

HAMPTON HILL MINING NL

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2022

ABN 60 060 628 524

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DIRECTORS' REPORT

The directors of Hampton Hill Mining NL (Hampton Hill or the Company) submit their report for the half-year ended 31 December 2022.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as set out below. Directors were in office for this entire period unless otherwise stated.

Mr Joshua Pitt	Executive Chairman
Mr Wilson Forte	Non Executive Director
Mr Will Robinson	Non Executive Director

REVIEW AND RESULTS OF OPERATIONS

Hampton Hill was delisted by the Australian Securities Exchange (ASX) on 21 March 2022. In order to provide shareholders with a means to buy or sell Company shares Hampton Hill has established a share trading hub facility through the agency of Primary Markets Pty Ltd.

The Company's operating loss for the half-year ended 31 December 2022 was \$126,419 (2021: \$3,434,943, a significant component of which arose from the impairment of exploration assets)

The primary activity of Hampton Hill has continued to be the managing of our royalty interest in the Apollo Hill Central Leases operated by Saturn Metals Limited (Saturn).

At Apollo Hill, it is envisaged that a future mining operation would probably apply a heap leaching technique for gold recovery. The current JORC compliant Mineral Resource contains 1,469,000 ounces of gold at a grade of 0.60 grams per tonne (Refer Saturn Metals Limited (ASX:STN) June 2022 Quarterly Activities Report). Saturn anticipates completing a Preliminary Economic Assessment of the project in the second half of this financial year with the completion of metallurgical studies and a subsequent resource update. A pilot heap leach operation is being planned to run contiguously with the Definitive Feasibility Studies and Mr Stuart Ellison has been appointed as General Manager Project Development (STN:ASX announcement 27 February 2023).

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

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

The Millennium base metal project has remained inactive and Hampton Hill is considering withdrawing from the project to restrain costs.

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the half-year.

EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to the end of the half-year ended 31 December 2022, the repayment date of the loan facility with a company associated with a director, Mr Pitt, was extended to 1 April 2024.

To the best of the directors' knowledge and belief, there were no material items, transactions or events subsequent to the end of the financial half-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.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is included in this Interim Financial Report.

Signed in Perth on 14 March 2023 in accordance with a resolution of the directors.



Joshua Pitt
Executive Chairman
14 March 2023

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	31 December 2022	31 December 2021
		\$	\$
Other income	2	-	52,193
Fair value movement in financial assets	4	-	(270,000)
Impairment of exploration expenditure	5	(1,651)	(3,026,600)
Administration expenses	3	(124,768)	(190,536)
Loss before income tax		(126,419)	(3,434,943)
Income tax expense		-	-
Loss for the half-year		(126,419)	(3,434,943)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the ordinary equity holders of the Company		(126,419)	(3,434,943)

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 31 DECEMBER 2022**

	Note	31 December 2022 \$	30 June 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		26,474	44,844
Trade and other receivables		5,386	14,655
Financial assets	4	1,728,000	1,728,000
Total Current Assets		1,759,860	1,787,499
Non-Current Assets			
Exploration assets	5	-	-
Plant and equipment		356	376
Total Non-Current Assets		356	376
Total Assets		1,760,216	1,787,875
LIABILITIES			
Current Liabilities			
Trade and other payables		36,811	38,051
Borrowings	9	700,000	-
Total Current Liabilities		736,811	38,051
Non-Current Liabilities			
Borrowings	9	-	600,000
Total Non-Current Liabilities		-	600,000
Total Liabilities		736,811	638,051
Net Assets		1,023,405	1,149,824
EQUITY			
Issued capital	6	23,248,430	23,248,430
Reserves	7	209,493	209,493
Accumulated losses		(22,434,518)	(22,308,099)
Total Equity		1,023,405	1,149,824

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	23,248,430	209,493	(22,308,099)	1,149,824
Comprehensive income				
Net loss for the half-year	-	-	(126,419)	(126,419)
Total comprehensive loss for the half-year	-	-	(126,419)	(126,419)
Transactions with equity holders in their capacity as equity holders	-	-	-	-
Balance at 31 December 2022	<u>23,248,430</u>	<u>209,493</u>	<u>(22,434,518)</u>	<u>1,023,405</u>
Balance at 1 July 2021	23,248,430	209,493	(18,026,017)	5,431,906
Comprehensive income				
Net loss for the half-year	-	-	(3,434,943)	(3,434,943)
Total comprehensive loss for the half-year	-	-	(3,434,943)	(3,434,943)
Transactions with equity holders in their capacity as equity holders	-	-	-	-
Balance at 31 December 2021	<u>23,248,430</u>	<u>209,493</u>	<u>(21,460,960)</u>	<u>1,996,963</u>

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

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	31 December 2022	31 December 2021
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(116,523)	(159,544)
Finance charges paid	(11,090)	(7,138)
Rent received	<u>9,243</u>	<u>50,858</u>
Net cash outflows from operating activities	<u>(118,370)</u>	<u>(115,824)</u>
Cash flows from investing activities		
Payments for exploration expenditure	-	(7,540)
Payments to acquire plant and equipment	<u>-</u>	<u>(403)</u>
Net cash outflows from investing activities	<u>-</u>	<u>(7,943)</u>
Cash flows from financing activities		
Proceeds from borrowings	100,000	148,000
Lease repayment	<u>-</u>	<u>(31,647)</u>
Net cash inflows from financing activities	<u>100,000</u>	<u>116,353</u>
Net decrease in cash and cash equivalents	(18,370)	(7,414)
Cash and cash equivalents at the beginning of the half-year	<u>44,844</u>	<u>34,151</u>
Cash and cash equivalents at the end of the half-year	<u><u>26,474</u></u>	<u><u>26,737</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 1 – SEGMENT INFORMATION

The directors of Hampton Hill who, collectively as the board, are the chief operating decision makers, have determined that the Company has one reportable segment, being mineral exploration within Australia. The board of directors monitors the Company based on actual versus budgeted exploration expenditure. This internal reporting framework is the most relevant to assist the board with making decisions regarding its ongoing exploration activities.

NOTE 2 – REVENUE AND OTHER INCOME

	31 December 2022	31 December 2021
	\$	\$
Other income		
Rent	-	52,193

NOTE 3 – ADMINISTRATION EXPENSES

	31 December 2022	31 December 2021
	\$	\$
Loss before income tax includes the following specific administration expenses:		
Personnel expenses		
Salaries, superannuation and associated expenses	22,998	23,061
Depreciation – plant and equipment	20	134
Depreciation – right-of-use asset	-	31,864
Other administration expenses		
Accounting	30,108	29,874
Audit	9,167	8,422
Listing fees	-	27,543
Securities trading facility fee	23,780	-
Office lease	-	21,373
Office services	4,800	-
Secretarial and administration services	10,579	23,400
Finance charge – office lease	-	1,016
Finance charge – borrowings	11,090	6,122
Other	12,226	17,727
	<u>124,768</u>	<u>190,536</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 4 – FINANCIAL ASSETS

	Half-year to 31 December 2022	Year to 30 June 2022
	\$	\$
Balance at start of period	1,728,000	2,700,000
Fair value movement in financial assets	-	(972,000)
	<hr/>	<hr/>
Balance at end of period	<u>1,728,000</u>	<u>1,728,000</u>

The financial assets comprise securities in Australian Securities Exchange (ASX) listed company Peel Mining Limited (PEX) and are stated at fair value.

Financial assets are classified as fair-value-through-profit-or-loss.

AASB 9 requires disclosure of fair value measurements according to the following fair value hierarchy:

- (a) Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability;
- (c) Level 3 Inputs for the asset or liability that are not based on observable market data.

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

The Company has a number of other financial instruments which are not measured at fair value on a recurring basis in the statement of financial position. The directors consider that the carrying amounts of these financial instruments are a reasonable approximation of their fair value.

NOTE 5 – EXPLORATION ASSETS

	Half-year to 31 December 2022	Year to 30 June 2022
	\$	\$
Costs brought forward in respect of areas of interest in exploration and evaluation phase	-	2,952,402
Expenditure incurred during the period on exploration of tenements	1,651	75,514
Impairment of exploration expenditure	(1,651)	(3,027,916)
	<hr/>	<hr/>
Balance at end of period	<u>-</u>	<u>-</u>

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

During the current half-year, further exploration expenditure of \$1,651 on the Millennium project has been fully impaired.

Since the last reporting date, there has been no change to the Company's accounting policy regarding exploration assets. Refer to the 2022 Annual Report for details of the Company's accounting policy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

NOTE 6 – ISSUED CAPITAL	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	Number	Number	\$	\$
Ordinary shares fully paid	294,805,379	294,805,379	23,245,780	23,245,780
Ordinary shares part paid to 0.1 cents	2,650,000	2,650,000	2,650	2,650
			23,248,430	23,248,430
			23,248,430	23,248,430

Movement in ordinary fully paid shares

	Half-year to 31 December 2022		Year to 30 June 2022	
	Number	\$	Number	\$
Balance at start of period	294,805,379	23,245,780	294,805,379	23,245,780
Movement during the period	-	-	-	-
Balance at end of period	294,805,379	23,245,780	294,805,379	23,245,780

During the current half-year, no shares or options were issued, expired or exercised.

ASX - suspension from quotation and delisting

On 21 March 2022, Hampton Hill was delisted by the Australian Securities Exchange.

NOTE 7 – RESERVES

	Half-year to 31 December 2022	Year to 30 June 2022
	\$	\$
Share based payments reserve		
Balance at start of period	208,776	208,776
No movement during the period	-	-
Balance at end of period	208,776	208,776
Exercised options reserve		
Balance at start of period	717	717
No movement during the period	-	-
Balance at end of period	717	717
Total Reserves	209,493	209,493

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

The exercised options reserve arises on the exercise of options when the share-based payments reserve attributable to the options being exercised is transferred to this reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 8 – SHARE BASED PAYMENTS

The Company from time to time issues partly-paid ordinary shares and/or options to the executive director, key management personnel and other employees as part of their remuneration. 2,650,000 partly-paid shares are on issue as a result of such issues in prior years. No partly paid shares were issued during the current or prior half-year periods.

No options were issued or expired during the current or prior half-year periods.

NOTE 9 – RELATED PARTY TRANSACTIONS AND BORROWINGS

Borrowings from director

Borrowings relate to the loan facility of \$1,000,000 provided by a company associated with a director, Mr Pitt. It is unsecured and otherwise on normal commercial terms and conditions, bearing interest at a rate of 3.5% per annum, paid quarterly in arrears. \$100,000 was drawn down on the facility during the half-year and total interest of \$11,090 was paid. At 31 December 2022 an amount of \$700,000 (30 June 2022: \$600,000) was drawn on the facility. At balance date, the loan is repayable on 1 October 2023.

Subsequent to the end of the half-year ended 31 December 2022, the repayment date of the loan facility with a company associated with a director, Mr Pitt, was extended to 1 April 2024.

Other transactions

All other arrangements with related parties, as set out in the financial statements for the year ended 30 June 2022, continue to be in place.

NOTE 10 – EVENTS OCCURRING AFTER BALANCE DATE

Subsequent to the end of the half-year ended 31 December 2022, the term of the loan facility with a director-related entity (Note 9) was extended to 1 April 2024.

To the best of the directors' knowledge and belief, there were no other material items, transactions or events subsequent to the end of the financial half-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.

NOTE 11 – CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities as at 31 December 2022.

NOTE 12 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hampton Hill is a public company, incorporated and domiciled in Australia. As noted in Note 6, the Company was delisted by the ASX on 21 March 2022.

Statement of compliance and basis of preparation

The half-year financial statements are general-purpose financial statements, prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards, including AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

The half-year financial statements do not include full disclosures of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as that provided in the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 12 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The half-year financial statements should be read in conjunction with the Company's Annual Report for the year ended 30 June 2022 and considered together with any public announcements made by Hampton Hill during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The half-year financial statements have been prepared on the accruals basis and are based on historical cost, except for the revaluation of certain financial instruments to fair value.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

Going Concern

The financial statements are prepared on a going concern basis. The Company made a loss of \$126,419 for the half year period (31 December 2021: \$3,434,943) and at 31 December 2022 had cash balances of \$26,474 (30 June 2022: \$44,844) and a working capital surplus of \$1,023,049 (30 June 2022: \$1,749,448), including financial assets at fair value of \$1,728,000 (30 June 2022: \$1,728,000).

Subsequent to the half-year ended 31 December 2022, the repayment date of the loan facility with a company associated with a director, Mr Pitt, was extended from 1 October 2023 to 1 April 2024. The loan facility is for a total amount of \$1,000,000, of which \$700,000 had been drawn at balance date.

The Board considers that based on its assessment of cash flows it is appropriate in the Company's current circumstances to prepare its financial statements on a going concern basis.

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.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's annual financial statements for the year ended 30 June 2022 and the corresponding interim reporting period.

Accounting standards and interpretations adopted

New accounting standards and interpretations adopted 31 December 2022

In the half-year ended 31 December 2022, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2022.

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

New accounting standards and interpretations in issue, not yet adopted

The directors have also reviewed all of the new and revised Standards and Interpretations issued, but not yet effective, that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2023.

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

DIRECTORS' DECLARATION

In the opinion of the directors of the Company:

1. In the opinion of the directors of the Company:
 - a) the accompanying financial statements and notes, as set out in this Interim Financial Report, are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory reporting requirements; and
 - (ii) give a true and fair view of the Company's financial position as at 31 December 2022 and of the performance for the half-year then ended.
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c) the Interim Financial Report is in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration is signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.



Joshua Pitt
Executive Chairman

14 March 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Hampton Hill Mining NL for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
14 March 2023



D I Buckley
Partner

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Hampton Hill Mining NL

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Hampton Hill Mining NL ("the company") which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Company.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hampton Hill Mining NL does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2023



D I Buckley
Partner