's three directors, Mr W S Forte, is considered independent in terms of the Relationships affecting Independent Status (the "Categories") in Recommendation 2.1 of the Principles. The remainder of the directors, Mr N Tomkinson and Mr J N Pitt, are not considered independent within the strict meaning of the Categories as they are substantial shareholders in the Company as defined in the Corporations Act. Additionally Mr Pitt is an executive of the Company. Notwithstanding this, the Board is of the opinion that the objectives and current strategy of the Company are best served by retaining the current composition of the Board irrespective of the directors' degree of independence.

A determination with respect to independence is made by the Board on an annual basis. In addition the directors are required on an ongoing basis to disclose relevant personal interests and conflicts of interest which may in turn trigger a review of a director's independent status.

2.2 Chairman's independence

Although the Chairman does not fulfil the criteria set out in Recommendation 2.2, the Board considers that the Company's interests are better served by the retention of the Chairman despite such non-compliance.

2.3 Roles of chairman and chief executive officer

The Company no longer complies with this Principle in that the role of the chief executive officer is filled by the Chairman.

Role of the Chairman

The Chairman is responsible for the day to day management of the Company and the conduct of meetings of directors and general meetings of shareholders. He is also responsible for setting the agenda for Board meetings with the Company Secretary. Any director of the Board may request an item of business to be included on the agenda.

The Chairman is the person authorised by the Board to make verbal statements on the Company's behalf.

2.4 The Board should establish a nomination committee

Due to the size of the Company and the composition of the Board, a nomination committee has not been established. No formal procedure governing the appointment of new directors has been established. The Board considers that it is in the best interests of the Company to determine the criteria for the selection of new directors based on any perceived "gaps" in the skill set of the Board as and when a casual vacancy arises.

Retirement and rotation of directors is governed by the Corporations Act and the constitution of the Company. Each year, one-third of the directors must retire and offer themselves for re-election. Any casual vacancy filled between general meetings will be subject to a shareholder vote at the next general meeting of the Company.

Re-appointment of directors is not automatic. Shareholders are provided with relevant information on each of the candidates for election or, where applicable, re-election.

2.5 Board performance

Due to the size and composition of the Board, the Company does not have a formal process for the performance evaluation of the Board, its committees or individual directors.

Accordingly, no formal performance evaluation for the Board or its members took place in the reporting period.

Directors are encouraged to attend director training and professional development courses, as required, at the Company's expense. New directors will have access to all employees to gain full background on the Company's operations.

All directors have access to company records and information and receive regular financial and operational reports from management. The Chairman and the non-executive directors regularly consult with the Company Secretary and may consult with and request additional information from any employee.

The Board collectively, and each director individually, has the right to seek independent professional advice at the expense of the Company to assist with the discharge of their duties. While the Chairman's prior approval is required, it may not be unreasonably withheld.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

Company Secretary

The Board is responsible for the appointment of the Company Secretary. The Company Secretary attends all Board meetings and is responsible for providing directors with ongoing guidance and advice on commercial and corporate governance matters. The Company Secretary is also responsible for the preparation of the semi annual and annual accounts.

3. PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

3.1 Code of conduct

Due to its size, activities, and the number of employees, the Company has not adopted a formal code of conduct, but is committed to achieving the following objectives:

(a) ensuring that all of its business affairs are conducted legally, ethically and with integrity;

(b) ensuring that the Company itself and its joint venturers who act as operators of projects in which the Company has an interest adopt high standards of occupational health and safety, environmental management and ethics;

(c) managing its legal obligations and the reasonable expectations of stakeholders effectively through the development and implementation of a risk management framework which incorporates these key areas; and

(d) fostering and maintaining a culture of ownership, care, professional excellence, confidentiality, integrity and freedom from any conflict or perceived conflict of interest in each of the Company's employees and consultants.

Director Conflict of Interest

All directors are required to disclose any actual or potential conflict of interest upon appointment and are required to maintain these disclosures to the Board up-to-date.

Trading in company securities

The Company's securities trading policy has been disclosed in accordance with the provisions of the ASX Listing Rules and is published on the Company's website.

3.2 Diversity

The Company believes in creating fair and equal access for employees to all employment opportunities and that a diverse workforce will provide the broadest and most effective talent pool. All appointments are nevertheless made on the basis of merit.

Due to the fact that the Company has no permanent employees, the Company does not have a formalised diversity policy in place, but the Board is cognisant of the benefits of diversity and will embrace the adoption of such a policy as and when the Company's growth allows.

3.3 Measurable objectives for achieving gender diversity

The Company will establish measurable objectives for achieving gender diversity as and when its workforce reaches a size that justifies such a policy.

3.4 Employee proportions

As at 30 June 2014 the Company had no full time employees. There were no changes to the position of Company Secretary and the three board positions, all the holders of which are males.

4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Audit committee

Hampton Hill'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 will carry out all 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, the Board, in line with its overall responsibility to shareholders, annually reviews the performance and independence 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 general meeting of the Company.

Recommendations 4.2 and 4.3 in the Principles do not apply as there is no audit committee.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

5. MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Compliance with ASX Listing Rule disclosure requirements

Compliance procedures, to ensure timely and balanced disclosure of information in line with the Principles 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.

The Company Secretary is responsible for non-material and standard form disclosures to the market. In addition he is responsible for communications with the ASX.

Commentary on Financial Results

The Company provides commentary in conjunction with its half yearly and yearly results in a clear and objective manner to ensure that shareholders and potential shareholders have access to information needed to make an informed assessment of the Company's activities and results.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Communication with and participation of Shareholders

The Board aims to ensure that shareholders are fully informed by communicating to shareholders through:

(a) continuous disclosure reporting to the ASX;

(b) quarterly, half yearly and annual reports; and

(c) media releases, copies of which are lodged with ASX and placed on the Company's website, www.hamptonhill.com.au.

The Company has not adopted a formal shareholder communication policy as the Company has been able to communicate effectively with its shareholders in the past and expects to be able to continue to do so. The Company recognises the importance of continuous disclosure to its shareholders and the market and adheres to the Continuous Disclosure requirements of the ASX Listing Rules.

Shareholders are given the option to receive information such as the Annual Report in print or electronic form.

The Company maintains a website at www.hamptonhill.com.au. Shareholders can find all recent information on the Company under various headings on the Company's website, including latest ASX releases, details of its projects and its Corporate Profile. Shareholders may also request a copy of the Company's recent ASX releases.

7. RECOGNISE AND MANAGE RISK

7.1 Oversight and management of material business risks

The Company has a management policy in place for the identification and effective management of risk. The policy provides for the management of risk by the Board and executive reports to the Board, being principally the risks involved in the Company's main business enterprises.

7.2 Design and implementation of systems to manage material business risks

Management has established a register of business risks and identified the material business risks affecting the Company. To the extent possible in a Company with a very small number of staff, internal controls are in place to mitigate against any material business risks. Risks of a strategic, financial and operational nature (such as ability to raise capital to fund exploration, commodity price and currency fluctuations, adequate levels of insurance, contract documentation, resourcing, and meeting financial reporting and compliance obligations) are reviewed on a regular basis by the Board.

Potential operational risks involved in running the Company are managed by the Board. Due to the size of the Company, the Board does not consider it practical to establish a separate committee to focus on these issues.

The Company Secretary and the Executive Chairman, who have overall responsibility for the implementation of the policy, report to the Board on the effective management of risk.

7.3 Compliance with Corporations Act Section 295A

The Board receives a declaration from the Executive Chairman and the Company Secretary covering the matters set out in section 295A of the Corporations Act 2001 and in accordance with the terms stipulated in Recommendation 7.3 of the Principles.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

8. REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration committee

The Board does not have a separate remuneration committee due to the small size of the Board and the Company and the limited number of employees. The full Board carries out the functions of a remuneration committee.

The Board on an annual basis reviews executive remuneration and incentive policies, as well as superannuation arrangements. In addition, the Board reviews and approves the audited remuneration report set out in the Directors' Report. The Board where needed consults external consultants and specialists.

8.2 Distinguishing remuneration structure

One director receives a fixed remuneration, and two directors have elected not to receive remuneration. None of the directors currently participate in any incentive plans. Other than statutory superannuation payments received as part of the fixed remuneration of the one director, the directors do not receive any retirement benefits. For information about director remuneration practice, reference can be made to the audited remuneration report set out in the Directors' Report.

MINERAL TENEMENT INFORMATION

AS AT 30 JUNE 2014

Mining tenements and beneficial interests held, and their location:

Tenement	Location	Registered holding	Beneficial interest
E20/626	Murchison, WA	100%	100%
E20/640	Murchison, WA	100%	100%
P20/1961	Murchison, WA	100%	100%
E20/715	Murchison, WA	0%	Note 1
E20/817	Murchison, WA	0%	Note 2
E20/819	Murchison, WA	0%	Note 2
M20/311	Murchison, WA	0%	100%
MLA20/503	Murchison, WA	0%	100%
MLA20/518	Murchison, WA	0%	100%
MLA51/869	Murchison, WA	0%	100%
E20/625	Murchison, WA	0%	100%
E20/641	Murchison, WA	0%	100%
P51/2581	Murchison, WA	0%	100%
P20/2016	Murchison, WA	0%	100%
P20/2077	Murchison, WA	0%	100%
P20/2078	Murchison, WA	0%	100%
P20/2080	Murchison, WA	0%	100%
E20/457	Murchison, WA	0%	Note 3
E20/459	Murchison, WA	0%	Note 3
E20/492	Murchison, WA	0%	Note 3
E20/595	Murchison, WA	0%	Note 3
E51/ 907	Murchison, WA	0%	Note 3
M20/419	Murchison, WA	0%	Note 3
P20/2082-2086	Murchison, WA	0%	Note 3
P51/2605-2613	Murchison, WA	0%	Note 3
E39/1198	Yilgarn, WA	0%	5% Royalty
E39/1236	Yilgarn, WA	0%	5% Royalty
E31/0800	Yilgarn, WA	0%	5% Royalty
P31/1797	Yilgarn, WA	0%	5% Royalty
P39/4586-4592	Yilgarn, WA	0%	5% Royalty
P39/4677-4679	Yilgarn, WA	0%	5% Royalty
P39/4789	Yilgarn, WA	0%	5% Royalty
P26/3426	Yilgarn, WA	0%	Note 4
P15/4891-4901	Yilgarn, WA	0%	0.98% Royalty
P15/5022-5025	Yilgarn, WA	0%	0.98% Royalty
P16/2415-2418	Yilgarn, WA	0%	0.98% Royalty
P16/2815 & 2816	Yilgarn, WA	0%	0.98% Royalty
P15/4658 & 4659	Yilgarn, WA	0%	0.98% Royalty
M15/696	Yilgarn, WA	0%	0.98% Royalty

MINERAL TENEMENT INFORMATION

AS AT 30 JUNE 2014

Notes:

1) This tenement is held by a third party subject to an agreement whereby the Company's JV partner may earn an interest of up to 80% in it. In the event that the Company's JV partner earns an interest in the JV of 51%, the Company will become entitled to a 49% interest in that right to earn up to 80% in this tenement.
2) These licences are held in the name of an entity farming into a JV with the Company. In the event that such entity earns an interest in the JV of 51%, the Company will become entitled to a 49% interest in these tenements.
3) The Company has the right to explore for and develop base metals, gold and platinum group metals on all these tenements subject to paying a net smelter return royalty of 1.5% to the tenement holder.
4) The Company retains a royalty of $1 per tonne of ore mined up to 100,000 tonnes, and $2 per tonne thereafter.

Key:

E: Exploration licence
P: Prospecting licence
M: Mining licence
MLA: Mining licence application

SHAREHOLDER INFORMATION

AS AT 12 SEPTEMBER 2014

NUMBER AND DISTRIBUTION OF SHARES AND OPTIONS

	No. listed	No. not listed	Total
Shares			
Ordinary shares fully paid	140,670,887	-	140,670,887
Ordinary shares paid to 0.1 cents per share	-	2,650,000	2,650,000

Distribution by holding			No. of shareholders Fully paid	No. of shareholders Partly paid
1	-	1,000	26	-
1,001	-	5,000	91	-
5,001	-	10,000	84	-
10,001	-	100,000	333	5
100,001	+		162	3
			696	8

MARKETABLE PARCEL

There were 300 holders of less than a marketable parcel of fully paid ordinary shares.

EMPLOYEE INCENTIVE SCHEMES

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

SUBSTANTIAL SHAREHOLDERS

The following shareholders are substantial shareholders of the Company:

NAME	No. of shares	%
Perth Capital Pty Ltd, Elohpool Pty Ltd, J N Pitt and associates	59,655,548	42.41

VOTING RIGHTS

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

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

SHAREHOLDER INFORMATION

AS AT 12 SEPTEMBER 2014

TOP 20 SHAREHOLDERS

	Shareholders	No of shares	%
1	Pitt, J N	36,755,013	26.13
2	Perth Capital Pty Ltd	14,906,565	10.60
3	Elohpool Pty Ltd	7,927,970	5.64
4	Haynes, K	3,809,300	2.71
5	Hughes, J & L <Inkese Super A/c>	3,220,000	2.29
6	Wudina Pty Ltd <Forte Family Retirement Fund A/c>	2,880,890	2.05
7	Trayburn Pty Limited	2,191,451	1.56
8	Evergem Pty Ltd	1,873,972	1.33
9	Bluejay Enterprises Pty Ltd <Rage Superfund A/c>	1,801,241	1.28
10	Crescent Nominees Ltd	1,655,341	1.18
11	Kelly, O & B <Kelly Superfund A/c>	1,650,011	1.17
12	Emorgo Foundation Pty Ltd	1,375,000	0.98
13	Rupert Clarke & Co Pty Ltd	1,705,000	1.21
14	TE & CG McMahon Nominees Pty Ltd <McMahon SF No 2 A/c>	1,059,130	0.75
15	Whitfield, W, B and G <Whitfield Superfund A/c>	1,034,999	0.74
16	Leahy, E	1,000,000	0.71
17	Mansfield, M & H <Mansfield Family SF A/c>	1,105,302	0.79
18	Basin Beach Investments Pty Ltd	975,463	0.69
19	Gemstone Holdings 08 Pty Ltd <Sapphire A/c>	945,000	0.67
20	Haynes, K	921,084	0.65
		88,792,732	63.12

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